

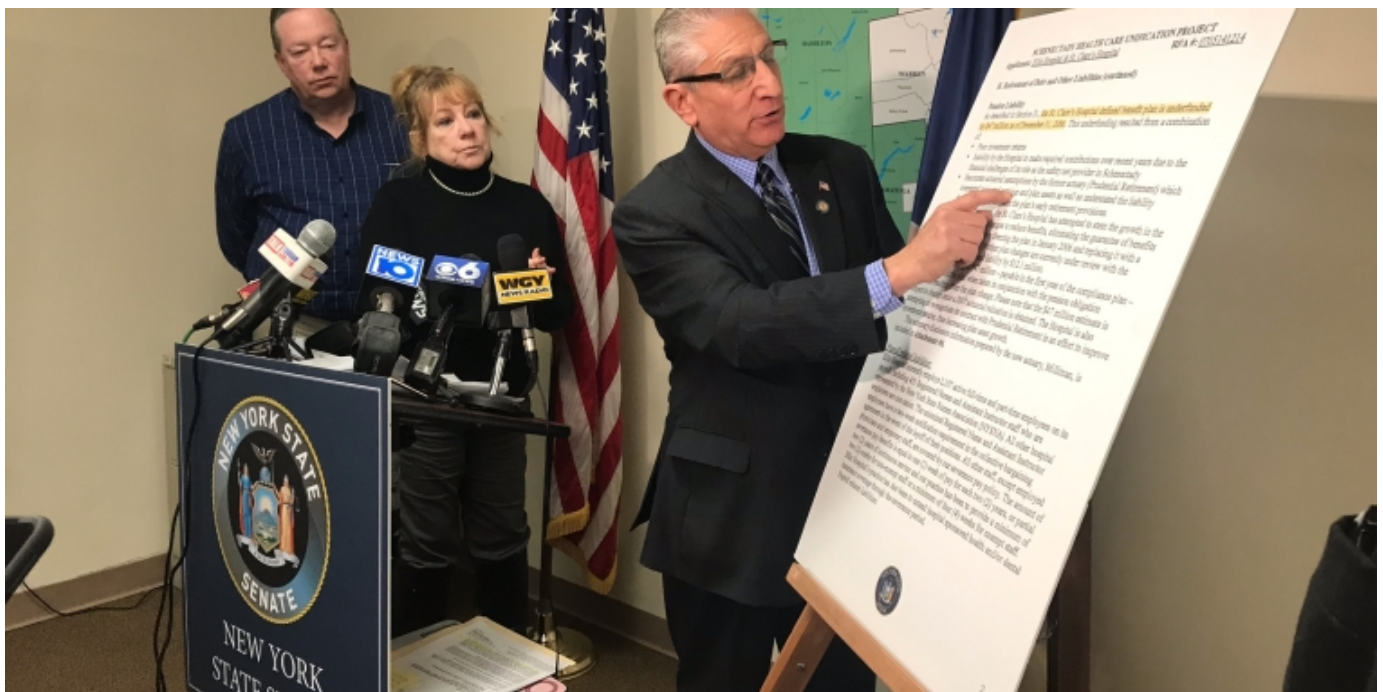


NEW YORK STATE SENATOR

James Tedisco

Tedisco, St. Clare's Hospital Pension Fund Co-Chairs Unveil Startling New Document that Shows Pension Fund was "Underfunded by \$47 million"

SENATOR JIM TEDISCO December 12, 2019



Senator Jim Tedisco (R,C,I,REF-Glenville) today joined with Mary Hartshorne and Robert Bradley, Co-Chairs of the St. Clare's Pension Recovery Alliance, to release a newly revealed document that he has acquired that sheds some light on the St. Clare's Pension Fund fiasco and demand further investigation to get to the bottom of what happened to the money.

This startling 2007 document (see attached), that Senator Tedisco has received from a source who wishes to remain anonymous, says the “St. Clare’s Hospital defined benefit plan is underfunded by \$47 million as of December 31, 2006,” and not the \$28 million originally allocated in the consolidation agreement.

The document raises significant new questions about what happened to the money that was meant to go to the retirements of more than 1,100 former dedicated health care professionals of the now closed St. Clare’s Hospital in Schenectady.

St. Clare’s Hospital was closed a decade ago by a requirement of the state’s Berger Commission in its mission to right-size New York’s health care facilities, and its operations were absorbed by Ellis Medicine. At the time, the state paid \$58.7 million to cover transition costs, including \$28 million to cover the anticipated needs of the St. Clare’s Pension Fund. Unfortunately, for reasons not yet fully identified, that was not enough to cover the fund’s pension costs. Since federal law permits a religious exemption, the St. Clare’s pension fund has no benefit guarantee insurance.

This year, with as little as three weeks’ notice, over 1,100 people, who in some cases worked at St. Clare’s Hospital for decades, were now faced with the reality that they will receive diminished or no pension at all.

Tedisco, Hartshorne and Bradley have sent a letter (attached) and the document to New York State Attorney General Letitia James, asking that she include in her ongoing investigation into the dissolution of the Pension Fund an examination of why there was an agreement for the state to only provide \$28 million in taxpayer funds toward shoring up the St. Clare’s Pension Fund after all parties involved were made aware that up to \$47 million was needed.

"The dedicated health care professionals who provided compassionate care at St. Clare's Hospital deserve justice and a full investigation by the state to determine what happened to the pension they worked so hard for and to help find a way to make them whole," said Senator Jim Tedisco. "This startling document indicates that as far back as 2007, there was a warning that the Pension Fund was underfunded by \$47 million, yet a year later it only received \$28 million to shore it up. Did another actuarial evaluation take place? Who did the evaluation? What were the findings of the evaluation? Why is there a \$19 million discrepancy between the 2006 actuarial analysis and the \$28 million the state paid to the Pension Fund? It seems remarkable that the application saw a Pension Fund deficit of \$47 million in 2006 but the state only ended up supporting the Pension Fund deficit with \$28 million in 2008."

"Many of the St. Clare's retirees are facing another Christmas and Holiday season without the retirement they were living off of and counting on. It's very hard to celebrate the Holidays, when so many retirees are in danger of losing everything because the retirement savings they had counted on has either evaporated or significantly diminished. Senator Jim Tedisco has been our strongest supporter all along and we are very grateful to him for all his efforts and we look forward to the Attorney General finding answers to the questions this new document has raised," said Mary Hartshorne, Co-Chair, St. Clare's Pension Recovery Alliance.

"This document that Senator Tedisco has obtained underscores that something seems to not be on the level about how this whole process went down for the St. Clare's retirees. We hope the Attorney General looks into this and it helps shed light on what happened to the Pension Fund, and provide us a way to begin to move forward to bring justice to our pensioners," said Robert Bradley, Co-Chair, St. Clare's Pension Recovery Alliance.

“It’s an injustice what has happened to the St. Clare’s Hospital Pensioners. I want to thank Senator Jim Tedisco for bringing this document to light and I hope the Attorney General can use this in her ongoing investigation about what happened to the Pension Fund so we can bring justice to the pensioners,” said David Pentkowski, an attorney for the St. Clare’s Pensioners.