

# Many LI government retirees earn 6 figures

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ALBANY - The number of nonteacher retirees receiving six-figure government pensions in New York spiked by 20 percent last year and Long Islanders account for almost half of those in the entire group, state records show.

Nearly 300 state and local government employees qualified for an annual pension of at least \$100,000 when they retired in fiscal 2010-11, according to the state comptroller's data.

That brought the statewide total in the six-figure category to 1,652 people -- a 20 percent jump in one year. Over the past three years, the number has risen 60 percent.

About 750, or 45 percent, of the 1,652 retired from governments on Long Island, including counties, towns and villages. Almost 600 of them are police retirees -- 425 from Nassau County and 166 from Suffolk County, according to records.

The data cover the largest of the state pension funds, the more than 350,000-member New York State and Local Retirement System. The other main pension fund covering public employees outside New York City, the 140,000-member Teacher Retirement System, includes numerous retirees, many of them former Long Island school superintendents, with six-figure pensions.

"The numbers speak for themselves -- the pension system as we know it is unsustainable," Gov. Andrew M. Cuomo told Newsday. "We can't afford the public pension system we have in this state. . . . It's unaffordable for local governments. It's unaffordable for the state government."

The spike in \$100,000 pensions comes as state and local governments are being squeezed by a troubled economy, lingering unemployment and declining tax revenues -- as well as rising pension costs. Cuomo expects to face at least a \$2 billion state budget deficit next year.

## *Cuomo again seeks reform*

The governor has said pension reform will be a top agenda item when the new legislative session begins in January.

He has proposed a new, less expensive level of benefits for future hires. But his "Tier 6" plan is facing stiff opposition.

When Cuomo introduced the plan in June, Steve Madarasz, a spokesman for the Civil Service Employees Association, called it a "kick in the teeth" and "more evidence the governor doesn't care about working people."

Senate Majority Leader Dean Skelos (R-Rockville Centre) supports the concept of pension reform but hasn't committed to backing Cuomo's version. Assembly Speaker Sheldon Silver (D-Manhattan) noted the state implemented a new set of lower benefits just two years ago and said he needs to see its impact before committing to a new tier.

In announcing pension contribution rates for 2012, state Comptroller Thomas P. DiNapoli said local governments will pay about \$400 million more into the pension fund compared with 2011 because of the economic upheaval that began with the 2008 stock market dive. The fund, heavily invested in stocks, was valued at \$155 billion just before the economic downturn, but fell to \$110 billion in March 2009. It now stands at \$146.5 billion.

Meanwhile, pension payouts are climbing. DiNapoli issued an annual state financial report this month that showed the pension fund paid \$8.4 billion in benefits to retirees in 2011, up from \$4.2 billion in 2001.

"If you look at the numbers, it underscores the need for reform," said Edmund J. McMahon of the Empire Center, a conservative think tank that favors cutting taxes and restructuring public-employee benefits. "More and more public employees, particularly police and fire, are receiving six-figure pensions. We are now reaching the point where six-figure salaries at the end of one's career are the norm for police and fire."

Others say the problem is not the pension fund, but the nation's overall economic slump.

"It's very clear that we wouldn't even be having this discussion about pensions if we weren't still trying to dig ourselves out of the Great Recession and the effects it's had on state budgets everywhere," said James Parrott, deputy director and chief economist of the labor-backed Fiscal Policy Institute.

"The real problem is how do we get the economy going again -- not how do we save a few dollars by taking away something from workers," he said. "We need to get the economy moving again so all workers can have a secure retirement."

### *Six figures still exception*

Parrott noted that six-figure pensions remain the exception. The comptroller's office reports the average pension as \$29,300 for civilian workers, and \$63,000 for police and fire department retirees. The pension is based on the retiree's highest-paying three consecutive years of government employment.

Still, the growth in big pensions has been dramatic in the last few years. Statewide, the number of people with six-figure pensions grew from 1,081 in 2009 to 1,378 in 2010 before reaching 1,652 in 2011.

Phillip W. Wood, a former vice chancellor for the State University of New York, is first among all state and local government workers who retired in fiscal 2010-11 with an annual pension of \$186,295.

Six Long Islanders who retired in 2010-11 had pensions of more than \$140,000.

Arnold Conrad, a cardiologist with the Nassau Health Care Corp., a public benefit corporation that runs Nassau University Medical Center, the county's only public hospital, gets a \$164,457 pension -- the highest of any Island retiree and the fourth highest in the state.

John G. Fallon, a former Nassau County police officer, was next at \$151,084, the 10th highest statewide, followed by: Steven Bregman, who was director of the Bellmore Memorial Library, \$151,078 (11th); Terrence G. O'Brien, a former Nassau County police officer, \$146,789 (13th); Michael J. Fleming, a retired Nassau cop, \$143,940 (16th); and Hollye I. Gilbride, a former investigator with the Suffolk County district attorney's office, \$140,255 (20th).

Attempts to reach the top pension recipients were unsuccessful.

James Carver, president of the Nassau Police Benevolent Association, acknowledged that county officers' pensions surpass statewide averages. He said they were not out of line with other Island police agencies or the local cost of living.

"Obviously, our pensions are higher on Long Island than throughout the state," he said. "Our salaries are higher. Our costs of living are higher."

The Nassau County Police Department accounted for six of the 10 largest Long Island-based pensions among those who retired in 2010-11.

"I look at this way: Those pensions were earned," said Jeff Frayler, Suffolk PBA president. "You came in and you dedicated your life to serving the public and with that came certain benefits."

The most immediate fight Cuomo will face will be over his Tier 6 system for future hires, which fell behind the legislative focus on gay marriage and the property tax cap this year.

The governor says the plan would save taxpayers \$93 million over a 30-year period by, among other things, raising the retirement age to 65 from 62, ending early retirement and requiring employees to contribute 6 percent of their salaries toward pensions.

*Changed just two years ago*

But the proposal comes just two years after Cuomo's predecessor, Gov. David A. Paterson, reduced pension benefits for future employees with a Tier 5. Key provisions included doubling the amount of time a worker needs to become vested to 10 years, and increasing the retirement age from 55 to 62 for most workers.

Assemb. Peter Abbate (D-Brooklyn), chairman of the Committee on Government Employees, noted that the state went almost 30 years before Paterson's Tier 5 was created in 2009.

"You've got to study how a system is working and you can't do it every two years," Abbate said. "That's government by reaction. You've got to study it so you can design one that can last another 20 years. I'm not against changing the system -- you can't just do it so haphazardly."