



Engaging Retirees in Retirement Security Advocacy in the States

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Government Affairs

**National Council on Teacher
Retirement**
89th Annual Convention
Baltimore, Maryland
October 12, 2011



SASI, SNG, GA @ AARP

Or, Where did I land?

AARP reorganized Government Relations & Advocacy into **Government Affairs & Campaigns** in 2011

GA has two advocacy groups: Federal & SASI

> **State Advocacy Strategy & Integration**, has two teams:

- SHAFT: State Health and Family Team
- FinCon: **Financial Security & Consumer Affairs**

My Team: **SASI FinCon**



SASI FinCon Team

Issues & Expertise

Multi-State Utilities Campaign

Telecommunications

Housing

Asset Protection

Mortgages

Mobility

Telecommunications

Energy & Utilities

Public Assistance

Workforce Issues

Pensions & Retirement Security

State Budgets & Taxes

Elections

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2011 State Efforts

Desired Outcome: 5 States defeat efforts to reduce the retirement security of retirees or 50+ workers

- (1) defeat legislation that would shift current public sector workers (especially 50+, long-tenured workers) and/or future public sector workers from defined benefit to defined contribution retirement plans (ND, NH)*
- (2) defeat or limit legislation that would tax or increase the state taxation of pension benefits (GA, HI, MI);*
- (3) defeat legislation that would reduce the benefit formula for or benefits of older workers or retirees.*

Diverse strategies: Legislative, Regulatory, Litigation



Role of NRTA & State REAs

Continuation of the important role that NRTA has played in protecting the retirement income of public retirees.

Rhode Island Efforts

Direct Action Organizing

Fact Sheets

Direct Mail

Tele-town Hall meeting

Legislative Efforts

LTE's

Telling our stories

Protecting Seniors

National Campaign



The AARP logo, consisting of the letters 'AARP' in a white, bold, sans-serif font, with a registered trademark symbol (®) to the upper right. The logo is set against a red, wavy background that tapers to the right.

www.aarp.org/protectseniors

State Campaigns

Pension Alert RI

Rhode Island Protect Seniors Campaign

Vision: August 2011

Launch: September 1, 2011

Focus: Protecting the pension income of retirees and near retirees

Concerns:

- Lack of transparency
- Speed of debate
- Lack of participation of 50+
- Elimination of COLAs
- 15 year freeze
- COLA on the first \$12k
- COLA % reduction
- Impact on current employees nearing retirement
- Impact on retirees who don't get Social Security



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Key Messages

OVERARCHING MESSAGE

We're people, not numbers. Safeguard Rhode Island retirees' financial security.

KEY MESSAGE: Conduct Reform Debate in Open, Transparent, and Inclusive Manner

KEY MESSAGE: Safeguard Rhode Island Retirees' Financial Security

KEY MESSAGE: Slow Down to Achieve Fair Reforms

www.pensionalertRI.org

The screenshot shows the homepage of Pension Alert RI. At the top, there is a red header with the AARP logo on the left, the text "Pension Alert RI" in the center, and social media icons for Facebook and Twitter on the right. Below the header is a navigation bar with four links: "THE PENSION PUZZLE", "THE THREAT TO RETIREES", "GET INVOLVED", and "YOUR STORIES". The main content area is divided into two columns. The left column has a "The Latest" section with two articles. The first article is titled "John O'Hara is 90. He knows what he's talking about." and includes a video thumbnail of John O'Hara. The second article is titled "IT'S TIME TO TAKE ACTION" and discusses the General Assembly's role in reforming the state retirement system. The right column has a "WHY WE ARE HERE" section with text explaining AARP's commitment to a transparent process and public forums. At the bottom of the right column is a red box with the text "Contact your state representatives Now".

AARP Pension Alert RI

follow us on


AARP.org · Contact Us

THE PENSION PUZZLE THE THREAT TO RETIREES GET INVOLVED YOUR STORIES

The Latest

John O'Hara is 90. He knows what he's talking about.
10/11/2011 - 12:26

John O'Hara of Narragansett is a retired federal employee. He's watching Rhode Island pension reform closely because he knows what it would be like to have promised retirement benefits snatched from his retirement plan. Listen to how he sees it.
[More...](#)



IT'S TIME TO TAKE ACTION
10/04/2011 - 22:26

The General Assembly will determine how Rhode Island will reform its state retirement system. We cannot allow lawmakers to act on a recommendation to freeze the cost-of-living adjustments existing retirees were promised. Contact your representatives now!
[More...](#)

Contact your state representatives Now

WHY WE ARE HERE

As pension reform legislation works its way through state government, AARP will call for a transparent process and will demand open, accessible and timely public forums.

PensionAlertRI.org will be an online source for news, views and stories from real Rhode Islanders as well as a forum for a state-wide conversation.

