



For Immediate Release

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**Three strikes against Corbett-Tobash pension plan**  
*It won't save money or pay down the state's pension debt and it decimates public workers' pensions*

A Keystone Research Center report “Moving Backwards Pension Reform” demonstrates that, like earlier pension proposals, the new plan supported by Gov. Corbett and state Rep. Mike Tobash is moving Pennsylvania’s pension conversation in the wrong direction, AFT Pennsylvania President Ted Kirsch said Monday.

“The Tobash hybrid pension plan won’t produce significant savings for school districts or the Commonwealth, and it will slash the retirement benefits for new teachers, school nurses, counselors and other public employees by as much as 40 percent, leaving them without the resources they need to retire.

“In addition, if the legislature approves the governor’s proposal to reduce the amount school districts and the state pay into the pension funds (collars), it could wipe out any Tobash plan savings. Together these plans would simply trade away the retirement security of younger workers for a bit of short-term budget relief designed to help Gov. Corbett during a tough election year.”

“There’s another cost to taxpayers when pensions are slashed. Pensions help make the compensation packages offered to teachers and other public-sector workers competitive with the private sector. Without good pensions to augment public sector salaries, it will be increasingly difficult to attract and keep the best qualified people to teach in our schools and work in other public service professions,” he said.

“Making public employees, like teachers, school counselors, and other public servants pay \$2 for every dollar in retirement benefits is bad fiscal and public policy that hurts our schools, communities and the Commonwealth,” Kirsch added.

“The Keystone report rightly defines Pennsylvania’s pension problem as the unfunded pension liability, which was caused by employers paying too little into the state’s pension funds for more than a decade,” Kirsch added. “The report identifies fiscally sound ways in which Pennsylvania can pay down this debt – which must be paid regardless of the type of retirement plan we have for public employees. Issuing a pension bond whose proceeds would go directly to pay down the pension debt, for example, is one of several policies that should be explored.”

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