



**Council 4 AFSCME**  
**Testimony before the Committee on Aging of the**  
**Connecticut General Assembly**  
**March 6, 2012**

Good morning. Senator Prague, Representative Serra, and members of the Aging Committee. My name is Sal Luciano, and I am the Executive Director of Council 4 AFSCME. Council 4 represents 35,000 Connecticut public and private employee members.

We are here in support of HB-5337, AN ACT ESTABLISHING A TASK FORCE TO EVALUATE THE UTILITY OF CREATING A PUBLIC RETIREMENT PLAN. This legislation brings us one step closer to rebuilding the middle class in Connecticut.

Much of our membership is fortunate enough to have defined-benefit pensions, largely because we were there to fight for them at the bargaining table. Those pensions allow that after a long work career, workers have the ability to not have to work until they die, especially if work is difficult, to enjoy family, to deal with unexpected expenses, and give birthday gifts to grandkids; all with the security of consistent retirement income. They are able to do this because professionals invest pooled annual contributions. The result is a reasonable sharing of risk, solid rates of return, efficient administration, and the guarantee that assets will be there for retirement. This is a sacred part of the American Dream that we are losing.

I see family and friends forced to choose between putting money in their 401(k) and helping their children pay for college. I see family and friends putting off retirement as the assets in their 401(k) were lost during the stock market crash. And I see family and friends worry about out-living their retirement assets. Clearly the three-legged stool of retirement security (pensions, Social Security, personal savings) needs to be rebuilt.

As this committee is certainly aware, being older frequently necessitates even more money as help is usually needed for basic human needs such as mobility, nutrition, housekeeping and even personal hygiene. According to data from the Commission on Aging, a disproportionate share of older residents is living just above the poverty line but without sufficient resources for economic self-sufficiency. This is likely because Social Security, which is what keeps folks above the poverty-line, was meant as only one leg of a three-legged stool. Without pensions, our elderly will always be just scraping by.

It's no wonder then that the public is on our side. Polling conducted by Hart Research shows 72% of voters believe we should be working to ensure that more workers in our country have real retirement security, instead of taking away this benefit from public employees. And a National Institute on Retirement Security poll found that more than 80% of Americans believe all workers should have access to a pension plan so they can be independent and self-reliant in retirement.

Clearly now is the time to act. Putting in place a commission to figure out the details on how we expand retirement security is an important step in the process of rebuilding the middle class.