This is your Web site. This is where your voice can be heard. It's not just about the numbers – it's about people.

Tactics & Strategies

www.pensionalertRI.org

Radio

Legislative strategy

Education strategy

Volunteer training

Grassroots strategy

Toolkits

Tele-town halls

E-blasts

Direct mail

Opinions & LTEs

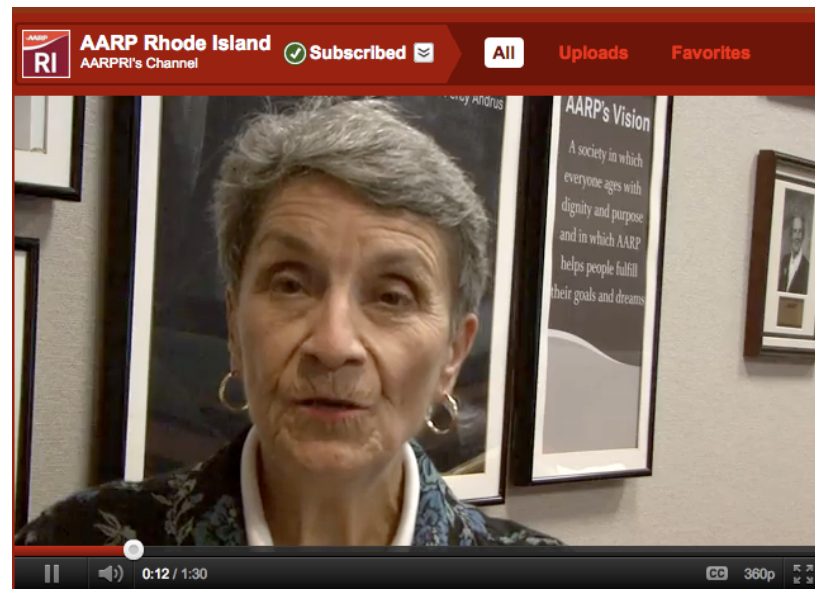
Fact Sheets

Press Releases

Social media strategy

Faces of Retirement—You Tube

Tweets



Advertisement

Dear Governor Chafee,

We are writing to inform you of our grave concerns relating to public employee pension reform efforts currently underway in Rhode Island.

Of immediate concern is the lack of transparency around the Pension Advisory Group and the looming threat to retirees' economic security under consideration and discussion. We believe that most Rhode Islanders are unaware that the group is considering cuts in pension benefits to people already retired.

Governor, it's our view that current retirees and the public in general have been given inadequate means to learn about the potential far-reaching changes the advisory group is considering, and that the public must be given better opportunities to participate in this discussion.

AARP is concerned by the way the process is unfolding and, in particular, the lack of public engagement. It troubles us, for example, that the Pension Advisory Group members made the time to listen to selected finance experts but provided no way for everyday people who may be affected by the proposed changes to voice their concerns.

AARP is committed to helping ensure that Rhode Islanders have the resources they need to live their retirement years with dignity. Accordingly, we have launched a campaign to raise public awareness of what is at stake and to encourage participation in a broad discussion via a special website, pensionalertri.org, we will launch in September.

Retired people have planned their lives based on a long-honored principle that they could rely on the pension benefits they worked hard for and contributed to their whole lives. Destroying that confidence is a threat to all current and future retirees. It imperils the very concept of planning for retirement security.

AARP will fight to ensure that the public is fully informed, that the process is transparent and that public hearings are inclusive and accessible. Multiple timely hearings should be scheduled at large, accessible venues across the state so that all Rhode Islanders who have an interest in these issues can participate in the process.

We are calling on you to listen to what real Rhode Islanders have to say.

Kathleen Connell
State Director, AARP Rhode Island

Anthony Regine, DDS
State President, AARP Rhode Island

Paid for by AARP

Media & Communications Training

**AARP, NRTA and
Rhode Island Retired Teachers' Assn.
Tuesday, September 20, 2011
Providence, Rhode Island**



*Rhode Island
Retired Teachers' Association*



Fact Sheets

NRTA PENSION EDUCATION TOOLKIT

SNAPSHOT: The Employees' Retirement System of Rhode Island

Overview

The Employees' Retirement System of Rhode Island (ERSRI) was established in 1938 to provide retirement benefits for employees of the state of Rhode Island. Today, the system provides a defined (DB) pension for more than 50,000 Rhode Island employees, retirees, and other beneficiaries.

About NRTA

NRTA-AARP Educator Community is a national umbrella organization for the nation's largest network of retired educators. For nearly 65 years, NRTA has worked with state and local Retired Educators Associations (REAs) across the country on areas of mutual interest in advocacy and community outreach.

