BCG Retirement News Roundup

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Boomershine Consulting Group, 3300 North Ridge Road, Suite 300, Ellicott City, Maryland 21043

www.boomershineconsulting.com 410-418-5525

Boomershine Consulting Group (BCG) is launching this monthly news roundup of highlighted significant articles from the retirement industry – for clients and friends. Retirement plan news has become increasingly pertinent for many audiences these days, including:

- Retirement Plan Sponsors – addressing both private and public sector issues
- Employers – dealing with complicated decision making for their plans
- Employees – educating the Boomer generation that is nearing retirement
- Industry Practitioners - helping to understand and resolve today's significant challenges

We review numerous industry news services daily and will include a collection of timely and significant articles each month concerning compliance, actuarial plan costs (including assumption debates), plan design change issues and benefit trends, as well as other related topics.

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Public Sector/Government Plans

Montgomery officials: Pension shift could cripple county services

Burden expected to total $351 million in first five years

As state legislators debate the merits of shifting some of the cost of teacher pensions from the state to Maryland's counties, Montgomery politicians are arming themselves with financial data to fight the proposal.

Montgomery County Council President Roger Berliner (D-Dist.1) of Potomac and county Chief Administrative Officer Timothy Firestine briefed members of the county's state delegation Friday on Montgomery's economy.

Shifting half of Maryland's teacher pension burden would cost Montgomery County more than it pays for its departments of transportation, housing and environmental protection combined in the first year alone, Berliner said.

The cost shift's anticipated $47 million burden in fiscal 2013 is more than enough to pay 89 public safety work years and 109 nonpublic safety work years in the county, as well as 153 "new hire" teacher work years and 114 "agency" work years for Montgomery County Public Schools, said county council staff director Stephen Farber.

"This is part of the strategy, understanding the real world impact on our residents," Berliner said.

Delegation chairman Brian J. Feldman (D-Dist 15) of Potomac said Friday's meeting was designed for county leaders to show state lawmakers the specific implications of the pension shift.

Gov. Martin O'Malley's budget proposes the legislature shift $239 million in teacher pension costs to local governments. The plan includes $244 million in revenue to soften the blow, which includes an increase in the income tax for the state's high earners. For Montgomery, the cost is estimated by the state at $351 million in the first five years.

Some delegates criticized the county for not having any strategy.

"You asked what can you do to help us," said Del. Luiz Simmons (D-Dist. 17) of Rockville. "What you could do is give us a policy. The county does not come up here, nor has it, and actually make this case in a serious manner. It's been quite in fits and starts."

County officials say options for raising revenue are limited — the county's income tax is at its maximum and its property tax cannot be raised above the level of inflation without unanimous support from the county council.

Del. Eric Luedtke (D-Dist. 14) of Burtonsville said that there were other ways to find funding in Montgomery County, including the admissions and amusement tax which has a state cap of 10 percent, yet is 7 percent in the county.

Defending against criticism from delegates, Berliner noted the county's role as the economic engine of the state.

State lawmakers asked the county for data to support that argument.

Published by Gazette.net on Monday, February 06, 2012 by Kate S. Alexander, Staff Writer
Staff Writer Danielle E. Gaines contributed to this report.

STATE GOVERNMENT;
Double-dipping may be widespread

A number of retired state employees may be evading a state law prohibiting "double-dipping" by working for the state as contractors, Legislative Auditor Aaron Allred told members of the Senate Pensions Committee Monday.

State law prohibits retirees from earning more than $15,000 a year in post-retirement employment with the state, but a legislative audit released earlier this month found that retired state Personnel Director Joe Smith had used a loophole to collect more than $750,000 in state compensation over six years.
Instead of hiring him as a part-time employee, then-Gov. Joe Manchin awarded Smith's consulting company a sole-source contract to advise the governor's office on personnel matters.

"He was the state's de facto personnel director," Allred said of the arrangement.

"Mr. Smith had all the trappings of a state employee: A parking space, keys to the Governor's Office," Allred said. "He actually signed off on state documents, which we believe is illegal, since he was not a state employee."

