

Tier III plan passes Senate

Advance Albany Bureau

ALBANY — The Republican-controlled Senate voted 53-6 yesterday for improving the pension deal for state and city employees hired after 1976.

But it was reported last night that Gov. Mario M. Cuomo was sending the legislature amendments to the bill, a move that could perpetuate argument over the so-called Tier III pension system.

Under the plan as officially approved so far, Tier III workers must continue, unlike those hired earlier, to contribute 3 percent of their salaries toward the pensions.

But the plan also would eliminate the current deduction of half a retired Tier III worker's social security stipend from the pension.

In voting with the majority — led by Assembly Majority Leader Warren Anderson — Sen. John J. Marchi, R-Ward Hill, said he found arguments from Mayor Edward I. Koch against the changes "unpersuasive on the merits."

Marchi's position tended more toward that of Anderson, and also of Cuomo, who on Tuesday announced his own basic compatibility with the GOP plan and in turn drew statements of support from leaders of the Democratic-controlled Assembly.

Asked if he had any drawbacks about going against Koch, who denounced the plan in a letter Tuesday as "a mistake of tremendous proportions" Marchi said "absolutely none."

He said his regret yesterday was restricted to having voted for Tier III when it was first enacted.

"The only argument that's open, is the question of whether it should be a permanent plan," he said.

But flaws like those found in the current

system would be intractable if Tier III did not depend on extensions from the legislature, he said.

The current system expires June 30. Cuomo has supported a four-year extension, Anderson two years.

Marchi has had heavy civil service support in prior campaigns but also a reportedly close political alliance with Koch.

GOP figures on the issue showed a cost to the city of \$8.4 million, lower than the \$10 million to \$13 million estimates previously given out.

Proponents of changing the pension system note that the figure is set against a \$30 billion state budget. Cuomo said his amendments could add another \$6 million to the whole new cost.

Marchi also took issue with statements from city lobbyists, Koch, and the New York Chamber of Commerce and Industry, that the state and city would now be open to dismantling of a needed pension reform enacted during the fiscal crisis.

Saying he argued heavily in meetings in the Senate chamber for the changes, Marchi also assailed statements by school boards that the return for public workers was better than that of most private pensions.

Workers do not pay into those private pensions, he said.

Sen. Martin Connor, a Democrat whose district partially covers Staten Island, said "It's a cheap bill. It's cheap to our public employees. But it's better than the super-cheap pension plan that they've been stuck with."

Connor said he knows of a few state workers in his district who due to certain interruptions in their public service jobs are already feeling early the bad effects of Tier III.