Collectively, NRTA and REAs engage and advocate on behalf of nearly one-million retired educators. Our shared priorities are to protect earned pension benefits and to assure access to affordable retiree healthcare. Additionally, NRTA helps inspire and honor the work of REA volunteers through NRTA's With our Youth! national recognition program.

Using emails, webinars, conference calls, presentations and meetings, NRTA is a source of information and support for REAs. NRTA also works to support collaborations between REA and AARP state offices.



Rhode Island Retired Educators' Association



NRTA PENSION EDUCATION TOOLKIT

SNAPSHOT: Pensions for Rhode Island Teachers

Overview

As early as the turn of the 20th century, American legislators seemed to understand the importance of teacher quality to students' education. A 1917 report on public education noted that, "A school teacher's work is personal, direct, and positive. It works for the good or the ill of each pupil."

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Defined benefit (DB) pension plans were first introduced for teachers in the United States to help with the recruitment of high-quality educators, and as an incentive to keep those educators in the teaching profession. By 1946, some form of retirement plan was available to public schoolteachers in 33 states. It was thought that such a retirement system might serve purposes: 1) bringing more diverse, and highly qualified teachers into the profession; and 2) creating a more productive workforce that actually saves public employees money, as one dollar in pension benefits was seen as worth more than a dollar in salary.¹

All public school teachers in Rhode Island have pension coverage through The Employees' Retirement System of Rhode Island (ERSRI) Teachers Fund.

- The plan covers 13,350 active employees and 16,213 retirees and beneficiaries.
- Teachers contribute 9.3% of salary out of each paycheck to the pension fund.
- The average teacher benefit is \$41,734 per year, or \$3,478 per month.
- **Approximately half of all teachers in Rhode Island are not covered by Social Security,² making their pension benefit all the more important in ensuring financial security in retirement.** This also provides a significant cost savings to the state.



Rhode Island Retired Educators' Association



NRTA PENSION EDUCATION TOOLKIT

SNAPSHOT: Strong Public Pensions for Today and Tomorrow

Overview

Most state and local government employees offer a defined benefit (DB) pension plan as the primary retirement plan for employees. The prevalence of pensions in the public sector reflects the advantages of these plans to employees, employers, and taxpayers.

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Prior to the financial crisis that has gripped global financial markets since 2008, the vast majority of public pensions were widely considered to be strong and well-funded. The ongoing market downturn, however, has impacted all investors and brought heightened attention on how to ensure the long-term health and sustainability of retirement arrangements of all types, including public pensions.

For plans to serve the long-term interests of all stakeholders, each aspect of DB pension plan management—the funding policy that describes how contributions to the plan will be made, the investment policy that dictates how contributions are invested, and the benefit policy that governs how employees earn benefits in the plan—should be tightly linked. Over the years, experts on public pensions have identified practices and articulated specific policies that can support the integration of funding, investment, and benefit policies, thus enhancing the long-term sustainability of public pensions.¹



Rhode Island Retired Educators' Association



FAQ & By the Numbers

NRTA PENSION EDUCATION TOOLKIT

FREQUENTLY ASKED QUESTIONS

The following provides answers to the key questions relative to the **Employees' Retirement System of Rhode Island (ERSRI)**. ERSRI was established in 1936 to provide retirement benefits for employees of the state of Rhode Island. Today, the system provides a defined (DB) pension, a retirement plan that typically offers a modest but stable monthly retirement income that lasts the remainder of a retiree's life.

Q1: What is going on with the public pension reform efforts in Rhode Island?

A: The Rhode Island Governor and Treasurer recently convened a 12 member Pension Advisory Group to examine options to ensure the long-term sustainability of the states' pension systems. The panel included local and national experts on pension reform from business, academia, and labor, but lacked retiree representation. The Advisory Group completed a series of meetings but failed to produce a pension reform package to recommend to the Governor and Treasurer. Legislative hearings are underway, and the Governor and Treasurer are expected to submit a pension reform proposal to the General Assembly that will meet for a special session in October to consider changes to the pension systems.

We believe the reform process must be inclusive and transparent. Additionally, policymakers should be deliberative and thorough. The process must also ensure that reform proposals have accurate estimates, and are undertaken to improve the funding of the retirement systems. Reforms were enacted in 2005, 2009 and 2010, but we're back at it again.

Reforms also should be fair and protect the financial security of current and future Rhode Island public retirees. These are people – not just numbers – who are dedicated to public service, and often work for lower pay than they could receive in the private sector. Moreover, about half of public school teachers do not participate in Social Security, making their pensions all the more critical.

Q2: What is ERSRI?

