The truth about pensions

MAYOR BLOOMBERG has gone full Wisconsin over city employees' pensions. He demands that the State Legislature make public service workers pay more and work longer for smaller pensions.

He tells the public the myths that retired city workers are living in luxury, busting the budget and driving taxpayers' bills sky-high.

MYTH: Most city workers get huge pensions.

THE TRUTH: Retired civilian employees get modest pensions, averaging only $17,200 a year, according to the NYC Employees Retirement System. Non-teaching school employees get even less — an average of $13,600.

That's not much for dedicated public service workers who spent their lives caring for hospital patients, preventing child abuse, fighting rat infestations, cooking nutritious lunches for schoolchildren and counseling them against drug use.

Retired clerical worker Kathleen Rezek lives on $2,200 a month. Pensions of retired civilian city workers average $17,200 a year.

MYTH: City employees don't pay for their pensions.

THE TRUTH: City employees contribute a share of their pay toward pension costs. Employee pensions are funded with contributions from workers, the city and investment earnings.

Over the years, city employees have accepted lower wage increases to help fund their health insurance and other benefits, including their pensions. The City Comptroller's chief economist found that NYC municipal employees make 17% *less* than their private sector for-profit counterparts.

MYTH: Excessive benefits caused pension system underfunding.

THE TRUTH: The Great Recession and the Wall Street crash — caused by bankers' excessive greed — caused most of the recent shortfall in pension funding.

New York City lost $46 billion over the past 10 years on investments that Wall Street firms knew were losers. But pension system investments are now on the mend, earning strong returns and cutting the need for added city funds.

Retired social service worker Dorothy Sharpe Spratt gets a monthly pension check of $815 ($9,780 a year). With Social Security, her total annual income is $26,244.

MYTH: The city cannot afford to continue to pay for the pensions of its employees.

THE TRUTH: To help address the city's fiscal challenges, the wealthy must pay their fair share in taxes.

The budget should be balanced through shared sacrifice. Rather than cutting retirees' modest pensions and balancing the budget on the backs of hard-working public employees, politicians should continue the "millionaires' tax" on the wealthiest 3% of New Yorkers, which is set to expire this year.

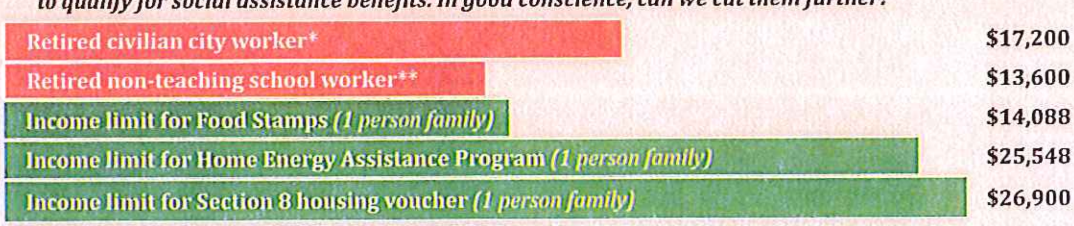
A FAIR SOLUTION: The city should deal with its budget problems by cutting the $10 billion it pays each year for overpriced private consultants and contractors, capturing uncollected business tax revenues, and closing the tax loopholes that let the wealthy and corporations avoid paying their fair share.

The City Council and State Legislature should protect everyday working people instead of favoring the billionaire Mayor's Wall Street friends, who caused the worst recession in recent history, sunk the economy and damaged the pension system. It's only fair for them to be held accountable and pay for solutions.

After 35 years protecting city schoolchildren, Crossing Guard Sallie Robertson gets a pension of $790 a month ($9,480 a year). The average pension of non-teaching school employees is $13,600 a year.

THE TRUTH: Modest pensions for retired City workers

The Mayor says retired City workers live in luxury, but that's a myth.
Figures from the retirement systems show that average civilian employee pensions are low enough to qualify for social assistance benefits. In good conscience, can we cut them further?



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