

Letter to State Senator:

The Honorable (Full Name)
State Senator
State Capitol
P.O. Box 30036
Lansing, MI 48909-7536

Dear Senator (add last name here):

I am a (type of school employee/ retiree) who (works/worked) at (name of school or college) and live in your district. I oppose SB 635, legislation that drastically reduces retirement benefits for future employees by changing from a defined benefit to defined contribution pensions and from a uniform retiree health premium system to a graded scale premium.

Many people think that current employees and retirees need not worry about changes that “only affect future employees”. Let me tell you that we do. A change to a defined contribution pension plan will make our retirement system into a “dying pension plan.” affecting how our pension funds can be invested and the number of people who remain to help us speak up for our needs. Since the recent State Supreme Court decision decreeing that retiree health benefits are not protected, we worry that a graded scale premium for future employees will create a precedent that will affect us too, perhaps when we are very elderly.

Naturally, we are also very concerned about the impact of these two changes on future employees. Although young newly hired employees might not make employment decisions based on retirement benefits and may even think they would prefer the less stable defined contribution plan, once employees have been working for a while, the quality and stability of our retirement plan is a significant factor in causing people to decide whether to stay in their current jobs or go elsewhere. I ask you not to create a “two-tiered” pension plan that will reduce retiree benefits and create more turnover among school employees.

Please let me know your view on this bill and the similar bill, HB 4947, which was introduced on the House side. Thank you.

Sincerely yours,