



NEA-ALASKA

Affiliated with the National Education Association

January 26, 2009

Representative Cathy Muñoz
State of Alaska
House of Representatives
State Capitol
Juneau Alaska 99801-1182

Dear Representative Muñoz:

The purpose of this letter is to thank you for introducing legislation to repeal the current defined contribution retirement plan for teachers and public employees which include our police and firefighters. Additionally, I wish to highlight a few of the many negative impacts experienced by Alaska's public servants. No employee group is exempt from the harm imposed by the new defined contribution system. New and currently vested employees face a future of tremendous risk and uncertainty.

The defined contribution plan offers no support or growth to the current defined benefit system. Instead, the bulk of the state's contributions go into individual accounts. When an employee prepares to leave their job by either resigning or retiring, both the employee and employer portions of the contributions may be withdrawn. Consequently, the new defined contribution plan further erodes the financial health of the defined benefit system. This jeopardizes the state's ability to meet its constitutionally mandated obligation.

We are hopeful that both houses will work together to restore the defined benefit pension system for all public employees. NEA-Alaska and its 13,000 members consider this our top priority. NEA-Alaska wants its member to have a reliable income when they choose to retire from public service. The risks are insurmountable, leaving our newest teachers, police, firefighters and all public employees questioning the viability of a future in Alaska.

The single most important resource for providing a quality education to Alaska's children are quality teachers in Alaska's classrooms, and for those teachers to be supported by quality education support staff and administrators. The purpose for a defined retirement benefit pension system is to attract and retain a well qualified, stable and experienced work force in all areas of public service.

On behalf of NEA-Alaska we urge strong support for legislation which repeals the defined contribution retirement system and restores the TRS II and PERS III Defined Benefit Pension System for teachers and all municipal and state public servants.

Sincerely,

Barb Angaiak
President