Opinion California's pension crisis: Sustaining sweetened benefits

Jon Hamm, the retired chief executive of the California Assn. of Highway Patrolman, worries "pension envy" could lead to a backlash against public employees. (Steve Yeater / CALmatters)

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To the editor: Thank you for initiating such an important investigation into the pension time bomb facing California taxpayers.

I wondered why it was that no provisions were included in the 1999 legislation to periodically renegotiate based on actual investment returns? To maintain sustainability, I think there should have been a renegotiation every five years to adjust a combination of benefit levels and employee and employer contributions. After reading your first installment, it became clear why this didn't happen.

("The political deal that's costing the state billions," Sept. 18)

We must muster the political will to do something to eliminate the corruption and incompetence that caused the problem in the first place. Keep up the good work.

Steven Beal, Santa Barbara

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To the editor: The article brilliantly exposed how public-employee unions “persuaded” our politicians to endow pensions often double those of the private sector on the backs of present and future private-sector workers having no such pension, savings, or political representation.

In one glaring example, the “3% versus 2% pension savings multiplier” on salary cleverly disguised a major increase in pension.

The inevitable “pension envy” may ultimately correct itself at the ballot box, in which case presently retired and future-retired public-sector employees who played this game, whether actively or looking the other way, should begin saving now for their own “rainy day” when, depending on actual versus projected CalPERS investment returns, the choice may fall between half a check or none at all.

Phil Barnes, San Pedro

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To the editor: All one needs to know about our pension crisis is in your article.

As you wrote, back in 1999, CalPERS was warned that it risked “fairly catastrophic” consequences if it didn’t meet its earnings target.

But the board, “dominated by union leaders and their political allies,” paid no attention, and the politicians kept increasing the pension so that a CHP officer retiring today after 30 years gets an average pension of $96,270 a year — a pension worth $2.6 million.

What more needs to be said?

Arthur O. Armstrong, Manhattan Beach

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To the editor: While we’re once again comparing the “have” public employees versus the “have-not” private sector, I think we should not forget to look at what might be different if:

Corporations were required to share profits with their employees and pay taxes on the dollars they have parked offshore; private-sector employees had not abandoned unions for the “every man for himself” model; and, public safety workers no longer had incentive to risk life and limb to save private-sector lives and property.

Gary McCarter, Burbank

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To the editor: I would like to offer the experience of a retired state employee. I worked for 32 years as a psychiatric technician at a developmental center in Costa Mesa.

I was responsible for the care and medical treatment of adults with special needs. Tasks included bathing, spoon-feeding and dressing the individuals. I earned my retirement.

I did not retire in style. I use my pension and social security to provide a living for myself and my son in subsidized housing.

Those who want to promote a backlash against state employees are trying to make us pay for the sins of the wealthy who created the Great Recession.

I realize there are problems with the system, but they begin with the societal inequities that are on display daily in your newspaper.

Is everyone ready to deal with the backlash state employees will create if their pensions are cut?

Charles Crowley, Costa Mesa

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To the editor: In the article it is mentioned but not emphasized that we public workers paid money into the PERS fund out of our paychecks. Our pensions are not a gift.

When the dot-com bubble burst and then the giant recession hit, government bailed out Wall Street, banks and auto companies but not pension funds.

Articles such as this focus on the highest-paid retirees, including retired police chiefs and/or government managers who went from one agency to another, double or triple dipping to finagle high retirement pensions.

I think it is a specious argument to compare private-sector workers and public employees.

Why there is not a retirement system, beyond 401(k) savings plans, for the majority of private-sector employees is a question they should ask themselves and their employers. I do not believe it is a valid criticism of the retirement benefits of public workers.

Hollis Stewart, Long Beach

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To the editor: We believe the article paints a dishonest picture of the past, present and future of the challenges facing the state’s pension system.

Public servants who teach our children, protect our streets and save our homes from fires receive an average retirement benefit of about $30,000 per year, according to CalPERS.

Compare this with the excessive bailouts and golden parachutes reserved for the super-rich, who are the political driving force behind efforts to slash the retirement security of working families.

California's public employees pay into their retirement accounts, and in hundreds of jurisdictions across the state they are ponying up more of their paychecks to receive the retirement security they negotiated for in good faith.

Dave Low, Sacramento

The writer is the chair of Californians for Retirement Security and executive director of the California School Employees Assn.

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To the editor: California's public employee pensions are out of control, but I believe that treating corporations as people and political donations as speech are partly to blame.

Businesses seek policies favoring business, unions those favoring members; both seek to elect favorable officials. Both should be heard; but neither crass self-interest nor partisan tit-for-tat is a sufficient base for public policy.

An independent, nonpartisan statewide agency (like the Congressional Budget Office) should publicly score proposals, especially long-term ones (such as pensions). No proposal should get approved without its first being well researched and explained.

Given mistakes already made, creative federal taxation of ill-conceived excesses and remitting them to the state(s) may become necessary.

John C. Nangle, Palm Springs

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