



The Fair Retirement and Recruitment Act
Talking Points

WE BELIEVE:

- Public employees deliver vital services to residents across our state. These are teachers, nurses, firefighters, police officers, and more who dedicate their lives to serving our communities, and they deserve to retire with dignity.
- Workers didn't create the state's pension or financial problems – politicians did. But instead of addressing these problems, politicians forced the people who serve our community onto an unfair, lower tier of retirement benefit, for no reason except they were hired since 2011.
- When a police officer, firefighter, or teacher works hard their whole career, we should keep up our end of the deal and make sure they can retire and afford to pay their bills.

BUT THE SYSTEM IS BROKEN:

- Most public workers are now on Tier 2 – and it falls woefully short of providing a stable retirement. Their pension is less, it doesn't keep up with rapid inflation for things like food and medicine, and they have to wait until age 67 to collect it. Plus, many public employees don't have Social Security, so if they can't get by on the second-tier pension, they have no backup.
- That's unfair. Public workers on Tier 2 do the same job as those on Tier 1, and pay the amount toward their pension, but get less. Many Tier 2 participants actually pay more into the system than their pension is worth!
- Tier 2's lesser benefits make it hard for schools, cities and state and local governments to hire and keep the teachers, first responders, nurses and other public employees they need. That creates staff shortages that result in larger class sizes, slower emergency response, longer waits for services and diminished quality of care for people who need it. Fixing Tier 2 means investing in a stronger state with better services for all.
- Every day we wait to address these problems, the more expensive it becomes to fix this broken system. Fixing Tier 2 may come with a cost, but what is the cost of classrooms without teachers, or communities without adequate fire protection, or hospitals without nurses?



THE SOLUTION: Pass the Fair Retirement and Recruitment Act (SBXXX/HBXXXX, sponsored by Rep. Kifowit and Sen. Martwick). The bill will address the major shortcomings in the Tier 2 system, including:

- Bringing the final average salary pension calculation back in line with Tier 1
- Aligning Tier 2's retirement age requirements with Tier 1
- Implementing an across-the-board 3% simple cost-of-living adjustment for all Tier 2 members.
- Adjusting the pension salary cap to comply with federal Social Security requirements