



No pension crisis is on the horizon in Ohio

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I'm writing in response to last Sunday's column "Public Pension Crisis?" in The Vindicator by [Bertram de Souza](#). The writer cites a recent report that indicates taxpayer costs for U.S. public pension funds are increasing and concludes that 401(k)-style funds would be a better alternative.

It's important for readers to know that Ohio's public pension systems and the General Assembly made pension reforms in 2012 that did not increase employer (taxpayer) costs. In fact, for the State Teachers Retirement System of Ohio, the employer contribution has remained at the same rate for more than 30 years. It's hard to make a case that pensions are costing Ohio taxpayers more.

Further, defined benefit plans provide financial protection for both plan members and taxpayers. Members are provided a lifetime benefit they won't outlive – a problem now faced by so many whose savings or 401(k) plans have been depleted. Study after study shows that Americans are not saving enough for retirement.

Rather than burden taxpayers, the statewide retirement systems provide a stable source of revenue for Ohio's local economies. In 2015, Ohio's five systems paid about \$14 billion in benefits, and most of those benefit recipients reside in Ohio and support jobs in the state.

The de Souza column cited another article that criticizes pension-system fees paid to manage investment assets, and goes on to wildly inflate the funds' unfunded pension obligations. STRS Ohio has been recognized for the past several years by an independent study as having the lowest investment costs of all large U.S public-fund sponsors in its peer group.

And while not fully funded today, Ohio's public pension systems and the Legislature showed in 2012 that they were willing to work together to improve the financial condition of these funds. It is unwise and unnecessary to conclude that the questionable funding policies of less-stable plans in other states could lead to a pension crisis in Ohio.

Michael J. Nehf, Columbus

The writer is executive director of the State Teachers Retirement System of Ohio.

Leader of pension group challenges recent column

I was really disappointed in the column by [Bertram de Souza](#) with the position he was trying to push: "Change Ohio's defined benefit pensions into defined contribution pensions."

He apparently is following the efforts of Grover Norquist, co-founder of the Islamic Free Market Institute, which began a campaign in 2001 proclaiming, "We want to take that power, and destroy it." The power, to which he was referring, is the power to invest with knowledge, and to sue when investment products are misrepresented.

This power is only resident in defined benefit pension plans. Mr. de Souza's article played the old jealousy card of pitting taxpayers against public employees. (As if they weren't taxpayers also.) He quoted national statistics and trends, which are not Ohio's statistics and trends. He threw out the cost of investment experts, \$734-plus millions, but forgot to mention the minuscule percentage that is of the \$150 billion funds, and finally he tried to say that the taxpayers were responsible for any unfunded liability, which, in Ohio is patently untrue.

What he forgot to say is Ohio taxpayers pay less in wages and benefits for their employees than any large corporation does for theirs.

William Winegarner, Columbus

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