

Committee of Thirteen

Advocating for your secure retirement

Fall 2012

Will Minnesota demonstrate similar leadership?

California might offer retirement security to all

It's no secret that hard-working men and women who lack defined benefit pensions tend to be a bit resentful of folks (especially public employees) who do have pensions. That resentment has been nurtured by groups eager to gut public pension funds and force public employees into risky 401(k) plans. But new efforts in California and 11 other states are aiming at a solution that will offer new retirement security to many workers. In late September, California Gov. Jerry Brown signed a

bill that could be a model for other states, including Minnesota. The New York Times

be resolved before California can move forward with the California Secure

that would likely yield more than a 401(k). Not surprisingly, the most vigorous opposition to the plan is coming from the financial services industry "...undoubtedly because the plan would be a better deal than many of the retirement products they have on offer. Of course, they don't put it that way," said the Times' editorial page. Perhaps, following the November elections, Minnesota's Legislative Commission on Pensions will begin exploring a similar plan.

"The financial services industry opposes the plan because it would be a better deal than many of their products."

wrote that California's goal is "...to find a way to cover the uncovered without the **considerable expense and market risks inherent in 401(k)s.**"

A host of legal and technical issues must

Choice Retirement Savings Plan, but state officials are set to tackle those issues. Workers participating in the program would contribute 3 percent of their pay to a professionally managed pension fund

Hail and farewell to State Rep. **Steve Smith**, R-33B, who was defeated by Tea Party activist Cindy Pugh in the August primary election.

Smith, a long-time member of the Legislative Commission on Pensions and Retirement, consistently supported public employees on pension issues.

Smith also opposed his party's union-busting efforts. As a result, he lost his party's endorsement, and the Primary Election, to Pugh.

Pugh has announced that public employee pension reform is her top goal.

The Star Tribune reported that Smith, who represented the Mound area, "...had union support in his race, but that may have been as much a detriment in his Republican district as a boon".

The Minnesota AFL-CIO has endorsed **Denise Bader**, a Delta airlines translator, in the Nov. 6 election.

Learn more about Bader at www.Denisebader.com

Study says defined benefit pensions reduce risks of poverty, homelessness among retirees

A new study released in August by the National Institute of Retirement Security shows how defined benefit pensions reduce the risk of poverty and hardship for elder Americans.

The benefits of defined benefit pensions are especially significant for households headed by women and racial and ethnic minority groups.

The study found that rates of poverty

among the elderly who lacked defined benefit pensions were about **nine times greater than the rates among households with defined benefit income in 2010.**

The data also show

that retirees with lifetime pension income are far less likely to experience food, shelter and health care hardship during retirement. Learn more at: www.nirsonline.org/index

In my opinion

by Jay C. Ritterson, President, Committee of Thirteen

The Committee of Thirteen

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If you've had the grit to turn on commercial radio or TV lately, you have probably been barraged by shrill, negative campaign ads.

These ads make me question how we can have ever survived in a world run by the evil politicians and business people and corporations depicted in the ads.

Are our choices really so bad? Wait! I have to step back and listen differently. Some candidates may be bad,

but these ads don't really inform me about what they will do if elected. These ads are

trying to scare me into some sort of reaction, to make me run out and cast a hate vote against somebody I don't even know.

I've been tempted to just walk away from the whole shabby election, but I can't do that and neither can you. The creators of

these ads are perfectly willing to let the hate vote happen. Then who would be running

things?

We can't let that happen. Like me, I think you want to have something to vote for—your retirement security, your voting rights, your freedom to run your own life.

There are candidates

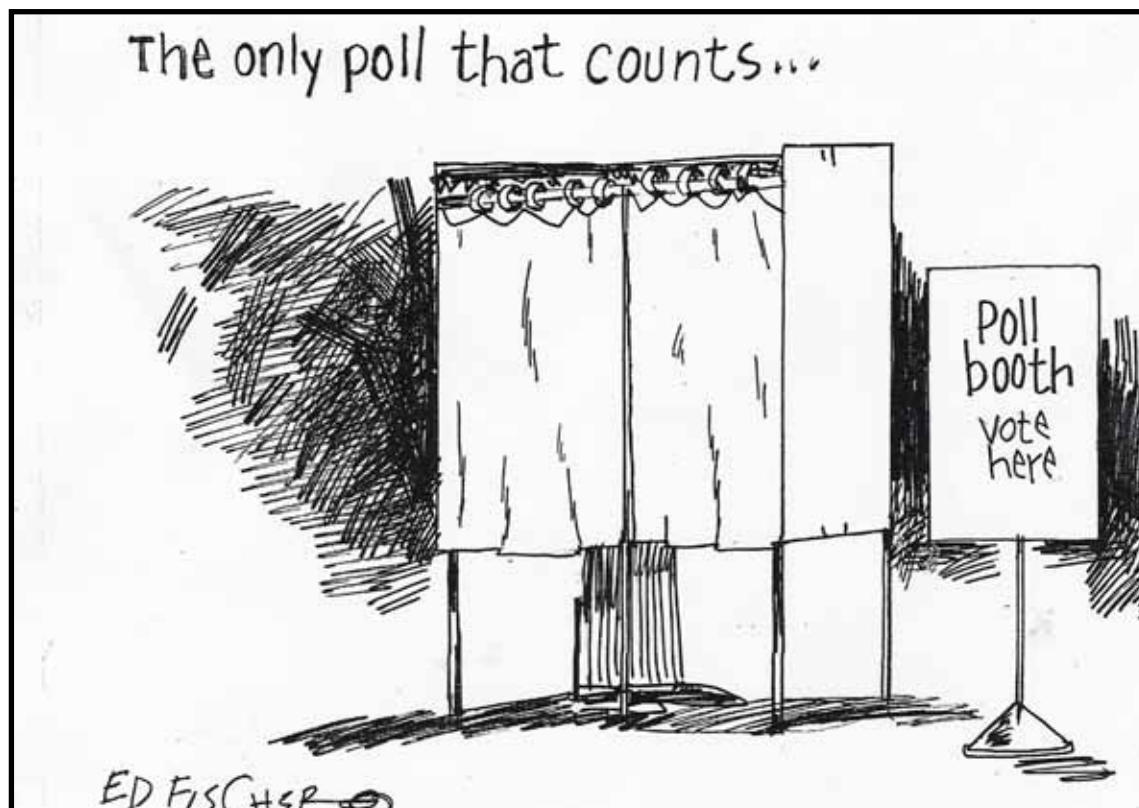
who stand up for these values, champions for the causes you truly value.

