



NEW YORK STATE SENATOR

James Tedisco

Tedisco & Amedore: State Must Protect St. Clare's Hospital Retirees

SENATOR JIM TEDISCO November 26, 2018

| ISSUE: **PENSIONS**



Senator Jim Tedisco (R,C,I,REF-Glenville) and Senator George Amedore (R,C,I,REF-Rotterdam) today are calling for state intervention to protect the pensions of more than 1,100 former employees of the now defunct St. Clare's Hospital in Schenectady, which the state closed 10 years ago.

More than 1,100 former St. Clare's Hospital employees and retirees were recently notified their pensions will either be significantly reduced or outright eliminated in 2019. In some cases, people who worked at the hospital for decades will receive no pension at all.

Senator Tedisco and Senator Amedore have written Governor Andrew Cuomo requesting the inclusion in the 2019-2020 New York State budget of \$53.5 million in funding, pursuant to an audit by the state Comptroller, to cover the total benefits earned and promised by the Berger Commission in its directive by the Governor and Legislature at the time to right size New York's hospitals and healthcare facilities. Tedisco and Amedore said that the retirement fund could be managed by the state Comptroller to ensure greater taxpayer transparency and accountability and are encouraging their legislative colleagues to join them in urging executive action on this issue (see attached letter).

St. Clare's Hospital was closed 10 years ago by a mandate of the state's Berger Commission and its operations were absorbed by Ellis Medicine. At the time, the state paid \$50 million to St. Clare's to cover transition costs including \$28 million to cover the anticipated needs of the St. Clare's pension fund.

However, it has since been determined that amount was not enough to cover the fund's pension costs, in part due to the downturn of the economy during the Great Recession. Further, since federal law permits a religious exemption, St. Clare's pension fund has no benefit guarantee insurance. Through no fault of their own, the retirement of over 1,100 pensioners has been thrown into chaos.

"What's happening to these 1,100 hard-working former St. Clare's Hospital employees is a travesty. These individuals did their job and played by the rules for many years with the understanding they were going to get the pension they earned at retirement, only to have the rug pulled out from under them. Private or public, for profit or not for profit, when New York State makes a financial promise to a group of employees as it did 10 years ago with the Berger Commission, it has an obligation to fulfill it, and as elected representatives, we have a responsibility to protect our constituents and be problem solvers and this is a situation that merits inclusion in the state budget," said Senator Jim Tedisco.

“More than 1,100 hard-working former employees of St. Clare’s were blindsided by this news with no warning. They worked for many years to earn their pensions, they have planned their lives around them, and they deserve a solution that will ensure they receive the retirement they are entitled to,” said Senator George Amedore.