Since the audit, Allred said his office learned of a similar arrangement in the West Virginia Health Information Network, where retired state employee Phil Weikle has served as chief operating officer for the past year.

Allred said that position was stipulated as part of the agency's $216,000 yearlong state contract with Fenwick Technologies, a Charleston-based information technology firm.

It was not clear if Weikle, who receives a state pension of about $36,000 a year, received the entire amount of the contract, which expires today, as direct compensation, Allred said.

In an attempt to determine how many retirees are double-dipping under vendor contracts, the legislative auditor's office ran a cross-check between the Consolidated Public Retirement Board's list of retirees and the state auditor's list of vendor payments, and came up with 593 matches.

However, Allred said that number almost certainly is high, since reimbursements to state employees for travel expenses are booked as vendor payments.

"We're going to have to tease out of the 593, how many of those didn't actually have a contract with the state, but had travel reimbursements in the year they retired," he said.
Sen. Mike Green, D-Raleigh, said the Legislature needs to have accurate figures on how many retirees are using vendor contracts to evade the double-dipping ban, and how much it is costing the state.

"I think it's something we as the Legislature have an obligation to address, one way or another," he said.

Also Monday, the Senate:
-Advanced to passage stage today a bill (SB108) that would require future magistrates to have at least a two-year associates' degree from an accredited college, beginning in 2015.

Currently, magistrates need only be high school graduates.

Reach Phil Kabler at philk@wvgazette.com or 304-348-1220.

Charleston Gazette (West Virginia)

January 31, 2012, Tuesday

NEWS; Pg. P1A

Pension Changes Aren't Enough; Experts Say More Cuts Are Needed

Some pension experts are warning that proposed changes to shore up one of the state's two retirement funds - criticized by some lawmakers as too harmful to retirees - actually don't go far enough.

"Our (system) is getting to the point that the patient is critical - he's not in satisfactory condition anymore," said Brad Day, a retired financial planner and member of the Educational Retirement Board.

In an interview Monday, Day pointed out that taxpayers already pay more than $300 million annually into the educator retirement fund and said slashing retirement benefits for current and future workers is the only way to ensure it remains solvent.

A New York investment manager also testified during a recent legislative hearing that the condition of New Mexico's pension funds is more dire than previously believed. Sean McShea of Ryan Labs Asset Management said the debt levels incurred by the pension funds could hurt the state's future credit rating.

However, state lawmakers have found enacting pension changes to be a political minefield. A prominent teachers union has said the latest proposal involving the teachers fund is unacceptable and suggested affected employees might take legal action against the state if the plan is approved by the Legislature.

A Senate committee postponed a vote on the ERB measure Monday, with lawmakers expected to retool the proposal before it is brought back for consideration on Wednesday.

"There's no easy way to do this," said Senate Education Committee Chairwoman Cynthia Nava, D-Las Cruces.

The ERB measure, SB150, would trim the annual cost of-living increases for both current and future retirees and would also impose, down the road, a minimum retirement age of 55.

The fiscal challenges facing the state's two pension funds, the ERB and Public Employees Retirement Association, are stark: The retirement funds had combined unfunded liabilities of more than $9 billion as of mid-2011. The ERB itself had about $15.4 billion in liabilities and about $9.5 billion in assets, or an unfunded liability of $5.9 billion.

An unfunded liability is the difference between current assets on hand and future retirement benefits due to be paid out.

The situation has worsened in recent years, largely due to several factors: market-driven investment losses, workers retiring younger and living longer, and a state budget crunch that has prompted legislators to delay approved contribution hikes.

While other states, including Colorado and Rhode Island, recently have enacted sweeping changes to their state pension plans, the bill backed by the ERB would make modest alterations. The PERA board did not endorse any legislative changes this year.

In addition to trimming benefits, the ERB plan would also increase the amount of money taxpayers pay into education workers' retirement funds.

