



TOWARD A SECURE RETIREMENT

FIREFIGHTERS' STATEMENT OF PRINCIPLES

California's firefighters are proud to live and work in a state where public service and sacrifice are valued, and retirement security is viewed as an obligation, rather than a burden.

For first responders, retirement security is a cornerstone commitment that allows them to continue working in these highly dangerous, but essential occupations. Preserving secure, well-funded retirement benefits – including health care – is a critical component of any fair system of compensation for a lifetime of risk and public service.

- *Retirement security is critical to recruiting and retaining a high-caliber work force, particularly in high-risk occupations, such as public safety.*
- *Retirement security protects future generations of workers from becoming a burden on the social safety net, producing a long-term benefit to taxpayers and public agency funding.*
- *Most importantly, retirement security is the least society can do for those who devote the bulk of their lives to public service.*

PROTECTING RETIREMENT SECURITY

California's pension system is built on a solid foundation. The strength of CalPERS and CalSTRS, and the renewed strength of most local retirement systems proves the underlying actuarial values are sound.

Defined benefit pensions must be preserved. The cornerstone of true security in retirement is a defined benefit pension plan. Defined benefit plans are demonstrably more secure for retirees than risk-based defined contribution plans.

Future generations cannot be sacrificed. Tiered retirement systems are inherently unfair and discriminatory, sacrificing future generations for the politics of the present. This is not acceptable. Secure defined benefit plans should be encouraged for all, not taken away from future generations.

Employer contributions are an obligation, not an option. Pension "holidays" by employers during surplus years threatened the health of the retirement system. Minimum contributions should be maintained in good years and bad, both for employers and, where applicable, for employees.

Local autonomy must be respected in determining benefits. In order to insure that the needs of each community are accounted for, any changes or modification in benefits must be mutually agreed upon by labor and management through local collective bargaining, rather than having a one-size-fits-all “solution” imposed by Sacramento.

Reform must provide real cost savings. Any “reform” imposed upon the sound foundation should have an actuarially proven cost saving associated with it. Reform should be based on sound actuarial principles, not on the ideological preconceptions of politicians and advocates.

Reform should target those who abuse the system ... not those who need it. If there are abuses in the retirement system, these should be addressed directly and in a manner that punishes wrongdoers without threatening retirement security for all.

Reform can and should target abuse by employers in their use of retired annuitants. The employment of retired annuitants to fill public safety jobs amounts to taxpayer-financed double-dipping.

PROTECTING HEALTH CARE SECURITY

Health care is everybody’s problem ... not just government’s. The availability of affordable health care coverage for all is a crisis affecting our entire state. The health care cost crisis won’t be solved by taking security away from retirees. Rather it will be solved by reducing costs and opening access to all.

Retiree health coverage is a necessity, not a luxury. Retiree health care coverage, like a secure retirement, is especially critical for first responders because of the physical rigors of the job and the ongoing health threats imposed by a lifetime of exposure to carcinogens and biological and chemical toxins.

GASB-45 is not a new unfunded liability. Like a home mortgage, the GASB-45 standard identifies future obligations ... not current-year deficits. The threat to local government finances lay not in GASB-45, but rather in the exploding cost of health care for all – employed and retired.

Pre-funding health care protects retirees and taxpayers. As with the retirement system, pre-funding health care obligations is a prudent approach that will help insure that future obligations can and will be paid.

Affordability and quality care can, and should, go together. Protecting patient choice should be a cornerstone of any health care reform. Decisions about patient health should be made by doctors and their patients, not by insurance companies and especially not by employers.

Resist shifting cost of health care crisis to employees. Increased co-pays and higher and higher premiums for employees are bleeding working families, and threaten to bankrupt retirees. It is essential that in reforming health care, the burden not be shifted to those least able to afford it.