

PENSION REFORM – What does it mean?

As I have walked our district over the past year, many people want to talk about Pension Reform. “What does it mean?”, and “How and who will it help?” are some of the key questions asked. There is one thing that just about everyone agrees on – **the current system is unsustainable** and will help to bankrupt the State if our elected officials refuse to address it, as they have done for decades.

We need to start by recognizing that our elected officials of the past have made agreements to current retirees and soon-to- retire workers that must be upheld. It is unfair to take retirement away from someone who has worked all of his/her life toward that goal.

New hires and recently-hired public sector workers will need to consider new options. I have studied Utah’s **multi-tiered approach to public sector pensions**, which involves both 401K style private retirement plans and hybrid defined-benefit retirement plans. The success they have had is worthy of our study. Rhode Island needs to make this hard choice as the current pension plan is financially unsustainable as it exists. Whatever new plan eventually emerges, it is imperative that the **State and/or towns make their matches** each year to the plan.

There should be **no preferential treatment** for “special” groups like state judges or the state police. A public sector employee is a public sector employee. Why does one group of people need to work 10 or 15 years to be vested in their pension, while a judge can work much less to become vested? This “**special treatment**” must end.

A key part of **any** pension reform is immediate **private sector job growth**. We need those jobs to help bridge the gap between the current system, with its large number of retirees and soon-to- retire workers, and the new system which will be self funded by its plan participants. **If we continue to bleed private sector jobs in RI, pension reform becomes all the more painful.**

I want the teachers of my children, the firemen and police of my community, the persons plowing the highways during a snowstorm and all other public workers to be motivated at their jobs and paid a true wage for their hard work. But we need to move forward in a manner so that the accompanying public sector retirement plan does not hurt the long-term viability of our state. **Public Pension Reform needs to work for all those involved!**

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