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Francis J. Pordum receives an annual pension on top of his salary as Evans town supervisor.

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SPECIAL REPORT: DOUBLE DIPPING

Politics plus pensions equals big bucks

Editor's Note: Part of an occasional series on the state public pension system

By Susan Schulman
NEWS STAFF REPORTER

Politicians, it turns out, are special — at least when it comes to their public pensions.

That's why Francis J. Pordum gets his \$55,000 salary as Evans town supervisor as well as a \$53,652 annual pension from his previous public jobs as a teacher and assemblyman.

It's why Erie County Legislator Thomas J. Mazur gets a \$42,588 county paycheck while also qualifying for a \$67,811 annual pension from his former county positions.

And it's why Anthony F. Caruana qualifies for an \$85,424 annual teacher's pension while also collecting \$77,052 as Town of Tonawanda supervisor.

For most retirees in New York state pension systems, there's a limit to how much money can be made at local or state government post-retirement job without jeopardizing their pensions.

But elected officials are among those who get a free pass for double dipping—keeping a full pension from a past state or local job as well as a full public salary for a current one.

Others keeping their full government paycheck as well as their full state pension include Sheila K. Kee, a former Erie County budget director and county hospital administrator; former Erie County Sheriff Patrick M. Gallivan, and retired Buffalo Police Commissioner Richard T. Donovan. While not elected to their current positions, the three have state waivers declaring they are uniquely qualified for the appointed posts they now hold, so therefore they can double dip.

Gallivan gets a \$42,479 annual pension from his time as a sheriff and state trooper in addition to his current \$101,600 paycheck as a member of the state Parole Board.

Donovan gets an \$42,457 annual police pension as well as his current \$105,034 a year salary as Erie County's undersheriff.

And Kee, who has a \$99,389 public pension from her years with Erie County government and the Erie County Medical Center, also collects a \$151,772 paycheck as associate commissioner of the state Health Department's Western New York office.

Her employment status — including whether she will keep her full pension if she remains in the post — is currently under review as part of Gov. David A. Paterson's effort to tighten up on the waiver process.

The Health Department is hoping Kee will remain in the position.

"Ms. Kee continues to provide outstanding leadership, and we hope that she will continue in this critical position well into the future," Health Department spokeswoman Diane Mathis said.

Second time around

The usual rules don't apply to politicians and a few select others when it comes to collecting a second government paycheck



Sheila Kee

The former Erie County budget director gets a \$99,389 pension, and due to a special waiver earns \$151,772 in a state Health Department job.



Thomas Mazur

The Erie County legislator makes \$42,588 and qualifies for a \$67,811 pension from previous government jobs.



Anthony Caruana

The former Depew teacher's pension is \$85,424 — more than his \$77,052 salary as Town of Tonawanda supervisor.

The Buffalo News reviewed double dipping as part of its ongoing series on public pensions in New York state.

Previous stories in the series looked at educator pensions, and police and fire pensions, as well as pension policies for public officials and employees convicted of crimes.

A 'sacred cow'?

Public employees and elected officials who double dip said their pensions and paychecks are justified.

Waivers “fill positions where the person maybe has qualifications others don't have,” said Donovan, a former Buffalo police commissioner who worked for the U. S. Attorney's office before being appointed undersheriff. “When I came over, I had law enforcement experience, investigations, and administrative and supervisory experience.”

The elected officials, meanwhile, said the pension rules they abide by are no different than ones in the private sector, where elected officials can also keep their pensions.

“If you worked in the private sector, you would be able to do the same thing,” Pordum said. “That's the way it is.”

He and Mazur noted that, when the existing state law was enacted, legislators obviously felt elected officials should be allowed to keep their pensions.

“There must have been some logic to that,” Pordum said.

“Did they consider it special, a sacred cow, that someone would do public service?” Mazur asked.

In the end, the elected officials said, voters decide whether or not an individual is elected. And voters, they said, are aware of their past jobs.

“I did indicate I did retire from teaching,” Caruana said of campaign for town supervisor. “They [voters] knew that from the beginning.”

New York state pension law allows retired public officials or employees to make an unlimited amount of money

in the private sector in their post-retirement without affecting their public pensions.

That's why former Buffalo Mayor Anthony M. Masiello can collect his \$78,523 public pension and still make as much money as he's able to as a lobbyist.

It's the same with former Assemblyman Paul A. Tokasz, who has a \$79,060 state pension, and who also works as a lobbyist.

