

**Legislative Committee Report**  
**Larry Carmichael, Chair**

As we prepare for the 2012 legislative session which will begin two months earlier than usual (January, 2012), there are some actions our members can take to insure that our benefits aren't lowered. We (retired individuals) were spared any cuts in the 2011 session primarily because legislators heard from their home district constituents throughout the state beginning last fall. Here are some things I feel we should do in preparation for the next session:

- \* Contact (visit, phone, etc.) your Representative and Senator to say "thank you" for preserving our HIS (Health Insurance Subsidy) and COLA (Cost Of Living Adjustment) in the last session. Tell them again how important these benefits are to you. If they voted to do away with these benefits, you can ask for reconsideration of their position.
- \* Ask them to vote against any efforts to reduce or do away with these two benefits if such efforts should arise in the upcoming session.
- \* Explain that you understand another effort to close the "pension plan" to all new employees is very likely to be introduced by leadership in both houses and the Governor. Ask for them to oppose any such effort because keeping the pension plan is in the best interests of all Floridians. The reasons this is true are:
  1. Unlike Social Security where working people are providing the funds to pay benefits to people receiving benefits, the FRS (Florida Retirement System) pension plan (except for the HIS) pays benefits to retirees from contributions they (and their employer) made while they were working. FRS is excellently managed and fiscally sound; it is not putting a burden on future generations.
  2. Although taxpayers do "guarantee" that retirees will receive their benefits regardless of economic situations, the "fear" that taxpayers would be stuck with a heavy burden of bailing out the pension fund if a great depression should occur seems hardly rational. We have experienced a great depression since 2008, and taxpayers were not asked for above normal required contributions during this entire period (for the 7 years preceding 2008, required contributions were below normal due to excess funds in the plan).
  3. Having elderly Floridians on pensions versus investment plans is beneficial to the overall population. Their income remains stable during recessions which means their spending will remain constant and this helps lessen the overall negative impact the recession. In 2008, some 367,000 elderly Floridians were on public pension plans (250,000 were FRS) with average income of \$17,617. They generated some \$9.1 B in economic output and \$450 M in local and state tax revenue.
  4. Pension retirees are less likely to need welfare. Elderly people without pension plans are six (6) times more likely to live in poverty than those with pension plans.

5. Pensions allow older people to leave the work force earlier making room for younger people to find work.

6. Persons on pensions are enabled to volunteer their services without pay contributing to the overall health of their communities.

We must keep up our activities against efforts to reform (i.e. do away with) FRS pensions to protect ourselves and future generations of Floridians; I fear that such efforts will be forthcoming for several year in the future.