

WATCHDOG REPORT

PENSION NUMBERS GROW

Teachers collecting benefits, average payouts increase statewide

Joseph Spector and Sean Lahman Staff writers The number of teachers and school administrators in New York collecting pensions increased 9 percent between 2010 and 2013, and the average pension grew 6.5 percent over that period, records show. Teacher pension records had been sealed by the retirement system amid a court fight over whether the details on individual pensioners should be public.

The state's highest court ruled in May that the information is public. The data reviewed by Gannett's Albany Bureau revealed new details about the number of teacher pension recipients in the state and how much they are receiving in retirement.

The pensions also varied significantly by region, ranging from an average of about \$34,000 in Ithaca to \$60,000 in Yonkers, where the cost of living is much higher, the data show.

A total of 147,156 individuals drew a pension from the Teachers Retirement System in 2013, up from 135,671 in 2010.

The New York State United Teachers union said there are a number of reasons why retirements are on the rise. Many teachers held off retiring during the recession in 2008 and 2009.

"As the economy recovers, it appears that New York's most senior teachers are now making the difficult decision to leave their students and retire," NYSUT spokesman Carl Korn said.

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CARL KORN

NYSUT spokesman

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Pensions

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early retirement incentives because of tough fiscal times, and Korn said some teachers have retired amid the controversy over new, tougher testing standards and teacher evaluations.

Korn said the increase in average teacher pensions is due mainly to older teachers retiring with decades in the system.

"The additional years of service to their students and school districts contributed to higher final average salaries and, ultimately, greater retirement security — something all New Yorkers should have," he said.

More retirements are on the way. In the 2012-13 school year, nearly 13 percent of teachers were aged 57 to 64, so about one of out seven teachers were approaching retirement age, state records showed. Another 19 percent of teachers were aged 49 to 56.

The largest pension went to James Feltman, who retired in 2010 as superintendent of the Commack school district in Suffolk County. He collected \$325,854 from the pension fund in 2013. That's just slightly more than Sheldon Larnilow from Half Hollow Hills on Long Island; he's receiving an annual pension of \$322,650 since his 2011 retirement.

Nearly 2,300 people collected pensions of \$100,000 or more. Seventy- one of them retired from the Central Islip schools in Suffolk County, the most of any district in the state.

Statewide, the average pension for school retirees was \$41,752 in the 2012-13 school year. It was \$39,193 in 2010.

Central Islip's retirees averaged \$77,539. Retirees from the Syracuse district averaged \$37,618, while the average pension for the 374 retirees from the Ithaca city school district is \$33,618.

Among retirees in the city of Poughkeepsie schools, the average teacher pension was \$45,185. It was about \$43,000 in both Rochester and Buffalo city schools.

The average pension was less in the Southern Tier: about \$39,000 in the Binghamton and Elmira city schools.

The increase in pensioners comes as the teachers' pension fund, which serves 277,000 active members and nearly 150,000 retirees, has been strained.

The state's Teachers' Retirement System missed its expected rate of return of 8 percent over the past five and 10 years. As a result, it has steadily increased contribution rates for school districts.

Pension costs for the state's roughly 700 school districts rose 37 percent this school year, which started July 1, and will increase 8 percent next school year.

The retirement system has defended its 8 percent rate of return, saying it's a long-term investor and it remains one of the bestfunded plans in the nation.

But the increase in retirements has led to increases in payouts.

Between 1993 and last year, the system paid out four times more than what it took in: \$17.5 billion came in from member and employer contributions and \$73.2 billion was paid out in benefits.

What's kept the pension afloat is that the return on investment soared over 20 years: from \$39 billion to \$95 billion. E.J. McMahon, president of the Empire Center for State Policy in Albany, said the teachers' pension system is hurt by its lofty rate of return estimates — requiring the system to recoup more from districts to make up the difference with its performance in recent years. "This is a continuing game of catch up, and we're still not caught up," he said. "We may never be caught up."

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