



CONTACT US
88 S. 3rd Street, # 256
San Jose, CA 95113
916-226-4800
RetirementSecurityInitiative.org

June 2, 2017

Dear Majority Leader Corman,

The Retirement Security Initiative (RSI), a national, bipartisan advocacy organization focused on protecting and ensuring the fairness and solvency of public sector retirement plans, supports the passage of SB 1 by the Pennsylvania legislature.

SB 1 – which is very similar to the conference committee report of SB 1071 – is a significant policy achievement, one that will help Pennsylvania meet its existing retirement commitments to public employees and address its substantial unfunded pension liabilities, while providing a new retirement structure that is both more sustainable and provides adequate retirement security for new workers.

With national unfunded pension liabilities in excess of \$1 trillion, traditional defined benefit pensions are straining the finances of state and local governments across the country. RSI believes that state governments have an obligation to fix this growing problem by ensuring that their retirement plans are sustainable, fiscally sound and responsibly managed so that all retirees and employees get paid what they have earned.

We believe that:

- All workers deserve safe and secure retirements.
- Retirement plans should place employees on a path to a secure retirement, regardless of tenure.
- Retirement benefits should be fair, sustainable and predictable.
- State and local governments should fully fund employee benefits, as they are earned, and incentives to underfund commitments should be eliminated.
- Unfunded liabilities should be paid down over a reasonable time period.
- Decision making and management of retirement plans should be open, transparent and non-political.
- Solutions should be designed around the specific problems and financial resources of each jurisdiction and there is no single solution that will work everywhere.

SB 1 significantly advances these principles and will help move Pennsylvania toward a healthier, sustainable financial future. We wish you the best in the coming week as you finish your work to both reform Pennsylvania's broken pension systems and as you finalize Pennsylvania's state budget.

Sincerely,

Pete Constant
Chief Executive Officer