A: The Employees' Retirement System of Rhode Island (ERSRI) was established in 1936 to provide retirement benefits for employees of the state of Rhode Island. Today, the system provides a defined benefit (DB) pension for more than 58,000 Rhode Island employees, retirees, and other beneficiaries. ERSRI is charged with administering five pension funds: State Employees, Teachers; Municipal Employees Retirement System (MERS); State Police, and Judges.

In addition to ERSRI, there are 24 local municipal funds in the state. For example, the public pension system in Central Falls, which has been the subject of recent attention, is not part of ERSRI.



NRTA PENSION EDUCATION TOOLKIT

By the Numbers

The following provides a snapshot of key data relative to the **Employees' Retirement System of Rhode Island (ERSRI)**. ERSRI was established in 1936 to provide retirement benefits for employees of the state of Rhode Island. Today, the system provides a defined (DB) pension, a retirement plan that typically offers a modest but stable monthly retirement income that lasts the remainder of a retiree's life.

9.5 Percentage of salary that Rhode Island teachers contribute throughout their career from every paycheck to their pension benefit to share the funding responsibility.

50 Percentage of Rhode Island teachers who are not covered by Social Security, making their pension benefit all the more important to their financial security in retirement.

5,615 Jobs created in 2006 from pension benefit spending by Rhode Island state and local government retirees.

\$14,122 The annual teacher turnover cost in Rhode Island.

58,000 Rhode Island employees, retirees, and beneficiaries included in ERSI.

\$729,131 Annual teacher turnover savings provided to Rhode Island by the defined benefit pension system.

\$141,000,000 Federal, state and local tax revenues in 2006 generated by spending of Rhode Island public pension benefit checks.

\$874,000,000 Total economic input in Rhode Island created in 2006 when public sector retirees spend their pension benefits.

All data comes from either the Employees' Retirement System of Rhode Island or the National Institute on Retirement Security.



Grassroots Ed & Advocacy

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 Providence, Rhode Island 02904

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THE UNTHINKABLE: Cutting the Pension Benefits of Existing Retirees.

Today: Cuts to Public Retirees' Benefits

A move is under way to take away benefits existing retirees were promised, by freezing their cost-of-living adjustments for up to 15 years – or eliminating them all together. That would be devastating to retirees, whose pensions would stay the same year after year as the cost of life-saving drugs, food, heat and other essentials steadily increases. For many, keeping up would become impossible. For those without Social Security it would be catastrophic. This is unacceptable. Rhode Island lawmakers face tough choices, but they should make responsible decisions that don't hurt retirees and cut the benefits they've earned after a lifetime of hard work. It's wrong to change the rules in the middle of the game.

Who's Next?: You Could Be Next

Allowing Rhode Island to set this precedent is dangerous to seniors everywhere. Medicare, Social Security benefits and military pensions are already facing potential cuts in Washington. How do you plan for retirement if the promises you counted on are broken?

TELL YOUR LAWMAKERS IT'S ABOUT PEOPLE, NOT NUMBERS.

Call **1-888-262-4365** and tell them retirees need their protection.

PROTECT RHODE ISLAND SENIORS

Go to www.PensionAlertRI.org and click on **GET INVOLVED**.



"If you examine the numbers, suspending cost-of-living increases for retirees would be devastating."
 - Stephen McMahon



"As the rules change day to day, my life changes day to day. And I cannot afford that."
 - Maria Matias



"You've lived because of those promises...and those promises should never be broken."
 - John O'Hara

www.youtube.com/AARPRI



**IT'S NOT JUST ABOUT THE NUMBERS,
 IT'S ABOUT PEOPLE, TOO.**

Proposed pension reform could include freezing cost-of-living increases for existing retirees for up to 15 years, or eliminating them altogether, making it impossible for many retirees to afford life-saving drugs and basics such as food and heat. We have to tell lawmakers this is unacceptable.

TAKE ACTION. Call **1-888-262-4365** or visit PensionAlertRI.org.



Direct Online Mail to Legislators

Contact your state
representatives
Now

<https://action.aarp.org/site/Advocacy?cmd=display&page=UserAction&id=1613>

Pension Reform: It's About People, Not Just Numbers

A move is under way to take away the benefits existing retirees were promised by **eliminating their cost-of-living adjustments for up to 15 years.**

Rhode Island legislators need to make tough choices to address the state budget, but they should make responsible decisions that don't hurt seniors and cut the benefits they've earned after a lifetime of hard work.

Send a message to your state legislators by filling out the form below: **Don't make a deal that cuts retirees' pension benefits!**



2012 State Efforts

November 2011: Target states strategy session

Potential Target States:

New York

Rhode Island

New Hampshire

Michigan

Ohio

Iowa

Louisiana

Mississippi

Alaska

California

Hawaii

Oregon

Arizona

Idaho

Wyoming

****This list is not comprehensive, inclusive or confirmed***

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Contact Information

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