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Press Release

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[MTA Headquarters](#)

IMMEDIATE

### MTA Targets Overtime for Cost Savings

#### ***\$22 million savings expected from tighter management in 2010; \$60 million savings targeted in 2011 and beyond with labor-management partnership***

The MTA today announced plans to significantly reduce its overtime costs, with savings of more than \$20 million in 2010 and \$60 million annually starting in 2011. The announcement reflected the agency's recent completion of an internal review of its \$560 million annual overtime expense. The review concluded that while some overtime is necessary to run service, inflexible work rules, employee absenteeism and pension padding contribute to significant amounts of unnecessary overtime. The agency acknowledged that despite some advances, management has also played a role in allowing unnecessary overtime and committed to a series of tighter management controls that will lead to the cost reductions. The agency also said that the savings projected for 2011 could only be achieved in partnership with its labor unions.

"Some overtime is needed to put out a reliable service and respond to emergencies, but much of it is unnecessary and can't be justified," said MTA Chief Operating Officer Charles Monheim. "MTA leadership is now committed to eliminating unnecessary overtime, and we expect new controls to save millions. We will do our part, but a real partnership with labor is the only way to make a real dent in unnecessary overtime."

The agency identified a number of examples of unnecessary overtime:

- Outdated work rules result in some employees being paid when they're not working
  - Locomotive engineers at the LIRR receive an extra day's pay for switching between electric and diesel equipment without working one extra minute.
  - A local Queens bus driver gets 12.5 hours pay for eight hours of service, including 6 hours of paid "swing time."
    - More flexible work hours in place in other parts of the MTA would cut costs by 1/3 if allowed in this case.
  - Some employees are paid for overtime on vacation, holiday and sick days.
- High employee absenteeism is covered with overtime shifts.
  - In addition to 37 holiday and vacation days, a quarter of represented NYC Transit employees take 15 or more sick days each year. These shifts must also be filled on overtime.
  - The impact is doubled when high users of sick leave make up for unpaid sick time by using more overtime.
    - A common example is a Train Operator who took two unpaid sick days but made a full week's pay by working overtime on three other days. NYC Transit pays unnecessary overtime to cover his original shifts and the ones he takes to make up his missed pay.
- Some employees load up on overtime to increase pensions
  - In some cases, pension is calculated using highest 5 years of total earnings, with no cap on overtime and seniority rules enabling huge hours nearing retirement.
    - For example, an MTA Bridges and Tunnels employee who retired in 2007 used overtime to double his pension – which exceeded his annual base pay of \$53,000. He is paid \$73,000 a year in retirement, due in part to working 35 shifts of 16 hours or more in his final year.
- Management hasn't consistently focused on limiting unnecessary overtime.
  - The cost of doing repair work varies greatly by bus depot, with reliance on overtime tied enabling low productivity and leading to higher costs.
    - For example, bus repairs at Castleton Depot cost \$2 million more each year than the same repairs at Flatbush Depot because of unnecessarily high overtime usage at Castleton.
      - Lower productivity means the same air conditioner maintenance job takes 8-12 hours at Flatbush but 16-24 hours at Castleton.
  - Management has tolerated unproductive mega-shifts.
    - LIRR employees work continuous tours of duty enabling, for example, a crew dispatcher to earn over \$233,000 in 2009 when the base pay was \$80,041. The employee worked 16 hours a day for 5 consecutive days 10 times during this period, totaling 180 days where more than 16 hours was worked during 2009.

MTA COO Charles Monheim noted that progress had been made in tighter management controls, but said that more needed to be done to reduce unnecessary overtime. He announced the implementation of a series of controls designed to limit overtime in areas controlled by management. Savings

were projected at \$22 million in 2010 and \$60 million in 2011 and beyond with active labor participation.

The actions include:

- Closely monitoring shifts greater than 16 hours to reduce double-time payments, ensure productivity and limit pension padding.
- Aggressive enforcement of sick leave abuse.
- Bi-weekly reporting to agency presidents of overtime and explanations for variances at monthly committee meetings.
- Specialized task forces and more intensive reporting in high usage areas.
- Engage with labor to begin the discussion about changing work rules that lead to unnecessary overtime.