

House Bill No. 5198 – Retirement Eligibility with at least age 60 and at least 30 years of service – teachers and state employees - “60/30” bill

Written Testimony –

Dear Chairman Abney and Members of the House Finance Committee:

I am writing to you in support of House Bill No. 5198, but more importantly, I am imploring you to pass this bill. It will allow you and your colleagues in the House and Senate to repair the most egregious component of the 2011 Pension Reform: THE PENALTY PHASE.

The penalty phase impacts teachers and state employees who are currently working and either nearing or working towards a new first date of retirement eligibility, established under the 2011 Pension Reform. The new first date of pension eligibility added anywhere from 4 to 10 years of additional, required service time depending upon hire date, age and service years.

These are the same public servants who lost upwards of 40% of the pension benefits they signed up for. Think about that.

They have had to work at least four to ten more years for a defined benefit that was cut by up to 40%.

But wait, it gets worse. If you need to retire just one (1) year before the newly defined first date of eligibility (e.g. due to health issues, to care for an elder parent), you are subject to an additional reduction of 9% of your pension which we know has already been cut by up to 40%. If you retire two years before your eligibility date, the penalty is 17% (9% for the first year + 8% for the second year). These are not 50-something-year-olds that I speak of; these are teachers and employees in their 60's.

Passage of this bill will not provide teachers and employees with anything more than the accruals they have attained as of the date of their retirement. Passage of this bill only serves to eliminate the additional, harsh penalties that were included in the 2011 Pension Reform. These penalties have received very little attention over the last decade. I get it. It's not something anyone wants to talk about. It's certainly not anything to be proud of.

House Bill No. 5198 serves to right a fourteen-year-old wrong. It simply eliminates the penalty phase for employees who are at least 60 and have served at least 30 years.

The 2011 pension cuts have been enough. They are severe. They are the highest in the country.

I plead with you to give these employees the option to retire with their significantly reduced pensions without the cruel and unusual punishment of the penalty phase. This 60/30 bill will do that.

Thank you for your attention to and consideration of this testimony.

Sincerely,

/s/

Marisa P. Brown