



Retired Public Employees Association, Inc.

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Paul Moore, President Edward C. Farrell, Executive Director

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Letter to the Editor
New York Daily News
4 New York Plaza
New York, New York 10004
Email: voicers@nydailynews.com

To the Editor:

I am writing in response to your August 9, 2015 editorial "Let state workers choose pension path". The 401(K) – style retirement plan you refer to applies only to new employees whose STARTING salary exceeds \$75,000 per year. Needless to say, most state employees do not END their career at such a salary. As a matter of fact, the average state employee pension is \$22,000 a year, with 30% of all retirees receiving a pension of less than \$10,000 a year.

The employees referenced in your editorial represent the other side of the coin. Starting salaries in excess of \$75,000 a year apply to upper management employees, and in many instances, political appointees whose career path is not public service. Some of those appointees do not remain in public service for the time necessary to become eligible to receive a traditional pension.

For such individuals, the 401(K) – style voluntary retirement allows government to provide an additional incentive to help attract high salaried appointees for a short period of time. However, for the 99% of all other state employees who do not start their employment at \$75,000 a year, the benefits of a traditional pension plan (including the efficiencies of institutional investment and constant asset reallocation) far outweigh the go it alone aspects of a 401(K) plan, and remain the best option for a safe and secure retirement.

Sincerely,

Edward C. Farrell
Executive Director
Retired Public Employees Association