

FOR THE RECORD

**Testimony of the
United Federation of Teachers**

**Before the New York City Council
Committee on Civil Service and Labor**

April 7, 2010

The United Federation of Teachers (UFT) would like to thank Chairman Sanders and the distinguished members of this committee for the opportunity to offer testimony in support of Intro 24-A, which will amend the city's administrative code as it relates to the health insurance of certain retired educators.

We at the UFT take very seriously our role in supporting and protecting New York City's public schools as well as the communities in which we work and live. Every day, we are working hard to ensure that our students are receiving the quality education they deserve and that our city is as strong and vital as it can be.

Last year, in the midst of the devastating economic downturn, an important opportunity presented itself during our discussions with the City's Office of Labor Relations: The chance to save New York a significant amount of money each year while at the same time lock in key measures that help us recruit and retain quality educators for the public school system.

It was an opportunity too important to pass by. On June 22, 2009, the city and the UFT announced a joint agreement that preserved an age-55 retirement benefit for UFT members as well as members' health and pension benefits, while also modifying pension plans for newly-hired UFT members. The savings generated by the terms of the agreement are projected to be approximately \$100 million a year over 20 years.

The legislation you are considering today is an offshoot of that agreement. Intro 24-A would raise the health insurance and welfare benefit coverage eligibility requirement for retired UFT educators from 10 years of credited service to 15 years. The retiree eligibility requirement last rose in 2001, when it went from 5 years to 10 years.

Please note that this proposal would not affect current educators, active or retired. Instead, it would apply only to UFT-represented employees in the Teachers Retirement System (TRS) and the Board of Education Retirement System (BERS) who were hired after this legislation is enacted.

This new proposal, which would still allow affected educators to remain vested for pension purposes after 10 years of credited service, also changed the school year calendar for educators, returning them to their traditional start date after Labor Day. As part of the agreement, students will not lose any days of school.

This legislation has been carefully considered by the various parties involved in the agreement, and we believe that it moves our school system forward in a positive way while also significantly contributing to the city's fiscal health and stability. The deal was reached in the same spirit of cooperation and collaboration that helped New York navigate the fiscal crisis of the 1970's, and we are confident that this agreement will provide meaningful savings for years to come.

We therefore strongly urge you and your colleagues on the City Council to support Intro 24-A. Thank you.

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**Statement to the New York City Council
Committee on Civil Service and Labor
Hearing on Proposed Intro. 24-A**

By: Richard Yates
Deputy Commissioner
NYC Office of Labor Relations
Date: April 7, 2010

Good morning Chairman Sanders, and members of the Civil Service Labor Committee. My name is Richard Yates I am a Deputy Commissioner at the Office of Labor Relations. I am here today to testify in support of the UFT health insurance bill that is currently before this Committee.

Intro 24-A amends section 12-126 of the Administrative code and increases, from 10 to 15, the number of years of credited service that a newly hired UFT represented employee will need to work before they will be eligible to receive retiree health insurance and welfare fund benefits.

This bill is necessary to enact a portion of a previously negotiated agreement between the city and the UFT, which was entered into on June 22, 2009. As part of this negotiated agreement, the UFT agreed to provide savings to the city through changes to their existing pension, tax deferred annuity and health insurance coverage and the savings associated with these changes were applied to fund certain schedule changes for UFT represented employees.

While the pension and tax deferred annuity changes have recently been achieved through state legislation, the health insurance portion of the Agreement requires City Council action in order to amend section 12-126 of the Administrative Code.

It is important to note again that this was a voluntary agreement, which was negotiated at the bargaining table between the City and UFT and that this legislation is necessary in order to implement what was agreed to by the parties. It is also important to note that, under the terms of the Agreement, if this proposed bill is not enacted, the parties would be required to re-open negotiations to find alternative sources of funding. Neither party wishes that to happen. Instead, both would urge that the proposed bill be enacted as soon as possible since it was the negotiated result of the collective bargaining process.

Thank you for your time.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 24-A Res. No. _____

in favor in opposition

Date: _____

Name: Richard Yates OLR Deputy Commissioner
(PLEASE PRINT)

Address: 40 Rector St

I represent: OLR - City of New York

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