

# Attack on Pension Benefits

by Jim Prola

Hi Council 57 Retirees,

My name is Jim Prola and I am the voluntary political person for AFSCME C57 retirees. I am writing this article because the attacks on public employees pension benefits continue to be ruthless while lacking substance.

The threat to our pensions is very real. This summer, Keith Richman, a former Republican from the LA area, began circulating an initiative for signatures. This initiative would change public employee pensions from defined benefit plans to a 401k style plan for new employees and would exponentially increase fund/savings risk by relying on the unpredictability of the stock market. The initiative would also raise the retirement age to receive full benefits. By making the initiative applicable to new employees, the initiative's goal is to undermine the current stability of the defined benefit plan by reducing future contributions. In turn, this would result in instability of the plan for both active and retired members, not only toward receiving their guaranteed retirement benefit, but to further future justifications of attacks on the defined benefit plan.

We must be prepared to fight to defend our pensions again and to make sure that our family and friends are properly informed. Here are some talking points against the initiative.

- 1- This initiative is punitive and unfair. It arbitrarily cuts pension benefits for all new teachers, nurses, firefighters, police and other public employees by at least 30% and as much as 65%.
- 2- Today a teacher who works 20 years and retires at age 65, with a salary of 70,000 dollars, would receive a pension of \$33,600. Under this initiative that same teacher hired after July 2009 would receive a pension of \$14,000, a cut of more than 58%. We won't be able to recruit and retain people in difficult and important jobs when pensions are cut so severely.
- 3- This initiative creates two classes of workers. Two people working side by side in the same job will be entitled to different pensions and retiree' health benefits. This will create morale problems and conflict in the workplace.
- 4- This initiative eliminates health care benefits for any new public employee who does not work the 5 years immediately prior to retiring at age 65. Employees who suffer a serious illness, accident or otherwise can't work until age 65 (55 for police and firefighters) will be denied retiree health care.
- 5- Taking away health care from workers who get sick before they can retire is just plain wrong. To cut their pensions in half in addition is unconscionable.
- 6- This initiative won't make things better, it will make things worse. Don't punish hard working teachers, nurses, firefighters, police and other public employees. Don't support this initiative and don't sign this petition.

Our Chapter 57 retiree executive board voted to send 500 dollars at OUI last meeting to help fight this initiative. For those of you who have the ability to contribute, we appreciate any additional donations and assure you they will be put to good use. Make checks payable to AFSCME California Issues ID#1254555, and send them to Willie Pelote, 1121 L Street, Ste. 904, Sacramento, CA 95814.

In solidarity, Jim Prola