



# New York

**EVEN ADJUSTING FOR SIZE**, New York faces bigger bills for retiree health and other non-pension benefits—nearly \$50 billion for state employees—than all but a few other states, and yet it is one of the five largest states that has not set aside any money to cover these long-term costs. The state paid \$934 million in 2006 to cover the health care benefits of current public sector retirees. The cost would be four times as great if the state chose to pay for benefits as they’re earned, as it does in its pension system, and move toward full funding of non-pension benefits. On the pensions side, New York officials say internal calculations show the system to be fully funded, but the state’s current accounting methods don’t generate a funding ratio, unlike more common methods used by other states. This will change as New York adjusts to a new standard from the Governmental Accounting Standards Board that requires the use of one of the more common methods.

## PENSIONS

TOTAL BILL COMING DUE: **\$140 billion**<sup>1</sup>


FUNDS SET ASIDE: **\$140 billion**

PORTION UNFUNDED: **\$0**

PERCENT FUNDED: **Not available**<sup>2</sup>

TEN YEAR FUNDING HIGH: **Not available**

TEN YEAR FUNDING LOW: **Not available**

HOW IS THE STATE DOING IN PAYING ITS ANNUAL BILL? 

**ASSUMPTIONS:** The state assumes 8% interest on pension investments, which is the 50-state median, and it uses a five-year smoothing period to calculate the actuarial value of assets. The amortization period conforms to accounting standards.

<sup>1</sup> Pension funds include state and police and fire department employees.  
<sup>2</sup> 50-state mean was 82%.


## OTHER BENEFITS

TOTAL BILL COMING DUE: **\$50 billion**<sup>1</sup>

FUNDS SET ASIDE: **\$0**


PORTION UNFUNDED: **\$50 billion**<sup>2</sup>

PERCENT FUNDED: **0 as of 2006**

HOW IS THE STATE DOING IN MANAGING THIS BILL? 

1 For state employees.  
<sup>2</sup> 552% of covered payroll, compared to a national median of 135%.

**REFORMS:** In 2006, New York’s legislature increased the cap on public employee earnings that retirees can be paid without seeing their pension benefits reduced. The legislature passed but then-Governor Pataki vetoed an early retirement program for teachers. In previous years, the legislature sought to provide short-term budgetary relief to local governments to reduce their escalating retirement system contributions—but that is likely to increase the long-term costs of those pension systems.

KEY:  Top Performer  Needs Improvement  Below Par  Non-Pension Benefits are Minimal

This fact sheet stems from a 50-state analysis of states’ retiree benefit obligations by Pew’s Center on the States. The full report and 50 state fact sheets can be found at [www.pewcenteronthestates.org](http://www.pewcenteronthestates.org).



The Pew Charitable Trusts applies the power of knowledge to solve today’s most challenging problems. Our Pew Center on the States identifies and advances effective policy approaches to critical issues facing states.  
**2005 Market Street, Suite 1700 | Philadelphia, PA 19103 | [www.pewtrusts.org](http://www.pewtrusts.org)**