

J. Michael Downey: Stealing from workers won't fix R.I. woes

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RHODE ISLAND is in the middle of an economic meltdown, and instead of offering real solutions, Governor Carcieri decided to make public employees the scapegoat for all of the state's fiscal problems. But the truth is, public employees are regular, hard-working people who do their best to provide the services Rhode Islanders depend on.

The governor is attacking the pension plans by trying to eliminate the traditional cost-of-living adjustment (COLA), raising the retirement age, and other changes that would cheat workers out of the pensions they have been paying into for decades.

State workers pay a lot of money for their pensions. We put 8.75 percent of each paycheck into the pension fund — higher than any other state employee in the country pays for this kind of plan. This contribution rate covers 85 percent of the pensions' normal costs. Slashing the pension plan that we have been paying into for decades is the same as robbing someone's savings account. And if Governor Carcieri gets his way, he will be no better than Bernie Madoff or anyone else who succeeded in swindling working families out of their hard-earned money.

It takes 10 years of service to become vested in the state employees' pension system. After a worker pays into the system for a decade, his or her benefits are supposed to be guaranteed. But the governor's proposal would change the rules for all state employees and teachers who retire after April 1. Changing our pensions so drastically after many years of contributory service is similar to a bank's trying to tell you that you don't own your home after you have made faithful payments for 30 years. To suddenly change the pension system for people who contributed to the system and played by the rules is just plain wrong.

We read a lot in the press about the financial woes the pension system is facing — but state employees have never skipped a single payment to the pension. The state's pattern of haphazard contributions has caused an unfunded liability in the plan, and now the governor wants to punish the workers for the bad decisions made by politicians.

In 1991 and 1992, during the Rhode Island banking crisis, the state withdrew state employees' pension contributions. In 1995, the state shortchanged employer contributions again by paying less than half of what it owed. According to an actuarial study conducted in 2007, the pension fund would have had an extra \$103 million through investment returns if the state's contributions had been made. Problems in the pension system were created by the state's politicians — not the state employees.

The governor is not only going after the state-employee pension funds, he is trying to make broad changes to the Municipal Employees Retirement System, which is, for the most part, fully funded and functional. It seems as though Governor Carcieri is just using the fiscal crisis as an excuse to attack workers and push his own personal agenda to do away with pensions.

State employees know that these tough economic times call for everyone to make sacrifices. We have. State employees agreed to drastically increase health-care premium co-payments, we worked without pay and agreed to forgo a raise. Hundreds of state employees have been laid off and many have been forced to retire early. But attacking the pensions we have paid for is out of bounds and immoral.

Council 94 of the American Federation of State, County and Municipal Employees is standing up to these misguided changes; we know that you can't get Rhode Island back on the road to economic recovery by stealing from middle-class workers. Council 94 will continue to fight to protect our pensions in the State House and even in the courts.

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