



Taxpayers United of America

407 S. Dearborn Street • Suite 1170 • Chicago, IL 60605-1150
• (312) 427-5128 • Web: www.taxpayersunited.org • Email: christina@taxpayersunited.org

April 16, 2012

Senator Thomas M. Bakk
100 Rev. Dr. Martin Luther King Jr. Blvd.
Room 147 State Office Bldg.
St. Paul, MN 55155-1206

Re: Government Employee Pension Reform

Dear Sen. Bakk,

I am Vice President of Taxpayers United of America (TUA), one of the largest taxpayer organizations in the U.S.

In the past year, we of TUA have travelled to many states to research and publicize public employee pensions. We have often found that government pensions are higher than private sector salaries!

I congratulate the Minnesota Legislature for taking the first in improving Minnesota's pension system. But continued reforms are necessary to ensure a sustained solution for both taxpayers and retirees.

Government employees should be **paid fairly** for the work they do *today*, allowing them to **save for their own retirement**. Defined benefit pension systems have been all but abandoned in the profitable, private sector and with good reason; **the math simply doesn't work**.

I urge you to legislate a sustainable pension system that is fair to both taxpayers and pensioners by:

- Placing all new hires in a defined contribution system.
- Increasing current employee contributions by 10%.

Any reform that does not **guarantee the end of unfunded pension liabilities** for taxpayers as well as guarantee **soundness for retirees** is not reform at all.

It would be greatly appreciated if you would have your staff contact me, so we can discuss the legislation necessary to accomplish these critical changes.

Thank you,

Christina Tobin, Vice President