



S U P P O R T

MEMORANDUM IN

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OF

S. 5593 – Golden / A. 7602 - Abbate

The CSEA strongly supports this legislation.

This legislation amends section 517-c(i) of the retirement and social security law to eliminate the lifetime reduction of a pension payment when an outstanding loan is repaid in full.

State and local government employees that are members of the New York State and Local Employee Retirement System (ERS) are eligible to take loans from the retirement system and repay them over a five-year period. However, some employees retire with an outstanding loan. To ensure that the loan is repaid, the Comptroller is required to reduce their pension payment. However, this reduction continues in perpetuity, even after a loan has been repaid.

ERS pensioners receive, on average, about \$22,000 annually. The reduction of even a portion of this income makes it difficult for a retiree to afford to pay for the increasing costs of food, energy, and medical care. This legislation strikes a balance of ensuring that loans are repaid to the retirement system while also ending the practice of financially penalizing a retiree for the remainder of their life.

On behalf of 300,000 active and retired public and private employees across New York State, CSEA urges passage of this legislation.

Respectfully submitted,

Fran Turner
Director