

# TALKING POINTS

- Public employees and teachers, like every American citizen, deserve a safe and secure retirement. They entered into a contract with their employers and they fulfilled their end of the bargain. The unfunded liability problem in Rhode Island's retirement system is not the fault of public employees.
- When workers were asked to pay their share—9.5% of pay for teachers and 8.75% of pay for state employees, one of the highest rates in the country—they never missed a single payment.
- The real culprits are easy to identify:
  - The 'Wall Street' crowd, whose greed caused the greatest drop in stock value since the Great Depression.<sup>1</sup> This is the same crowd that was 'bailed out' by the government at a cost of \$109 billion.<sup>2</sup>
  - Past politicians failed to pay the state's full share of pension costs to keep the fund healthy.
  - Past politicians failed to utilize sound fiscal practices. As changes were made to the pension system, these politicians failed to adjust the system accordingly. That's not the fault of the workers.
- Public employees do not enjoy overly generous pensions:
  - The average municipal worker pension is \$13,284<sup>3</sup>
  - The average state worker pension is \$26,842<sup>3</sup>
  - The average police officer and firefighter pension is \$28,056<sup>3</sup>
  - The average school teacher pension in RI is \$41,990<sup>3</sup>These are not the 'outrageous' pensions that the naysayers would have you believe is the root of all problems in RI.
- Public employees are and will continue to be part of the solution. In fact, in the past 6 years, changes to the pension formula have saved over half a billion dollars on the backs of state employees alone—not even including the savings from pension cuts to teachers. Raising the age of retirement to 62, cutting back on the accrual formula for years (80% maximum pension down to 75%), and averaging out over 5 years of highest pay instead of 3 years — all helped create half a billion dollars in savings.
- At the same time politicians were slashing the pension benefits of hard-working, middle-class Rhode Islanders, they gave away hundreds of millions of dollars in tax breaks to big RI corporations and the wealthiest Rhode Islanders. It's time the wealthy paid their fair share and helped solve this problem.
- By the time newer employees retire, they will have paid for almost all of their own pension benefits through the contributions they make as a percentage of their pay. After three rounds of pension changes in the last 6 years, why should their pensions be cut—again?
- Many public employees—half of Rhode Island's teachers and public safety workers—do not receive Social Security. So now, many public employees will not only see their pensions slashed, but also be left with no Social Security benefit—leaving them with minimal retirement security.
- Keep the promise made to retirees. These people have made lifetime decisions based on the promise they would have a secure retirement. Taking money away from retirees will take money out of our local economy, hurting small businesses all throughout Rhode Island.
- Any solution in solving this problem needs to recognize the work and sacrifice of our dedicated public servants. Public employees—including teachers, firefighters, police officers, state workers and municipal workers—deserve to be treated with dignity and fairness. This is a problem that needs to be solved by all Rhode Islanders—not on the backs of one group. This is a million person problem that demands a million person solution.

<sup>1</sup>Standard and Poor 500 Index

<sup>2</sup>Congressional Budget Office

<sup>3</sup>RI State Employee's Retirement System

