

Little Chance in Legislature For Cuomo's Pension Bill

By MARK TOOR | Posted: Monday, June 13, 2011 5:00 pm

Governor Cuomo, as expected, introduced a Tier 6 pension bill June 8 that would, among other things, raise the retirement age and pension contributions for new state and city workers. Predictably, the unions raised a ruckus in response. But the word in Albany is that the bill is unlikely to pass in the current legislative session, which is scheduled to end June 20.

"I just don't think there's enough time," Assemb. Peter J. Abbate Jr., who chairs that body's Committee on Governmental Employees, said in an interview last week. He noted that only six scheduled workdays remained in the session.

'Short Notice' on Complex Bill

"I don't think it's fair to do something this technical on short notice," he added. The Cuomo administration had given him no warning about the content of the bill, he said, and "a number of unions called up and said they haven't seen anything either."

"I don't see it happening," said Norman Seabrook, president of the Correction Officers Benevolent Association, which represents those who work in city jails. "I will do everything I can to see that it doesn't happen."

He said he does not believe state lawmakers will support the bill, adding, "Each and every legislator has someone in his family who is a middle-class worker trying to make ends meet."

Assembly Speaker Sheldon Silver was celebrating a Jewish holiday and his staff would not comment on the bill's chances. Scott Reif, a spokesman for Senate Majority Leader Dean Skelos, said Republicans would have to caucus this week to decide on a course of action on the bill.

Could Later Be Revived

Legislative observers said that given other priorities of the lawmakers and Mr. Cuomo, including gay marriage and a new ethics bill, there wasn't much chance of the Tier 6 bill passing. If it doesn't, Mr. Cuomo could reintroduce it in January or call a Special Session later this year.

As is becoming common practice in Fortress Albany, Mr. Cuomo released the bill on his website and did not make himself available for questions about his intentions and strategies. His press office did not respond to a request for comment.

What's in the Proposal

Details of the Tier 6 bill, some of which were circulated last month, as outlined on the Governor's website include:

- Raising the retirement age from 62 to 65.
- Ending early retirement, which many current workers can take as young as 55 in exchange for reduced pension benefits.
- Requiring employees to contribute 6 percent of their salary for the duration of their career. Currently some employees pay 3 or 4 percent and more-senior ones pay nothing.
- Guaranteeing pension benefits after 12 years instead of 10.
- Excluding overtime from final average salary for calculation of the pension benefit.
- Using a five-year final average salary calculation.
- Excluding wages above the Governor's salary, currently \$179,000, from calculation of final average salary.
- Eliminating lump-sum payouts for unused vacation leave from the final-average-salary calculation.
- Prohibiting the use of unused sick leave for additional service credit at retirement.

Not Just State Workers

The state pension-law changes would affect employees of local governments and school districts. The changes to the city pension system, which Mr. Cuomo said he added at the request of Mayor Bloomberg, would affect the uniformed services as well as civilian employees, according to a statement on the Governor's website.

Civil-service unions were predictably displeased, with some recycling points they made after he first stated his intentions three weeks earlier. "Congratulations to Governor Cuomo for another grandstand play for the attention of his millionaire friends at the expense of the real working people of New York," said Civil Service Employees Association President Danny Donohue. He added that "current obligations are due to reforms necessitated by the Wall Street crash of recent years and a decade of public employers not contributing to the system while employees contributed 3 percent of salary."

'This is About Politics'

"The Tier 6 pension plan proposed by Governor Cuomo will have little effect on pension costs in the short-term," said Public Employees Federation President Ken Brynien. "This is about politics

and placating big-business special interests, plain and simple.” He said that the average pension for a member of the state and local employee retirement system is \$18,300 and that unlike other states that have huge unfunded pension liabilities, New York’s system is fully funded.

Mr. Seabrook said that changes in pensions won’t save money for 30 years down the road and that there are many other ways for the city to raise money now. A \$10-a-head tax on international passengers at city airports, he suggested, would raise \$500 million to \$600 million a year.

Mr. Abbate said that unions will pressure the Legislature in the future to create parity in benefits, arguing that an employee with 18 years on the jobs should not get lower benefits than an employee with 19 years. Mr. Seabrook said newly-hired Correction Officers put their lives on the line just as veterans do.

“Every time we have a budget deficit, we can’t come up with a new tier,” Mr. Abbate said. Mr. Brynien noted that “the ink is barely dry on Tier 5,” which was passed two years ago.

And on the Other Side...

The proposal received a more-welcome reception from municipal employers, school boards and Mr. Bloomberg.

“By making sensible pension reforms that won’t impact a single current employee or existing retiree, this legislation will create \$30 billion in savings over the next 30 years for the city,” Mr. Bloomberg said.

“This plan will ultimately save billions in taxpayer dollars while providing a stable, secure retirement system for public employees,” said Peter Baynes, executive director of the New York Conference of Mayors.

“In recent years, most school districts have had to freeze or cut all other spending to absorb steep pension-cost increases,” said Robert J. Reidy Jr., executive director of the New York State Council of School Superintendents. “This plan will save billions in taxpayer dollars and provide much-needed relief to school districts all over New York State.”