

Blame Albany

Why TWU aims high



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A PROPOSAL by the Metropolitan Transportation Authority to restructure employee pensions reportedly was the issue that precipitated this week's illegal strike by Local 100 of the Transport Workers Union.

Having dropped its demand for a higher retirement age, the MTA's final offer seeks a larger pension contribution from new hires only, not current employees. On top of a 10.5 percent raise over three years, all transit workers would continue to enjoy guaranteed pensions that are lavish by private-sector standards.

Why did the TWU go ballistic over such a seemingly moderate pension proposal?

A good part of the answer lies in Albany.

The TWU, like other New York government-employee unions, has had inordinate clout in the state Capitol. Consider its recent track record:

■ In 1994, then-Gov. Mario Cuomo signed a law giving transit workers the right to retire at age 55, with a half-pay pension, after just 25 years on the job. At the time, employees opting for this 25/55 benefit were required to make an added pension contribution equal to 2.3 percent of their annual salaries.

■ In 2000, as part of a series of pension sweeteners affecting every government employee in the state, Gov. George Pataki and the Legislature agreed to reduce transit workers' regular pension contributions by one-third, and to eliminate the added contribution for the 25/55 benefit. This effectively amounted to a 3.3 percent increase in transit workers' base pay, on top of pay hikes in that year's contract.

■ In 2003, fresh from another negotiation with the MTA, the union persuaded state legislators to introduce a bill allowing transit workers to retire with half-pay pensions at age 50, after just 20 years on the job.

Coming at a time when the state, city and MTA were awash in red ink, the 20/50 pension sweetener would have cost more than \$100 million a year. Nonetheless, just before adjourning in 2003, the Legislature approved the bill. The vote tallies were as good as it gets — 148-0 in the Democrat-dominated Assembly, and 62-0 in the Republican-controlled Senate.

Pataki killed the measure with a "pocket veto" in early 2004. Even then, however, he didn't object in principle to 20/50 pensions. Instead, in a tepid veto message, the governor cited technical problems with the bill, expressed qualms over its cost and said he was



Pataki: Has joined in past giveaways to transit union.

"constrained to disapprove the bill" based on the objection of the MTA and Mayor Bloomberg, "who contend that this type of enhanced benefit should be the subject of mutual agreement through collective bargaining."

Since then, despite skyrocketing growth in pension costs for every level of government as well as the MTA, pension sweeteners for public workers have continued to receive a warm reception at the Capitol. In the 2005 session alone, both houses of the Legislature passed at least 46 bills increasing pensions for entire groups of employees, at a total estimated cost of more than \$100 million in onetime or recurring expenses to taxpayers.

Among them was yet another bill boosting pensions for TWU members — this one granting the ability to retire at age 50 to transit cashiers — adopted by a combined vote of 198-1. Pataki vetoed it on grounds similar to those he cited in rejecting the broader sweetener a year earlier.

This, then, was the context in which the TWU approached its 2005 contract negotiations. With the Legislature on record in unanimous support of their key pension objective, transit workers had

every reason to believe they were on a roll. The natural next step was for Roger Toussaint to include a 20/50 pension sweetener in the TWU's list of contract demands this year — which is precisely what he did.

Reducing pensions, even for future employees, was the last thing on transit workers' minds. To make matters worse, from the union's perspective, the MTA is effectively asking future union members to subsidize the fatter pensions of current workers — fatter pensions that the MTA, the governor and the Legislature all agreed to just a few years ago.

To the vast majority of New Yorkers, who must save for their own retirements and pay for at least a portion of their health insurance, the MTA's position in the contract talks no doubt looks both fair and reasonable. But transit workers don't live in the same world as their passengers — not those employed in the private-sector, at any rate.

The TWU inhabits a public-sector universe of ironclad job security, steady pay increases, constitutionally protected pensions and free lifetime health coverage. And from this perspective, there's always some other bargaining unit with a better seat on the gravy train.

The union alone obviously bears the ultimate responsibility for the illegal strike that is making New York miserable. But in doing so much to stoke the TWU's sense of entitlement, Albany politicians certainly didn't help to prevent it.

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