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Letters to the Editor
The Washington Post
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To the Editor:

The Washington Post covers the economic insecurity of working Americans, which will grow as workers retire and pensions disappear. It's simply wrong to describe taking away pensions from middle class Americans is a "smart step."

Reforms in virtually all state-wide public pension plans has occurred during the past seven years to ensure long-term sustainability. As a result, public employees can anticipate modest but stable retirement incomes from pensions after a career in public service.

In 2010, Pennsylvania enacted bipartisan pension legislation that set a pathway for adequate funding while also achieving \$26 billion in cost savings from reducing employee benefits. The plan maintained the economic efficiencies of pooling risks in pensions, which leads to benefits that cost half of the value needed in 401(k) accounts.

In contrast, the "smart" change mentioned the June 19th editorial adds \$536 million to Pennsylvania's cost in the next ten years. Its net financial impact over 30 years will save only \$1.4 billion, or just one-twentieth of the savings in the 2010 legislation.

And depending on their choices, new public employees will pay more for potential benefits one-third to a half less than those now available.

Regardless of political party, Americans agree that we face a retirement crisis. Americans tell us that workers cannot save enough on their own and their employers' contributions aren't enough. States should stay the course rather shift to the bad deal that 401(k) plans provide.

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