

Talking Points on Reed/DeMaio Retirement Security Attacks

Chuck Reed and Carl DeMaio's struggle for political relevance has resulted in the submission of two ballot measures that will be certified for petition circulation around December 1, 2019. Reed and DeMaio are both failed ex-politicians whose vendetta against public employees knows no bounds.

They have failed twice to qualify ballot measures attacking the retirement security of hard working public employees. Now they have filed two new measures that are as poorly drafted, mean spirited and unworkable as the others.

Both measures are destined to fail. As soon as voters understand the incredibly negative consequences they will turn against these measures in droves. If the measures qualify for the ballot our coalition will not only throw everything we have at defeating them, we will turn out progressive and labor voters as we have in the past, lifting the campaigns of our allies.

Below are talking points on these two measures. Please share these with your leaders and members, and use them when speaking publicly on these measures. Note that some arguments are repeated, as they apply to both measures.

Measure 1: Elimination of Defined Benefit Retirement

This initiative is an extreme and punitive measure that will hurt teachers, nurses, firefighters, public employees and taxpayers.

- It eliminates defined benefit retirement for new public employees hired after January 1, 2015 and does not require employers to provide new employees with any retirement at all.
- It penalizes employees who change jobs. If teachers move from one school district to another, they will lose their pension. If firefighters move from one fire department to a new fire department, they lose their pension.
- It will hurt recruitment of new teachers, nurses, firefighters and other public workers. New employees will lose their pensions and be forced to work side-by-side with other workers, while receiving less retirement, or no retirement at all. Morale, recruitment and retention will be damaged.

This initiative takes away death and disability benefits for police, firefighters and other workers killed in the line of duty.

- It states that the measure "shall not be interpreted to modify or limit" death and disability benefits, but it eliminates the basis on which these benefits are provided. Once defined benefit pensions are eliminated, it is not possible to provide current death and disability benefits to police, firefighters and others injured or killed on the job. These are critical benefits that should not be taken away.

This initiative is poorly drafted and will have unintended negative consequences.

- It closes pension plans to new employees and prohibits employers from paying the costs of closing these plans. When no new employees can enter retirement plans, the cost of paying promised pensions will have to be paid by someone. Lawsuits will be filed and taxpayers will be on the hook.
- It allows voters to reinstate defined benefit plans, increase retirement benefits or increase employer payments to pensions to more than 50% of retirement costs. This will force costly elections across California and politicize the provision of retirement benefits. These decisions should be handled by the people we elect at the bargaining table.

Retirement benefits are currently reasonable and appropriate. This initiative is unnecessary.

- Contrary to the extreme claims of proponents about \$100,000 pensions, 98% of public employees receive far less. The average public employee pension is only \$2,784 a month and the average teacher pension is \$3,639 a month. Teachers, firefighters and police don't receive Social Security, so their pension is all they have to live on.
- Public employees currently contribute as much as half, and sometimes more than half of the cost of retirement from their paychecks. Studies show that public employee retirees injected almost \$20 billion into California's economy, generating over \$30 billion in economic activity for businesses.

Measure 2: Capping Retirement and Cutting Pay

This initiative will be devastating for new teachers, firefighters, police and other public employees.

- It caps retirement contributions at levels which will force new public employees to suffer pay cuts of between 7-39%. The initiative limits employer contributions towards retirement for new employees to 11%, or 13% for safety employees. Included in this maximum are payments for Social Security, Medicare, deferred compensation, retiree health care, prefunding retiree health care, defined benefit retirement and defined contribution retirement.
- A new California Highway Patrol (CHP) Officer's starting salary is \$6250 a month. This initiative will force a cut in every new CHP officer's salary of 39%. This is a cut of \$2,437.50.
- New state employees would have their salaries reduced by 21.8%. School bus drivers, custodians and cafeteria workers would have their pay cut by 7.65%. Every new public employee would experience a significant pay cut under this initiative.

This initiative punishes public employees who change jobs and will hurt recruitment and retention.

- It penalizes employees who change jobs. If teachers move from one school district to another, they will lose their pension. If firefighters move to a new department, they lose their pension.
- It will hurt recruitment of new teachers, nurses, firefighters and other public workers. New employees will be forced to work side-by-side with other workers, while receiving ten, twenty or even thirty percent less in pay. Morale, recruitment and retention will be destroyed.

This measure takes away current death and disability benefits for police, firefighters and other workers killed in the line of duty.

- It says that the measure “shall not be interpreted to modify or limit” death and disability benefits, but it eliminates the basis on which these benefits are provided. Once defined benefit pensions are eliminated, it is not possible to provide current death and disability benefits to police, firefighters and others injured or killed on the job. These are critical benefits that should not be taken away.

Retirement benefits are currently reasonable and appropriate. This initiative is unnecessary.

- Contrary to the extreme claims of proponents about \$100,000 pensions, 98% of public employees receive far less. The average public employee pension is only \$2,784 a month and the average teacher pension is \$3,639 a month. Teachers, firefighters and police don’t receive Social Security, so their pension is all they have to live on.
- Public employees currently contribute as much as half, and sometimes more than half of the cost of retirement from their paychecks. Studies show that public employee retirees injected almost \$20 billion into California’s economy, generating over \$30 billion in economic activity for businesses.