State or local retirees can also take federal jobs without jeopardizing their state pension. When Town of Tonawanda Police Chief Samuel Palmieri retired, for example, he got a \$82,347 pension, and then took a \$64,000 job with the U. S. Attorney's office.

But when retirees receiving pensions through the state retirement system take public jobs that put them in state or local government, there are restrictions.

New restrictions

Generally, the state limits to \$30,000 the amount a retiree can earn from the public sector in post-retirement and still collect a state pension.

Once hitting \$30,000, the pension payments stop for the rest of the year, but start up again the next calendar year. The pensions are exempt from state, but not federal, income tax, and if an individual returns to work upon retirement, he or she does not continue accruing pension credits while collecting a pension.

Most retirees who want to double dip — keep their full state or local paycheck and their full state pension—need a waiver that basically establishes that they are the only person available at the time with the credentials for the job.

Currently, 637 people have waivers from the state Department of Civil Service, compared with 758 in May 2008. Several other state agencies, including the state Education Department, also issue waivers.

Civil service officials said it's difficult to explain the drop given the various considerations that go into waivers.

But the governor and Legislature last year enacted more stringent rules for granting waivers in light of what were considered abuses in the system.

As a high-ranking state official, the new restrictions could end up costing Kee her job or, possibly, much of her current pension.

Kee was recruited by the Health Department in 2007 and received a two-year waiver allowing her to keep her pension while collecting her full paycheck.

She was recently granted a four-month waiver extension that expires July 31, 2009, and is designed to give the Health Department a chance to see if there are any nonretirees available for the job, or if Kee would be willing to continue working without a waiver, and therefore forgo her pension.

Under the rules, the Health Department could ultimately seek to extend Kee's waiver for another two years, allowing her to keep her pension as well as her paycheck. However, one of Paterson's top aides recently sent a memo to department heads stating, in part: "Waivers generally should not be sought for high-level, executive personnel."

Kee did not respond to a request for comment.

Surprise incentive

Beyond getting a waiver or working in the private sector, another way to get around the work limits on pension earnings is to reach age 65.

The other way is by doing what Caruana, Pordum and Mazur did — win an election.

Pordum, the Evans town supervisor, noted that when he started teaching in 1968, he was making \$6,400. But one of the incentives for teaching — aside from working with students — was job security and benefits, including a pension.

Pordum subsequently became an assemblyman, but gave up his seat in 1996 when making an unsuccessful run for Congress. He spent a year in private employment, then returned to teach for seven years in Lackawanna before retiring in 2002. He lost bids for the Erie County Legislature in 1998 and for the Assembly in 2004, but won the Evans supervisor post in 2007.

Mazur also started out in a government career when pay was low, but job security and benefits were an attraction. He worked for the county clerk's office before his first stint as an Erie County legislator, which was followed by an administrative job at Erie Community College.

Mazur, who retired from ECC in 2002, currently qualifies for a \$67,811 annual pension, but because he opted for a plan that will go to his wife in the event of his death, his actual annual pension payments are less.

Mazur said his original plan was to look for a post-retirement job at a supermarket to supplement his income. But when Raymond Dusza decided to retire from the Erie County Legislature, Mazur decided to run for the seat.

Similarly, Caruana said he had no plans to run for election when he retired from the Depew School District.

Caruana said he enjoyed his teaching job in Depew, but when a retirement incentive was offered that upped his pension, he decided to take it.

In what was a surprise to even him, Caruana said he was recruited to run for office.

"I never thought I'd be in this position," he said.

An interesting choice

Asked if he would have taken the job if it meant giving up part of his pension, Caruana's answer was similar to that of Mazur and Pordum. He doesn't know.

"I've never really stopped to think about it," Caruana said.

"If the rules changed [and pensions were no longer permitted], then I would have to make a decision of public service or working 20 hours at the post office or Wegmans," Mazur said.

Donovan, the undersheriff, also said he's not sure what he would do. Before coming to the Sheriff's Office, Donovan was working for the U. S. Attorney's office in a federal job that allows retired employees to keep their state pensions as well as their federal paychecks. And if he would have stayed there 10 years, Donovan said, he could have collected a federal as well as a state pension.

But he came to the Sheriff's Office instead, he said, because of the nature of the work.


"It wasn't really a financial plus for me to come over here," Donovan said of the Sheriff's Office. "It was the opportunity to do the kind of work I do here."

News reporter Mary Pasciak contributed to this report.

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