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Testimony of Stacey Zimmerman SEIU CT State Council

Support

SB 249 An Act Promoting Retirement Savings

SB 242 An Act Concerning Sick Leave For Teaching Assistants and Radiologic Technologists

HB 5451 An Act Concerning Health Care Pooling

Chairman Tercyak and Holder-Winfield distinguished members of the Labor and Public Employees Committee, thank you for the opportunity to testify here today. My name is Stacey Zimmerman; I am here today representing the Service Employees International Union Connecticut State Council the states largest labor union with over 65,000 members.

SEIU strongly supports SB 249 An Act Promoting Retirement Savings. Although this bill will not be a panacea for the looming retirement security crisis it is a huge step forward in renewing the social contract that was begun with the implementation of Social Security and the establishment by labor organizations and corporations to offer defined benefit pensions.

Sadly the social compact that was established from the WWII era is quickly eroding if not gone already. The time of working hard and knowing your retirement security was assured is over. Corporate America and large financial institutions have made a switch to unsecured 401k style retirement plans or nothing at all has put our seniors at risk of spending their golden years living in poverty and hurting the economy as a whole.

The Shift Away from Defined-Benefit Plans Is Having Disastrous Effect on Our Economy and the Retirement Prospects of Workers

- An analysis by the Social Security Administration found that the shift on balance would produce "more losers than winners" as average family retirement incomes would decline. Their projections show that 26 percent of last-wave of baby boomers would have lower family incomes at age 67 due to the switch to defined-contribution plans by many employers.
- According to the National Institute on Retirement Security, each dollar paid out in pension benefits supports \$1.34 in total economic activity in Connecticut. Less retirement income = less economic activity in the state.

Years ago Joe Glazer wrote a folk song that asked a question "Too old to work but too young to die. Who will take care of me how'll you get by, When your too old to work and your too young to die." Connecticut has an opportunity to answer this question and setup a retirement plan that is secure, that will follow your work and give a piece of mind to its residents as they age into retirement age. We ask you to support SB 249.