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The Pension Explosion: A Taxpayer's Nightmare

By [GABE PRESSMAN](#)

Updated 5:45 PM EDT, Wed, Jul 7, 2010



Getty Images

The civil servants who have worked for their fellow citizens for many years certainly deserve pensions. Yet the financial consequences of the existing pension system are disturbing---and the whole structure needs scrutiny and reform.

I spoke to [Carol Kellermann](#), president of the [Citizens Budget Commission](#), a watchdog group. She said: “The system is out of control. Costs are going up at an increasing rate. And most elected officials don’t seem to comprehend what’s happening or to care about it.”

In some states, Ms. Kellermann points out, the government has made no provision for handling the explosion of pension costs. [New York](#) has been able to meet the situation with more prudence -- but, inevitably, she says -- other items in the budget will have to suffer to meet the soaring pension bill.

The politics of New York has brought on this “out of control” situation. Over the last half century, I’ve seen unions representing public employees exert strong influence over governors, mayors and law makers. An early symptom of this trend: the heavy settlement [Mayor John Lindsay](#) gave [Mike Quill](#)'s transit union in 1966. Like a row of dominoes, similar settlements were soon awarded to other unions.

The sweetheart relationship between unions and politicians, both on the state and city levels, hasn’t ended to this day. Unions contribute heavily to political campaigns and their members get rewarded by the elected

representatives of the people.

The problem is that the people, in the long run and the short run, have to pay for it. And their children and grandchildren will have to pay for it too.

On top of this there's the matter of pension padding. Pensions are based on the last years of a retiree's service and there's a tendency, as the [Daily News has disclosed](#), of employees stacking up lots of overtime in their last years of service. That means they get a lot more in retirement benefits.

[The Post cites the example of a firefighter](#) who is a champion long-distance runner but collects an [\\$86,000 yearly disability pension](#). Disability! Kellermann calls this man "a poster child for what's wrong with the pension system."

Now [Attorney General Andrew Cuomo confirms](#) that workers across the state are inflating their pensions by accumulating overtime in their last years of employment. One highway worker went from no overtime to 539 hours of overtime in his final years before retiring.


Many taxpayers have only their savings and social security benefits to fall back on when they retire. Pensions from private industry are often meager or shaky. But government employees here in New York are relatively secure.

The injustice is that taxpayers have to foot the bill for a pension system that is costing us more than we can afford. And, as the economy falters, we have to determine how to balance the needs of government retirees and the rest of us.

First Published: Jul 7, 2010 3:08 PM EDT

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