Taxpayer-funded state contributions into the fund totalled about $308 million during the last fiscal year, ERB Executive Director Jan Goodwin said. The proposal on the table would, over a period of seven years, increase that number by an additional $113 million per year, she said.

Sen. Bernadette Sanchez, D-Albuquerque, voiced strident opposition Monday to cutting retirement benefits.

"I have great concerns about doing that, because that's impacting our seniors," Sanchez said.

However, Day said more dramatic steps might have to be taken to shore up the fund, such as enacting a minimum retirement age of 62 and eliminating the annual cost-of-living increases.

"There is so much debt that you cannot believe it," Day said. "We're insolvent right now."

Other members of the ERB board have balked at such ideas. But they have expressed concern, saying some changes are needed.

In a recent letter to the Journal, board Chairwoman Mary Lou Cameron said the proposal on the table is fair.

"There is no practical way to solve the problems with which we are presented without affecting every member of the education community - whether they are approaching retirement or not," Cameron wrote. "A careful review of these changes shows that they are indeed modest changes, especially when compared to what other retirement systems have done."

The teacher pension fund covers roughly 97,000 working and retired teachers, school workers and higher education employees.

Albuquerque Journal (New Mexico)

January 31, 2012 Tuesday

FRONT PAGE; Pg. 1

Lawmakers want details on pension reform Brown seeks hybrid system for public workers

SACRAMENTO - Members of a conference committee charged with crafting comprehensive pension reform legislation this year urged Gov. Jerry Brown on Wednesday to quickly provide full details on how he envisions his proposed reforms would work.

'The public is starting to question if this committee is going to accomplish anything,' said Sen. Mimi Walters, R-Laguna Niguel. 'We need to prove to the public that we are very, very serious about moving forward with pension reform.' She urged the Brown administration to quickly provide the committee with proposed legislative language that would detail his proposals on reform for public employee pensions. Assemblyman Warren Furutani, D-Long Beach, co-chairman of the Conference Committee on Employee Pensions, echoed that sentiment in a brief interview after the committee meeting.

'What Sen. Walters talked about is definitely legitimate,' he said. 'We're going to get together with the governor and his staff. We've got to get something done in this session.' Brown proposed a 12-point reform plan last fall that includes raising the retirement age, requiring that employees and employers equally split annual contributions to the workers' pension plans and implementing a so-called 'hybrid' system that would provide reduced pension benefits and also establish 401(k) type retirement savings plans for state and local government workers.

Brown has told lawmakers there is an urgency to act, both to protect state and local governments from the risks associated with unfunded pension liabilities and to show good faith with taxpayers at a time when they are being asked to approve a temporary tax increase to balance the state budget and boost funding for schools.

"Please take up the issue and do something real," he urged lawmakers last week in his annual State of the State address.

A spokeswoman for Brown said Wednesday that proposed legislative language that will spell out details of the governor's plan will be coming soon.

"We're actively working on it," said Elizabeth Ashford, chief deputy press secretary. "These are the governor's proposals, and we want to make sure they're on the table and that the Legislature moves forward."

On Wednesday, the committee examined the question of how a hybrid system might work.

An executive with the California State Teachers Retirement System suggested there is a way to accomplish the goal of limiting the risks of public agencies without forcing upon employees the financial drawbacks of traditional 401(k)-type plans.

Ed Derman, deputy chief executive officer of CalSTRS, said the use of what is known as a "cash balance" plan would provide greater retirement security for workers and virtually eliminate the risk to employers of taking on unfunded liabilities.

CalSTRS has had such a system in place since 2001, he said.

"For the same cost, you can get a better benefit," Derman said. "A cash balance plan, in our mind, is much better, much safer. It has a lower cost to members, is very easy to understand and has a very low risk for employers."

A cash balance plan works like a 401(k) in that employees can contribute a portion of their pay into an individual account, with their employers matching some or all of what they put in. When they leave or retire, "the amount of benefits you get is dependent on the balance."

