

New Tier III pension wins Cuomo OK

ALBANY, N.Y. (AP) — The state Legislature is set to approve, possibly today, legislation to sweeten the pension plan for the state's most recently hired public employees.

The stage was set for the approval when Gov. Mario Cuomo announced yesterday that he would accept changes — less costly for the state than his proposals — in the so-called Tier III pension system recommended by state Senate Majority Leader Warren Anderson, R-Binghamton.

But even Anderson's proposals for change will cost the state, local school boards and New York City at least \$20 million in the first year of the new program. Cuomo's recommended changes could have doubled that cost.

"It's the only way I can find out of what I see as an impasse," said Democrat Cuomo of his move on the so-called Tier III pension system.

Anderson, the Legislature's most powerful Republican, has proposed eliminating the requirement that state pension payments for most Tier III retirees be reduced by 50 percent of whatever Social Security benefits the pensioner receives.

Currently, Tier III public employees are required to contribute 3 percent of their salaries to their pension funds and live with the Social Security "offset." Both Cuomo and Anderson have said they are in favor of retaining the 3 percent contribution.

The Tier III system was adopted as a money saving measure in the wake of the 1975 New York fiscal crisis. It applies to about one-third of the state's approximately 950,000 public employees.

The move by Cuomo yesterday appeared to end a fight over Tier III due to expire on June 30.

One thing Cuomo wanted done was the elimination of a requirement that the Social Security offset be applied to state prison guards — a unique feature of the Anderson bill which would impose the offset on prison guards for the first time while taking it off the other public employees. Currently, prison guards are exempt from the offset provision.

However, while prison guards are allowed to retire and get pensions after 25 years of state service whatever their age, other public employees — under the Anderson plan — wouldn't be able to get retirement benefits until they reach age 62.

What Cuomo would do is get rid of the proposed offset for prison guards and allow any employee to get retirement benefits at age 55 if they have 30 years of service.

The Cuomo proposals would also eliminate the 3 percent contribution after 30 years of service.