



Fix Tier 6 – pension reform

Dear Legislator:

As a constituent and/or a state employee represented by the Public Employees Federation (PEF), I ask that the final budget agreement contain Tier 6 pension reforms to help make the state a competitive employer in this current labor market. These needed changes would help greatly with recruitment and retention of state employees, as well as provide a general sense of fairness.

New York is experiencing a staffing crisis, with 12,500 fewer state employees than before the pandemic. In 2022 state employees worked 22 million hours of overtime at a cost of \$1.35 billion. As a result, New Yorkers receive reduced and slower services, whether it is unemployment insurance, health care, mental health services or keeping our communities safe.

The Tier 6 retirement plan for state workers hired after 2012 provides much lower benefits to new workers and is often mentioned as one of the main reasons why workers leave state service. You made progress two years ago by reverting vesting time back to five years and temporarily removing overtime from pension contribution calculations for employees.

Now, we must lower the pension contribution rate to 3% for all employees. A higher percentage for newer workers is a disincentive for them to make a career of public employment and penalizes those who receive promotions or negotiated raises. A well-deserved retirement is one of the most attractive benefits of state employment and the 3% rate should be the standard for all workers.

Other changes needed to provide pension equity include returning to calculating pensions with 2% of salary after 20 years of service, using the highest three consecutive years of salary as the final average salary, and including an option for earlier retirement for members with more than 30 years of service. These reforms will put Tier 6 members back in line with their co-workers who are in Tier 4.

As my elected representative, I ask that you work with the leadership in your house to amend the state's pension program to better attract new employees and provide equity for current employees. Thank you for your time, attention, and consideration of this very important issue.

Sincerely,