What makes them superior to traditional 401(k) plans is that the pension system guarantees that the principal will not diminish and that members will receive a return based on interest rates paid by long-term Treasury notes. That guarantee is possible, he said, because the contributions are managed by the pension fund, which historically earns a much higher rate of return on its investments.

That arrangement eliminates the risk of low or negative investment returns for workers and also substantially reduces the administrative costs of managing their accounts, he said.

In addition, he said, it would be easy to adopt what he called "a stacked approach" to employee retirement benefits. Under such an approach, employers would make contributions into a traditional pension plan for wages up to a certain level. Above that level, employers would make lesser contributions into a cash balance account.

"It has served as a very effective tool against spiking," he said.

Furutani, who has argued for the need to limit the high-dollar pensions paid to

top-level public administrators and to some he believes abuse the system, said he found the idea of a stacked approach appealing.

Furutani said the committee will meet again in about a month and pledged that the panel will meet its mandate to produce comprehensive pension reform legislation.

"We're going to get a work product out there," he said. "It's not going to be a piece of paper to put on a shelf."

Ventura County Star (California)

January 26, 2012 Thursday

MAIN; Pg. A01

Va. weighs pension options; Localities could gain relief in offsetting costs for teachers' retirement

MICHAEL MARTZ; Time-Dispatch Staff Writer

Key legislators on Virginia's budget committees are considering new options for local governments to offset soaring retirement costs for teachers in the next two-year budget.

The choices include giving localities the option or mandate to require all teachers and local employees to contribute 5 percent of their pay toward pension plans administered by the Virginia Retirement System. One legislative proposal to mandate the requirement is due before a Senate subcommittee Tuesday. Legislators also may propose requiring the VRS to use the same actuarial assumptions in setting rates for local government pensions as the General Assembly does for contributions to state employee and teacher pensions.

The difference in rate assumptions has pitted the VRS board of trustees against key legislators, especially those on the House Appropriations Committee, and Gov. Bob McDonnell, who want to save state money on pension contributions by assuming a higher annual return on investments made by the $52 billion retirement system.

Unlike the governor and legislature, local governments have no choice but to pay the full rates certified by the VRS board for all local employees except those in the statewide pension plan for teachers.

"It's proper for us to use the same calculation for the localities as we do for the state," said Del. S. Chris Jones, R-Suffolk, chairman of the Appropriations subcommittee on compensation and retirement.

Senate Finance Committee Chairman Walter A. Stosch, R-Henrico, said it's too soon to say how the Senate would react to the idea, but he added, "I think that's a possibility."

Jones intends to propose budget language that would require VRS to assume an 8 percent annual return on investments over 30 years in setting local pension contribution rates, instead of the 7 percent return that the retirement system adopted last year after suffering steep stock market losses in the recession. Previously, VRS assumed an annual 7.5 percent return in setting rates.

The proposed change would reduce local government pension obligations that are due to rise by an average of 3 percent of payroll in the biennium and help them pay for big increases in teacher retirement costs.
Jones already has proposed budget language that would give local governments the option of requiring teachers and other local employees to pay 5 percent of salary toward their pensions.

The assembly included the same language in the budget two years ago, but McDonnell removed it after being lobbied by teachers, police and sheriff's deputies who said it would treat them differently than state employees were treated at the time.

McDonnell did not address the issue this year, and he's not taking a position on the ideas being considered by either house.

Jones said local governments need help to pay $1 billion toward teacher pensions in the next two years as part of a record $2.2 billion investment proposed by McDonnell for teachers and state employees.

"The bulk of the money is coming from local government," said Jones, a former Suffolk mayor. "It's not coming from the state."

Currently, most local governments and school districts pay the cost of the employee's share of retirement contributions, or about 5 percent of pay. The localities decided to cover the employee share decades ago instead of giving raises to local workers and teachers.

The state made a similar decision for its employees in 1983 but decided last year to require those hired before July 1, 2010, to pay the 5 percent share, while offsetting the increased pension cost with a 5 percent raise. Employees hired on or after that date already pay toward their pensions under sweeping retirement reforms enacted two years ago.

