



The Committee of Thirteen

Advocating for your retirement future • Educating for your retirement planning

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Help protect your retirement security contribute to the Committee of Thirteen

Wonk's World

A Towers Watson study finds defined benefit plan investments outperforming those of defined contribution plans. Using an asset-weighted measure of returns, defined benefit plans outperformed defined contribution plans by an annual average of 76 basis points from 1995 to 2011. Over the last five years, however, the average gap in annual performance shrank to 39 basis points. The smaller gap mostly results from the 2009 stock market boom. Defined contribution plans received a much greater boost because they held significantly higher equity allocations than did DB plans.

EPI launches website to attack income inequality

Today, one percent of Americans are taking home nearly 20 percent of the country's total income and own nearly 35 percent of the country's wealth. That means fewer good jobs and lower contributions to the nation's most secure retirement plan--Social Security. The Economic Policy Institute (EPI) has announced a new website focused on income inequality—what it means for retirees and working people, how it was created and how to fix it. The website is interactive, light on text and offers an animated **Prof. Robert Reich** explaining how inequality was created. Take a look and share it with your friends. . Go to inequality.is

The Committee of Thirteen exists to advocate for your retirement security. Our work takes us to the MPS school board and district offices, the state legislature, and increasingly to the offices of our own US Senators and Congress-people.

We work because we value the retirement security of retirees and active teachers alike. We work because we don't want to end our careers, or our secure retirements, like our colleagues in California or Kentucky or Rhode Island. California limited its annual pension payouts, while Kentucky raised retirement ages and suspended pension increases. Illinois

reduced benefits for new employees and cut back on automatic pension increases. No-where have the changes been as sweeping as in Rhode Island, where public sector unions are suing to block an overhaul passed last year. Those states are reneging, legally or illegally, on contractual promises to workers.

And it could happen here, too. Please support the Committee of Thirteen's work. If you think your retirement security is worth protecting, please contribute to the Committee Thirteen. You'll find a contribution form on the the other side of this news letter.

Committee of Thirteen's work is vital as political storms rage over pensions, retirement security

by Committee of Thirteen President, Jay C Ritterson

It is the 22nd of June in South Minneapolis. We are one of 256,000 homes without electricity. There are about two hours of power left in this laptop. Will the power last long enough to see me to the end of this message?

If in the next legislative session, or the legislative sessions to come, our publicly supported defined-benefit succumbs to the storms of attack, we could all be sitting in our homes wondering whether there will be enough money to see us to the end of our lives.

Stocking up on candles and kerosene, moving vulnerable items, removing tree limbs, taping windows, having a plan for the food in the freezer... We try to plan for the storms, and hope they will not come or that they will be gentle with us.

But hopes and wishes may not keep the trees standing in this time of climate change, and hopes and wishes for our pensions may not keep the political storms from attacking our retirement security in this time of political climate change.

The one good year we have enjoyed is not a bulwark against the rapacious forces eyeing the billions of dollars that go out to retired teachers and principals every year.

The Committee of Thirteen's fight to preserve your retirement security continues even as we enjoy the soft support of the current political environment.

Watching and trying to anticipate attacks small and large keeps us on guard. And you must be on guard with us. We cannot do it for you; we can only do it with you. Your contributions, your phone-banking hours, your door-knocking and your talking

to friends and neighbors helped elect a far more favorable legislature in 2012. We still need that kind of help. The forces going after our pensions are relentless.

Pension foe Kim Crockett has been invited by the DFL chair of the Legislative Commission on Pensions and Retirement "...Sandy Pappas to attend the Commission in the time between legislative sessions and to discuss how Minnesota can transition to a defined contribution plan..." (from The Center for the American Experiment newsletter #6, summer 2013) [editor's bold type]

That defined contribution plan would put an active teacher's payroll contribution into an individual personally managed annuity. That contribution would not go into a shared, well-managed public pension fund; the TRA defined benefit plan would be terminated for new teachers.

The flow of pension contributions coming from active members is like the electrical power coming to your house. When the power goes out, it's just a matter of time.

We will be covering the Commission's interim meetings. We will be calling on teachers active and retired to speak. And we will continue to reach out and educate all our members about the issues and advise you all on what you can do to help keep the lights on.

Our foes have the money to hire the lackeys to carry out their greed. We have the will, the strength and the numbers to resist. In unity and cause we will prevail.

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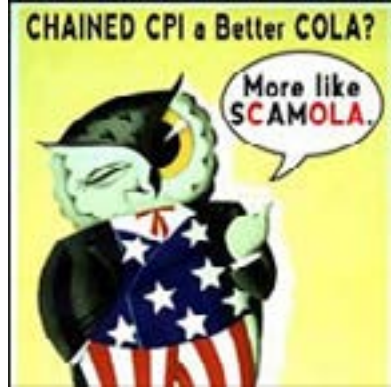
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Chained CPI will cut your Social Security benefits

Sen. Franken opposes the measure; Sen. Klobuchar needs to hear from you.

A new report by Social Security trustees said the retirement program is in financially strong shape through 2033. "Despite our right-wing friends' assertions, Social Security is not going bankrupt.



It is not in crisis," said US Senator Bernie Sanders (I-VT). To strengthen Social Security for future generations, Sanders

added, "We must lift the cap on Social Security

payroll taxes and make the wealthy contribute the same percentage of their income as other workers. Today, someone making \$10 million a year contributes the same **amount** of money as someone making \$113,700. That is absurd." Sanders, whose support for Social Security is both welcome and well-informed, calls the Chained CPI 'horrendous'. **Senator Al Franken, (D) has signed a petition opposing the chained CPI**, which is backed by Pres. Obama.

Sen. Amy Klobuchar hasn't yet said she opposes the chained CPI. Encourage her! Call her and tell her that you want her to stand up for retirees and oppose the chained CPI. The Washington office number is 202-224-3244; her local number is 612-727-5220.

Duluth pension exec named TRA deputy executive director

Jay Stoffel, executive director of the Duluth Teachers Retirement Fund Association, has been tapped for the position of deputy executive director of the statewide Teachers Retirement Association (TRA) pension fund. The appointment is contingent upon approval by the TRA Board of Trustees and would be effective January 2014, allowing Stoffel to oversee the Duluth fund during a legislatively-mandated study on the potential merger of

the Duluth fund and St. Paul Teachers Retirement Fund Association into TRA. Stoffel has been executive director of the Duluth TRFA since 1992. He was manager of finance for the Public Employees Retirement Association from 1988 to 1992, and principal auditor in the Office of the Legislative Auditor from 1979 to 1988. He is a member of the National Council on Teacher Retirement, where he currently serves on the executive committee.



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Contribution Form

Please make checks payable to the Committee of Thirteen
and mail to: Committee of Thirteen, P.O. Box 28335, Oakdale, MN 55128

Name _____

Address _____

City _____ State _____ Zip _____

Phone _____ Email _____

Note: A good rule of thumb or guideline for giving is one percent of your monthly pension check; if you receive a \$2500 monthly pension check, please contribute \$25. Thank you!

Please include your email on this form; you'll help us save money--and you'll get information on pension legislation as it happens.