We can't just walk away. We need to focus on electing our champions,

and not let our opponents walk away with the election.

Go to www.mnafcio.org/endorsedcandidates for a list of candidates in your district who will stand with us—protect our pensions and keep the game fair.

“We need to focus on electing our champions—candidates who will stand with us and keep the game fair.”



Wall Street greed blamed for push to end defined benefit pensions

A look behind the news about pensions

Like all investors, public employee pension plans were hit by the downturn in the stock market, but they are durable and efficient and, over time, they can recover their losses.

However, those facts do not fit the narrative used by Wall Street firms eager to take control of public pension investments.

Unfortunately, Wall Street firms have more time and money to spend getting their message out than do educators and public employees.

Next time you hear that your pension is going bust or costing the taxpayers too much money, respond with a few facts including the ones you'll find here.

Pensions are pre-funded. Currently, \$2.7 trillion is set aside in pension trusts for current and future retirees.

Boston College researchers project that even if the assets in state and local pension plans were frozen

tomorrow and growth in investment returns came to a halt, public plans would be able to pay benefits for years to come.

Minnesota's public employees contribute to their pension

funds throughout their careers, as do public employees in a majority of states.

Minnesota's State Board of Investment continues to earn kudos for good management and

prudent investment strategies. You have invested in your pension, don't let politicians' self-interest threaten your secure retirement. **VOTE.**

A total of 84,350 pension plans have vanished since 1985

This figure shocked Pulitzer Prize-winning authors Donald L. Barlett and James B. Steele authors of *"The Betrayal of the American Dream."*

Their chapter on retirement chronicles the theft of the American dream of a secure retirement. Who stole it? The authors point straight at the nation's financial elite -- the same Wall Streeters whose love of money drove the nation to the brink of another depression.

Co-author Steele says there's a new number to watch: \$17,686. That's the median value of all U.S. 401(k) accounts in 2011. And remember, Wall Street has worked hard to replace secure defined benefit pension plans with risky 401(k) plans.

Wall Street will profit from risky 401(k) retirement plans. Working people will not.

With election day fast approaching, it's worth noting that the American Legislative Exchange Council (ALEC), helped shape bills aimed at undermining public employee pensions nationwide and also helped fund efforts to destroy public employee unions in Wisconsin. Several metro area legislators who are ALEC members are running for re-election in 2012.

They include:

- Rep. Matt Dean (R-38B), White Bear
- Rep. Sondra L. Erickson (R-15A), Princeton
- Rep. Mary Kiffmeyer (R - 16B), (running in SD 30)
- Rep. Pat Garofalo (R-58B), Farmington
- Rep. Linda Runbeck (R-38A), Shoreview
- Speaker of the House, Kurt Zellers (R-34B), Maple Grove
- Sen. Roger C. Chamberlain (R-38), Lino Lakes
- Sen. Ted Daley (R-51), Eagan

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Resources for Voters

Redistricting has changed many of Minnesota's legislative and congressional districts; many polling places have also changed as a result of redistricting.

Find your polling place with the Secretary of State's pollfinder: go to <http://pollfinder.sos.state.mn.us/>

Find Minnesota AFL-CIO endorsed congressional, statewide and legislative candidates who will support your retirement security at www.mnaflcio.org

Find city, county and school board candidates endorsed by the Minneapolis Regional Labor Federation at http://www.minneapolisunions.org/mrlf_endorsed_2012.php

Find legislative candidates who have earned the support of the Committee of Thirteen at <http://www.committeeof13.org/>

Tell Congressional Candidates: Reform Social Security; get rid of GPO/WEP NOW!

Too many public service employees and their survivors are denied rightfully earned Social Security benefits as a result of Government Pension Offset/Windfall Elimination Provision (GPO/WEP) changes that were rushed through Congress in the 1980s.

People who have had two careers, and their survivors, are often left without receiving a cent of the Social Security dollars that were withheld from their paychecks.

The cost of remedying this problem with Social Security regulations would be less than 2 percent of what Social Security pays out in benefits each year. To sign a petition demanding the end of GPO/WEP, please go to www.ssfairness.com