

CITIZENS BUDGET COMMISSION

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CBC STATEMENT ON PENSION REFORM AGREEMENT BETWEEN THE MAYOR AND THE UFT

New York, NY – June 23, 2009 – The Citizens Budget Commission (CBC) today issued the following statement by CBC President Carol Kellermann:

“The agreement announced last night between Mayor Bloomberg and the leadership of the United Federation of Teachers is an important step forward in the on-going effort to modernize and make affordable for taxpayers the pension system for New York's state and local government employees. It follows the landmark agreement announced June 9, 2009 among Governor Paterson and two unions representing the state's civilian employees that raised the retirement age for new workers from 55 to 62, increased their required contributions to the pension funds, and increased the required number of years of service for benefits to be vested.

The Mayor's agreement with the UFT also increases the time for vesting benefits and increases the workers' required contributions, but it does not change the current retirement age of 55. Future negotiations with the UFT, whose current contract with the Department of Education expires in October, should pursue additional reforms in the pension system as well as structural improvements in teacher pay schedules such as differential pay for teachers in shortage areas such as math and science and enhanced merit pay.

The next challenge for the Mayor and the Governor is to reach pension reform agreements with uniformed workers. Particularly at the municipal level, retirement benefits for police officers and firefighters have become excessively expensive. The Mayor and the police and fire union leaders should waste no time in responding to this fiscal emergency. Billions of taxpayer dollars are at stake.”

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 City and New York State governments.