But local governments and school districts don't have the option under state law to begin requiring contributions from local employees and teachers hired before those reforms took effect. Most local governments and almost all school districts also declined to shift the cost of the pensions to newer employees because they didn't want to treat workers differently based on when they were hired.

Local government associations want the option, rather than a mandate, to allow them to make teachers and local employees pay their share. The Virginia Education Association says that would represent a pay cut for teachers who already lag 11 percent behind the national average for teacher pay.

"The state workers got the 5 and 5 (offsetting pay raise)," said VEA lobbyist Robley S. Jones. "I don't see that coming for us."

Senate Bill 497, proposed by Sen. John Watkins, R-Powhatan, would give local school districts the option of phasing in the pension contribution over five years, but local governments would not have that flexibility for their employees.

The bill is due before a Senate Finance subcommittee Tuesday, along with another Watkins proposal (SB 498) to give state and local employees an option that would combine defined pension benefits with a 401(k) contribution plan.

Local governments in the Richmond area have a mixed reaction to the legislative proposals to ease the pain of increased teacher pension contributions, which represent increases of $8.2 million for Richmond Public Schools, $13 million in Henrico County, $5.8 million in Hanover County, and $16.7 million for pension and other post-employment benefits in Chesterfield County.

Henrico County Manager Virgil R. Hazelett said the county decided in 1978 to cover teacher and local employee pension contributions in lieu of salary increases, five years before the state did the same for its workers. "As far as I'm concerned, we have to make that decision, not the General Assembly," he said.

Hazelett and his deputy for administration, John A. Vithoulkas, also have gotten the attention of House Appropriations officials over the difference in the way the state calculates pension contributions for its employees from the method used by VRS in certifying rates for local employees. The difference amounts to an additional $2 million a year in Henrico.

"How can it be that we have two different rate assumptions?" Vithoulkas asked. "It's just nonsense."

The assembly gave localities the option of assuming a higher investment return in setting their pension rates, but none of the 70 local governments that were eligible under the law took the opportunity.

VRS determined eligibility by measuring each locality's level of fiscal stress and how well its pension plan was funded. "If a locality was already under a great deal of fiscal stress, it would not be prudent to reduce their retirement contribution," said VRS Director Robert P. Schultze. "If they dug themselves into a deep hole, then the existence of that fiscal stress would make it very difficult to dig out of it."

Chesterfield County Administrator James J.L. Stegmaier opposes using the higher investment return in calculating rates for local pension plans, which are healthier than the state's because they have paid the VRS rates.

"I don't consider it saving money," he said last week. "I consider it borrowing money that you're going to have to pay back one day."

Stegmaier thinks the state should have to use the lower rate of return assumed by VRS, even though it would double the contribution increase for teachers.

Hazelett agrees that might be the long-term solution to VRS' problems in funding its liabilities, but he said, "Until then, we're operating in a very difficult economic environment and we're looking for any assistance we can pursue."

mmartz@timesdispatch.com
(804) 649-6964

February 7, 2012

Richmond Times Dispatch (Virginia)

February 6, 2012 Monday

Private Sector

Treasury Department Proposes Guidance Package on Lifetime Income; Seeking Comments and Schedules Public Hearing for June 1

The U.S. Department of the Treasury released a proposed guidance package on lifetime income retirement plan options and a related fact sheet. The proposal will reduce regulatory burdens and make it easier for retirees to choose to receive their benefits as a stream of income in regular payments for as long as they live. These flexible “lifetime income” options can provide greater certainty in retirement and minimize the risk of retirees outliving or underutilizing their retirement savings. The Council of Economic Advisers also issued a related report, "Supporting Retirement for American Families."

As part of the lifetime income initiative, the Treasury Department released proposed rules relating to the purchase of longevity annuity contracts under tax-qualified defined contribution plans. The regulations will provide guidance necessary to comply with minimum distribution rules. The document includes a notice of public hearing on the proposed regulations.

