



May 29, 2009

Hon. David A. Paterson
Governor
Executive Chamber
State Capitol
Albany, NY 12224

Dear Governor Paterson:

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Carol Kellermann

**Executive Vice President
and Director of Research**

Charles Brecher

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Elizabeth Lynam

I am writing on behalf of the Citizens Budget Commission to ask that you veto A3426/S1409, which was delivered to your desk for action on May 21, 2009. The bill would extend Tier II provisions to all police officers and firefighters who join a public retirement system on or after July 1, 2009 to July 1, 2011. The bill is in direct opposition to your interest--and Program Bill #32--in advancing Tier V legislation. Conferring Tier II status on new police and fire hires would prevent the application of the provisions of any new tier to those employees.

As you know, uniformed employees already have some of the richest pension benefits available to public employees in New York State. Their retirement ages and percentages of final average salary are much more generous than those allowed for civilian employees. Most retire at relatively young ages with replacement income that exceeds half their final salaries. For example, last year fully 86 percent of the uniformed employees that retired from the New York State Police and Fire Retirement System were under the age of 60 and were slated to receive lifetime pension payments that ranged from \$48,900 to \$66,586 per year. These relatively large pension amounts are accompanied with required pension contributions that are twice as high for employers of uniformed employees as for civilians. Public employers are expected to contribute 20 percent of salary to fund the pension of a uniformed employee while the equivalent figure for civilian employees is 11 percent.

Simply put, if Tier V is to be effective in curbing rising state and local pension costs, new uniformed employees must be eligible for Tier V benefits along with civilian employees. Any effort to exempt them, even on a temporary basis, should be rejected. Such measures exacerbate existing inequities among public employees, and could become an annual tradition as has been the case with some public employee protection bills. We know you are committed to the addition of a Tier V and ask that you resist any effort to exempt certain classes of employees from its provisions. Please veto A3426/S1409.

Sincerely,

Carol Kellermann
President