

## **Resolution opposing Two-tiered retirement system for California's state and local government employees**

WHEREAS, The citizens of California have a clear interest in attracting and retaining the highest caliber of public employees in order to insure that taxpayers get the quality of service they deserve and have come to expect; and

WHEREAS, A defined-benefit pension system – as provided by CalPERS – that offers nurses, teachers, firefighters, police officers and other public employees the security and dignity of a guaranteed pension upon retirement has been central to our efforts to recruit and retain the best and the brightest to serve our taxpayers; and

WHEREAS, A privatized defined contribution retirement system, such as that proposed by Assemblyman Keith Richman in his Assembly Constitutional Amendment 5 and Assembly Special Session Constitutional Amendment 1, will dramatically increase an employee's risk of losing their hard-earned retirement and result in additional retirement costs for already fiscally strapped state and local governments; and

WHEREAS, Imposing a defined-contribution retirement system on new employees will diminish the funding base for the current defined benefit retirement plan and will likely, over time, impose unacceptable additional costs on taxpayers to maintain the existing retirement system; and

WHEREAS, Studies performed by the Nebraska Retirement Systems and the Colorado Public Employees Retirement Association, as well as numerous studies from the financial community, conclude that defined-contribution retirement plans are likely to provide inadequate retirement benefits; and

WHEREAS, The effort to convert defined-benefit pensions to defined-contribution plans is part of a concerted national attack on workers' retirement security, including efforts to privatize Social Security; now, therefore, be it

RESOLVED, The California Faculty Association strongly opposes the imposition of any mandatory defined-contribution retirement system – whether for new or existing employees – as well as any mandate to create an optional plan

for converting employees from a defined–benefit plan to a defined–contribution plan; and be it further

RESOLVED, That the California Faculty Association specifically opposes Assembly Constitutional Amendment 5, Special Session Assembly Constitutional Amendment 1, as well as any and all measures proposed for the upcoming special election statewide ballot that would mandate the replacement of the current defined–benefit retirement system with a private defined–contribution system – whether for new or existing employees; and be it further

RESOLVED, That the California Faculty Association will take all appropriate action to actively oppose the imposition of a mandated defined–contribution retirement system upon our taxpayers and our employees; and be it further

RESOLVED, That the California Faculty Association urges California lawmakers and other stakeholders to develop meaningful reform within the current defined benefit retirement structure that assists in stabilizing employer contribution rates, while also protecting our ability to recruit and retain skilled public servants to serve California taxpayers.

Board of Directors

Approved January 20, 2005