The Treasury Department also released proposed rules providing guidance relating to the minimum present value requirements applicable to defined benefit pension plans. The regulations would change current minimum value requirements for defined benefit plan distributions to permit plans to simplify the treatment of optional forms of benefit paid partly in the form of an annuity and partly in a more accelerated form. This document also includes a notice of public hearing.

Public hearings on the above proposed rules will be held June 1, 2012. Written or electronic comments must be received by May 3, 2012. Outline of topics must be received by May 11, 2012.

PBGC Intends to Revise 2013 Filing Procedures and Instructions; Comments Due April 2, 2012

The Pension Benefit Guaranty Corporation (PBGC) proposed submission of information collection regarding payment of premiums. Comments are due April 2, 2012.

PGBC intends to revise the 2013 filing procedures and instructions to:

- provide for revoking a prior election to use the Alternative Premium Funding Target (APFT) to determine unfunded vested benefits,
- require plan administrators using the APFT to report the "effective interest rate",
- require the plan effective date be reported for all plans rather than just new and newly covered plans,
- require plan administrators to provide a breakdown of the total premium funding into the same categories of participants used for Schedule SB reporting,
- allow a plan administrator to list a second person whom PBGC could contact with questions about a filing, and
- reorder and renumber some items on the illustrative form that accompanies and is part of the instruction

More Americans work past traditional retirement age

JACK BROOM, The Seattle Times

At 68, Joy LaJeret has applied for enough jobs to recognize some of the code phrases potential employers use.

They don't come right out and say, "You're too old." But they might say something subtle such as: "We're looking for someone who would grow with the company."

She's even heard this: "With all your experience, you'd probably be bored with a job like this."

But LaJeret, of Redmond, Wash., has kept working part-time office jobs while training for something better. She can't afford to retire.

Americans, in ever-increasing numbers, are staying on the job past the traditional "retirement age" of 65. The percentage of senior citizens who are employed has jumped in recent decades, from 11.4 in 1990 to 16.2 percent in 2010, Census Bureau data show. The trend is expected to accelerate as more baby boomers approach retirement age.

In some professions, such as teaching, veteran workers staying on the job reduce the number of openings for new candidates. And in some entry-level jobs, such as fast-food restaurants and coffee houses, senior citizens are doing work that used to be done by teenagers.

For the first time on record, senior citizens outnumbered teens in the U.S. labor force in 2010, according to a compilation by Bloomberg News of data dating to 1948.

The reasons people work past 65 vary. Some love their work. Some hesitate to walk away from the security of a paycheck or health coverage.

And some stay because the troubled economy of the past few years pulled the rug out from under them.

"Unless I win one heck of a big lottery, I'd like to keep doing this," said Randy McDougall, 65, taking a break from directing big trucks up the loading ramps at the Washington State Convention Center, a part-time job he's had since early 2010.

For 17 years, McDougall worked at a small company that specialized in aerial photography. The firm's most dependable customers, he said, were companies doing large-scale developments in commercial or residential real estate.

"When the bottom fell out of real estate, it hit us hard," said McDougall, who was laid off in 2008.

At the convention center, workers 65 and older make up 17 percent of the 211-member staff, and are valued for their dependability, positive attitude and ability to work flexible hours.

"They bring a wealth of life experience and that benefits us," said Jeffrey Blosser, the center's chief executive officer. "They like to be helpful and it shows. We get a lot of great reviews from our clients about how friendly our staff is."

Older workers have a lower unemployment rate than the overall workforce, but when they lose jobs, they take longer to get new ones.

November data from the Bureau of Labor Statistics put the national unemployment rate for 65-and-older workers at 6.7 percent, below the overall mark of 8.2 percent, not seasonally adjusted.

But senior citizens out of work took an average of 62.7 weeks to find a new job, compared with the overall average of 41.1 weeks.
Paul Valenti, a job counselor with the Seattle Mayor's Office for Senior Citizens, said seniors are scrambling to update their computer and technology skills, required in an increasing number of fields.

