

Theresa Utton-Jerman

Subject: FW: Pension and Benefits Manipulation Public Hearing

From: Hopper, Kay <Kay.Hopper@vermont.gov>

Sent: Tuesday, February 8, 2022 10:03 AM

To: Chrissy Gilhuly <CGilhuly@leg.state.vt.us>; Theresa Utton-Jerman <TUTTON@leg.state.vt.us>; Testimony <testimony@leg.state.vt.us>

Subject: Pension and Benefits Manipulation Public Hearing

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Pension and Benefits Manipulation Public Hearing

Good afternoon,

As you likely well know, I would like to point out that the Governor has stated that there will be no new taxes, as there is enough money to avoid this action.

Any changes to State employee's benefits, that result in an increase in cost in the current year's value of the dollar, to State employees, and/or a decrease in the employee's benefits, is an increased tax to State employees.

Increasing our costs and decreasing our benefits is unethical and illegal. It severs the contract with the employee, at the time of hire, which promised a pension benefit, at an expected cost.

I find the proposal presented by the pension task force to be inadequate and unequitable. The highest paid employees, the judiciary, proposed a CPI cut-off remaining at 5%, have given up the least, and remain among the highest paid employees in the State, in retirement and in employment.

If the State would like to attract and retain employees, they need to seriously consider not capping the CPI, at all.

In one year, an employee/retiree faces a serious loss of income, with extreme inflation.

If the CPI caps stay in place, or worse are lowered, we risk increasing the number of impoverished retirees. This will further erode the State's income, as the State will NOT gain needed tax revenues, and the economic fallout to local businesses will be damaged, as there will be less disposable income available to generate a healthy economy.

The State's wages are typically very low, with many job categories making the lowest in the nation. Many employees live check-to-check. When you factor in these low wages and calculate the 30-year outlook for an individual's pension, this does not equate to a living wage, and this is before trying to gut the pension and benefits further.

Please consider that a vast simplification to the pension system agreements, across all the separate categories of agreements, would save money, as the management of such a system would not require as many employees to maintain. The level of complexity that has been created, so far, is quite ridiculous.

This decision will again, set an important precedent, that either.

All our dedicated, long-term employees deserve a retirement that is not impoverished, or the State has decided to enrich the rich by taxing the lowest paid employees.

If the judiciary will not accept a lower CPI cap, I do not see why the other employees must accept a lower CPI.

Why should the lowest paid State employees subsidize the highest paid employees?"

This is a copy of what was sent to the legislature in November, 2021.

Subject:
Pension Manipulation Testimony

Hello Folks,

Here my testimony on manipulating the pension in ways that cost the State work force.

Having listened to most of the Pension Manipulation meetings with the task force, I was shocked and saddened to see how readily some legislators feel that lowering benefits and raising costs for State employees, was an acceptable way to pay for this shortfall, which I feel is the State's burden and error due to years of not resolving this problem.

This is illegal. Our pension benefits are defined at the time of hiring and are a contract with the State. Any change to this contract can only create a better situation for the employee. Otherwise, this is a break in contract, which is against the law.

Frankly, the amount of confusion created with all the different retirement types and scenarios is frustrating. I personally think a huge overhaul, with an extreme simplification is needed and would likely save taxpayers money. You could choose the best retirement package and change everyone over to that package and do away with the ridiculous, and extraordinarily complicated system that has been created.

The bottom line is that civil servants accept the VERY LOW RATE of PAY, because of the retirement option. When legislators think it's acceptable to ask the State employees to accept less for more, it creates a huge trust issue. Many people are leaving the State employment because of this situation, and will continue to, unless this can be remedied in a fair and equitable manner abiding at least to the agreement set forth in the hiring job description and benefit package contract.

Thank-you,"

Kay Hopper, Civil Engineer