

CITIZENS BUDGET COMMISSION

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CBC STATEMENT ON RECENT PENSION SWEETENER LEGISLATION

New York, NY – July 20, 2009 – The Citizens Budget Commission (CBC) today issued the following statement by CBC President Carol Kellermann:

As pension sweetener "season" came to an end during the Senate's session last week, the Legislature passed two bills that enhance public employee benefits. A7993/S5541 allows certain police and firefighters to be eligible to collect two pensions, one from their uniformed service and one from a civilian public position. A8371/S5557 allows New York City Emergency Medical Technicians who have been granted disability pensions to collect that pension and to work in other civil service jobs, even though they have been determined to be disabled.

Nevertheless, it was an atypically prudent season--out of over 100 sweetener bills that were introduced, only a handful were passed by both houses. One of these--the Tier II extender for the Police and Fire unions--has already been vetoed by Governor Paterson. This sea change is a positive development for New York's taxpayers and local officials who face rapidly rising costs from already generous pension plans. In the next year alone, pension contributions required of local governments are expected to jump 60 percent.

The Legislature's slowed activity in this area is encouraging, but much more must be done to bring New York's pension costs down. The only long-term correction for excessive pension costs is a new tier, which offers new employees benefits that are still generous, but more affordable than those available to current workers. To solidify the Governor's agreement with labor leaders, we urge him to show the same determination evidenced by his veto of A3426. He should veto every pension sweetener that reaches his desk, including A7993 and A8371, until Tier V is a reality. When the Legislature returns to address this year's budget shortfall, a bill adopting Tier V should be one of its top priorities.

A scorecard tracking pension sweetener bills is available at www.cbcny.org.

Founded in 1932, the Citizens Budget Commission is a nonpartisan, nonprofit civic organization devoted to influencing constructive change in the finances and services of New York State and New York City governments.