Questions about the future of Social Security weigh on those approaching retirement age. As the baby-boom generation exits the working world -- many to survive well into their 80s and beyond -- a smaller pool of workers will be available to generate the funds paid out in Social Security benefits.

"Full retirement age" for Social Security has gradually increased from 65 for people born before 1938 to 67 for those born in 1960 and later.

Denise Klein, CEO of Senior Services, said her agency is hearing from more people older than 65 who are working -- or looking for jobs -- to meet basic financial needs.

Today's 65-year-olds are healthier and will live longer than those of a generation ago, and have a lot to contribute, she said. Besides money, many find a "sense of meaning and purpose" in their careers.

(Contact Jack Broom at jbroom@seattletimes.com. For more stories visit scrippsnews.com)

Scripps Howard News Service

January 04, 2012, Wednesday 1:37 PM EST

One-Third Of All New Yorkers Cannot Afford to Retire

Targeted News Service

NEW YORK

The New School issued the following news release:

A study released today shows a growing number of New Yorkers do not have enough money to retire. Over one-third of older **residents are expected to either subsist on Social Security, or not be able to retire at all.**

The study, entitled Are New Yorkers Ready for Retirement?, is part of a research initiative by New York City Comptroller John C. Liu and the Schwartz Center for Economic Policy Analysis (http://www.economicpolicyresearch.org/) (SCEPA) at The New School (http://www.newschool.edu/). Using recent New York City and New York State metropolitan-area data, the report examines whether New York City residents are financially prepared for their senior years. The answer, increasingly, is no.

The study found:
* Between 2000-2009, the percentage of employees in New York City who had access to employer-sponsored retirement plans declined from 48% to 40% - below the U.S. average, which is 53% (2009).

* Only 35% of New York City workers participated in an employer-based retirement plan in 2009.

* More than one-third of New York City households in which the head is near retirement age will have to subsist almost entirely on Social Security income or will not be able to retire at all due to the fact that they have less than $10,000 in savings.

"It is a significant public policy concern when such a high proportion of the workforce will not have enough money in their retirement years," Comptroller Liu said. "This report focuses attention on the need to help workers, both public and private sector, properly prepare throughout their working careers for their eventual retirement."

The report found that employers have become less willing or able to sponsor pensions - a trend that is true across most industries and occupations, and affects New Yorkers of nearly all ages and income groups. The brewing retirement crisis cuts across racial, ethnic and gender lines.

"The deck is becoming increasingly stacked against New Yorkers in their efforts to retire," said SCEPA Director Teresa Ghilarducci, Ph.D. "Fewer New Yorkers have access to the convenience and affordability of employer-sponsored retirement plans. More and more residents now face a choice between retiring into poverty or continuing to work in old age. Without significant policy reforms, the economic tea leaves foretell a decrease in the standard of living for retired New Yorkers."

The study was authored by Dr. Ghilarducci, a national expert on public pensions and retirement issues, along with economist Joelle Saad-Lessler, Ph.D. The New York City Comptroller's Office Budget and Policy Bureau provided key data and analysis.

The main study data were drawn from the 2001 and 2010 Current Population

Survey (CPS), the 2008 Survey of Income and Program Participation (SIPP), and the 2009 New York State Personal Income Tax Files.

Download the "Retirement Readiness" Report and Fact Sheet at http://www.comptroller.nyc.gov/rsnyc/
The report is the fifth in a series produced by Comptroller Liu's Retirement Security NYC initiative:
* Municipal Employee Compensation in New York City
* The $8 Billion Question: An Analysis of NYC Pension Costs Over the Past Decade
* Sustainable or Not? NYC Pension Cost Projections through 2060
* A Better Bang for New York City's Buck: An Efficiency Comparison of Defined Benefit Pension Plans and Defined Contribution Retirement Savings Plans
Contact: Sam Biederman, The NewSchool, 212/229-5667, x3094, biederms@newschool.edu

TNS cp -120127-JF78-3754242 StaffFurigay

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