

Pension Bulletin #1: How Did We Get Here?



VOL: 1

The problem with the Rhode Island pension system is the unfunded liability. Simply put, if the RI pension fund had to pay out everything it owes to current and retired employees today, it would only be able to fund about 48% of that amount.

So how did we get here?

■ WALL STREET GREED

The unscrupulous actions of Wall Street bankers led to a major decline in the investment income of the pension fund.

■ SKIPPED CONTRIBUTIONS

Past politicians failed to pay the state's full share of pension costs to keep the fund healthy.

■ EARLY RETIREMENT PLANS

To save money in the short-term, politicians of the past enacted early retirement plans, which ended up costing the state hundreds of millions of dollars in the long-term.

■ TAX BREAKS FOR THE WEALTHY

Over the past six years, while we have slashed pension benefits for low to middle-class Rhode Islanders three times, we have also given over \$200 million in tax breaks to big corporations and the wealthiest Rhode Islanders.

Who's Not Responsible?

■ RHODE ISLAND PUBLIC EMPLOYEES

- RI public employees continue to pay one of the highest contribution rates in the country (9.5% of teachers' pay and 8.75% of state workers' pay) and they never miss a payment.
- Over the past six years RI's public employees have been the only ones to help solve this problem, reducing our unfunded liability by over half a billion dollars. This is a one million person problem that deserves a one million person solution.



REAL PEOPLE REAL CONSEQUENCES

"Everyone thinks we have these extravagant pension benefits, but my pension would be around \$20,000 per year. That's barely enough to get by. If they slash my benefits even further, I will be retiring at poverty levels."

Joann Teixeira

Cook, Rhode Island Veterans Home

To learn more visit: www.RhodeIslandRetirementSecurity.org

Watch for Pension Bulletin #2 next week: Is It A Crisis?



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REAL PEOPLE REAL CONSEQUENCES



**The pension debate in Rhode Island
is about more than money.
It's about real people.**



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