



NEW YORK STATE SENATOR

Joseph P. Addabbo Jr.

Addabbo's Reaction to Governor's Veto of Bill Requiring State to Maintain Health & Supplemental Benefits of Nyc Otb Retirees

JOSEPH P. ADDABBO JR October 4, 2011

Queens, NY, October 4, 2011 -- NYS Senator Joseph P. Addabbo, Jr. (D-Queens), a member of the Senate's Racing, Gaming & Wagering Committee, released the following statement reacting to Governor Cuomo's recent veto of bill S.4489 that passed the legislature in June, requiring the state to maintain the health insurance and supplemental benefits received by retirees of the New York City Off-Track Betting Corporation (NYC OTB). Under the proposed measure, the state would reimburse the City or its designee for the actual cost of benefits. Former employees received supplemental benefits such as prescription drugs, optical and dental insurance through welfare fund benefit plans funded through employer contributions. When benefits ceased to exist with the closure of NYC OTB in December 2010, retirees were left to determine which prior benefits they could attain without employer contributions.

The Senator stated at the time, "it was illogical how benefits ceased to exist with plans in place to continue funding of benefits for retirees," and Addabbo further noted that "the state broke its promise," one of many reasons for why he voted in favor of S.4489 and sought its passage. It came through both houses of the legislature in June, and had waited for the governor's signature until September 23, when Cuomo vetoed it. According to the Senator and the unions, Senate bill S.4489 and Assembly bill A.5785 address and satisfy the constitutionality and cost issues of health and supplemental benefits funding.

According to Addabbo, "I had written an August 10 letter to the Governor stating that I would be prepared to make additional appropriate budget cuts in spending or seek to further eliminate wasteful allocations in order to absorb the cost of S4489/A5785. I stand with the union members of DC 37 Local 2021 and Teamsters Local 858, who speak for the NYC OTB retirees now in crisis, who cannot continue monthly (COBRA) premiums, which exceed their monthly pension income. Many of the 900 retirees, unwell and aging but who do not satisfy Medicare age requirements, are in the hospital and under unmanageable stress over how to pay their medical bills. Ineligible to enroll in Medicare, retirees have considered enrolling in Medicaid, only to be told that the average OTB retiree monthly income is slightly higher than the 2011 Medicaid monthly income guideline of \$1,410.83 for a family of two. Once again, those retirees were ineligible for Medicaid. So today, these NYC OTB retirees are lying in hospital beds uninsured, through no fault of their own."

Concludes Addabbo, "I'll fight along with the unions as we next propose a budget amendment, as soon as possible, to dispel the governor's concern that a lack of funding by the legislature to pay for the OTB health benefit was the reason he vetoed the bill. Expect to see the return of this OTB health bill in some form when the Senate convenes early next year. Until we get it right the next time, all OTB retirees under age 65 are between a rock and a hard place. No one should have to endure financial hardships and choose which benefits to leave behind."

"It is truly unfortunate that the governor vetoed saving the health care and supplemental benefits for 900 NYC OTB retirees. He could have worked with the legislature to find spending cuts in other areas of the budget that would have cost the state nothing, by following the specific plan submitted by the Senate last year when a sincere proposal was offered to save those jobs.

"Last December, the inaction of the former governor and the legislature cost some 1,000 OTB workers their jobs, with the financial cost to the state upwards of \$500 million in pension benefits, a negative impact on the thoroughbred and horse racing industry in New York, and the possible detrimental effect that it may have on Aqueduct's racing future."

#