

Week of January 25, 2021

**Summary of Current Events** – *A confluence of events – past underfunding, new accounting requirements, investment returns, and changes in the workforce – have put the Vermont State Teachers’ Retirement System in the spotlight.*

In the best of times, plans to gut the teachers’ pension by increasing costs and reducing benefits is unfair and wrong. But now, in the middle of a global pandemic when teachers are doing heroic work keeping schools and learning open, it is downright cruel.

On January 15, Treasurer Beth Pearce released her recommendations to address funding issues in the Vermont State Teachers’ Retirement System. The recommendations – hiking contribution rates, lowering retirement benefits, and eliminating cost-of-living adjustments for active teachers when they retire – put the entire burden of the system’s issues on the backs of hard-working teachers.

As teachers, you have paid every cent ever asked of you and have continued to do so as you work on the frontlines during this pandemic. You do this even as you juggle remote learning, in-person learning, hybrid learning, and everything in between. You also do this as your healthcare costs continue to rise.

**We want to be clear, the conversation in Montpelier about the Teachers’ pensions system is just beginning.** Now that the Treasurer has made her recommendations, the conversation will move to the legislature – the Vermont House and Vermont Senate – and we expect the conversation to continue for most of the legislative session. We expect Governor Scott will also become active in this conversation, but how, when and what he will say is unknown.

We need to let the legislature know that there are other ways to address the pension’s funding issues. The real crisis we’re facing is getting to the other side of the pandemic. Lawmakers need to know that shortchanging teachers at a time when they are working harder than ever is wrong.

**Key Talking Points** – Here’s why we are saying “NO” to plans that would hike costs and slash teachers’ retirement benefits:

- Teachers are not responsible for the system’s financial issues – they have paid in every dollar, decade after decade, that they’ve been asked to pay.
- The treasurer’s plan should not be the starting point of any discussions, and lawmakers must resist any approach that would rely on taking money from teachers’ pockets.
- The legislature must slow down when it comes to addressing the teachers’ pension. Indeed, the legislature has just learned that the state can expect higher tax revenues and billions of dollars in federal relief money. And the most recent estimates from state economists predict an education fund that is flush with money even AFTER addressing the pension’s so-called normal costs. IN OTHER WORDS, we can address the pension’s short-term funding issues without picking the pockets of teachers.
- The legislature must also look to the wealthiest Vermonters to pay their fair share. The wealthiest among us – in part because of the work of teachers and other frontline working people – have done well before and during the pandemic.
- A secure retirement is important for all Vermonters. Attacking the pensions of teachers – most of whom are woman – is unfair and counterproductive to our local economies. If retirees can’t make ends meet, they cannot support local businesses.
- The average pension amount is about \$21,000 annually. Telling retirees that they will never have a cost of living adjustment is unfair.

**Take Action** – Please contact your legislators this week. Send them a message here: <https://actionnetwork.org/letters/dont-gut-the-teacher-pensions/>

**Stay Informed** – We urge you to stay informed at [www.vtnea.org/protectourpension](http://www.vtnea.org/protectourpension)