



Published in the

NEW YORK POST

Principals' Pension Deal Makes Teachers Plan Look Like A Steal

By Kirstan Conley and Carl Campanile

October 7, 2016

City teachers don't have the best retirement deal in town — that perk goes to more than 20,000 school principals, supervisors and other school workers collecting a guaranteed 8.25 percent return on their pension savings.

"The people with the highest salaries are getting the highest guaranteed interest returns," said Citizens Budget Commission -research director Charles Brecher.

The **CBC** issued a report Wednesday warning that a Tax Deferred Annuity authorized by the Legislature two decades ago guarantees teachers a 7 percent a year return no matter what's happening with bank interest rates.

And these days, those rates hover at about 1 percent.

So taxpayers are on the hook to cover any shortfalls.

As astonishing as that might be, the CBC said school employees who are not members of the United Federation of Teachers are collecting even more generous -interest payments of 8.25 percent on their annuities.

That's because the UFT in 2009 agreed to cut the guaranteed rate of return from 8.25 to 7 percent in exchange for reducing teachers' pre-semester preparation periods by two days.

But higher-ranking administrators and other school workers who were not UFT members opted out of the cutback.

The Council of Supervisors and Administrators — the union representing principals and assistant principals — was intent on keeping the 8.25 percent, a former city official recalled.

"They did not want to negotiate changes," said former Labor Director James Hanley.

Envious teachers told The Post Thursday they're still annoyed that the UFT agreed to the reduction while another educators union stood its ground.

"Our union sold us out. We were not consulted," said Esther Blumenfeld a retiree who taught Spanish at Stuyvesant HS.

Blumenfeld is doing well, however. She said she receives a nearly \$50,000-a-year traditional pension and has \$1 million in her annuity.



Published in the

NEW YORK POST

There are now 137,000 participants in the Teachers Retirement System Tax Deferred Annuity, including 51,000 retirees. But only 3,000 are drawing down their fund balances.

The costs to taxpayers have skyrocketed from \$238 million in 2007 to \$1.2 billion last year.

City Hall and Albany would have to confront the powerful teachers union to rein in the retirement program.

There are no signs that they're ready to do that. Gov. Cuomo and legislative leaders — Assembly Speaker Carl Heatie (D-Bronx) and Senate -Majority Leader John Flanagan -(R-Suffolk) — declined to comment Thursday.