

ALASKA AFL-CIO

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VINCE BELTRAMI
Executive President



BRUCE LUDWIG
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February 2, 2009

Representative Cathy Munoz
State of Alaska
House of Representatives
26th Legislative Session
Juneau, Alaska

Dear Representative Munoz:

I am writing to offer support and to thank you for introducing HB 30, *"An Act repealing the defined contribution retirement plans for teachers and for public employees; providing a defined benefit retirement plan for teachers and public employees; making conforming amendments; and providing for an effective date."*

The defined contribution retirement plan the state moved to in July 2006 already is proving to be a mistake the state of Alaska cannot afford, both financially and in other difficult to measure costs. Employees entering the Tier 4 PRS and Tier 3 TRS have lost most of what has been contributed to those plans. While defined benefit plans are suffering as well in this economic environment, they are not feeling the pain nearly as much as defined contribution plans.

Costs associated with recruitment, retention, and training of our most valued public employees are difficult to measure but no less real than the measurable losses of defined contribution account portfolios.

Nearly half of the 60,000 members of the Alaska AFL-CIO are public employees and include police, firefighters, and teachers. These valued public servants protect our homes and families and we leave our children in their care to be prepared for a challenging future. A retirement with dignity is paramount for those we entrust so much to. A defined benefit retirement helps ensure we get qualified caring public servants who will stick around when we need them most.

From a purely financial perspective, the defined contribution system jeopardizes the health of the defined benefit system which we are obligated to protect through constitutional mandate.

On behalf of the Alaska AFL-CIO, we offer our strong support for this piece of legislation to repeal the defined contribution retirement system and to return to the defined benefit system for our valued public employees.

Sincerely,

Vince Beltrami
President
Alaska AFL-CIO