

LOCAL LINES - AFSCME Local 2459

Vol. 3, Issue 2, May 2010

www.afscme2459.org

Editor – Rob Householder



MEETING NOTICE:

A meeting has been scheduled for Wednesday, May 26, 2010 at 7:15 PM at the Ukrainian-American Citizens Club in Carnegie, PA.

The agenda for the meeting will include new and old union business. The Ukrainian-American Citizens Club is located at 320 Mansfield Avenue, across the street from North Star Auto Sales. The Borough of Carnegie can be found on I-79 between Kirwin Heights and I-279, or I-279, both exits read Carnegie. Either exit will put you onto Mansfield Avenue. Food and refreshments will be provided as always. We are asking and encouraging all members to attend the local meeting.

Stewards Needed

Due to the numerous member retirements in the past couple of years, our department/agency stewards have decreased to a critical level. Monte Turner (Vice President/Chief Steward) is in dire need of some help! Our local is comprised of all the professional job classifications. As such, we have members in all state departments, bureaus located in offices throughout the eight counties comprising District Council 84. Based on the vast amount of territory to be covered and the numerous offices in which our members work, it is essential to the preservation of the contract language that stewards be present in as many locations as possible.

I have requested a steward training session to be held at the offices of District Council 84. The session will consist of an all day session on a Saturday-date to be confirmed. Lunch and soft drinks will be provided for those attending. If interested, please contact me either by e-mail (afscme2459dgb@aol.com) or telephone (412) 719-8262.

2011 Contract Bargaining Survey

We have recently sent out surveys to full members of our local. Don Brown has taken the time to ask for your input and has made it as easy as possible for return of the survey with the enclosed self addressed stamped envelope. He is also tracking the responses and will be taking your suggestions to upcoming contract negotiations. Please take the time to fill out the survey. Your Local Officers have put in the work to process the mailing to over 400 members and our local has expended some of its resources, namely money, to get the form to you, so take a few minutes and return the form. Thank You.

TESTIMONY OF DAVID FILLMAN, EXECUTIVE DIRECTOR AFSCME COUNCIL 13 MARCH 24 , 2010



Thank you Mr. Chairman, and the rest of the Committee, for this opportunity to address this pressing issue.

My name is David Fillman. I am the Executive Director of the American Federation of State, County and Municipal Employees (AFSCME), Council 13. Council 13 represents over 65,000 members in Pennsylvania, of whom 45,000 are employees of the Commonwealth of Pennsylvania, and 20,000 work for various Counties, Townships, Boroughs, Cities, Authorities, School Districts and nonprofit employers.

We do represent a majority of Commonwealth of Pennsylvania employees who are members of the State Employees Retirement System (SERS) as well as thousands of School District employees, who are members of the Pennsylvania School Employees Retirement System (PSERS). So the problems of both SERS and PSERS affect about 75% of the membership of AFSCME Council 13. Additionally, I sit on the Board of SERS as an appointment of the Governor, and have had that privilege since the year 2000.

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TESTIMONY (Cont.)

I realize you have had many days of hearings, so I will try not to repeat too much of what was said previously.

First, a portion of the funding problem was the ability for the Commonwealth and School District employers to take advantage of “contribution reductions” during years of significant return on our investments. This was perfectly legal. However, during these contribution reductions, the EMPLOYEES continued to contribute FULLY their required contribution, even though their contributions were also apart of the high returns that the employers were enjoying.

As we discuss the 2012 spike, which has been explained in previous testimony, some of the discussions generated are scrapping the Defined Benefit (or DB) plan, for new employees to be placed into a Defined Contribution (or DC) plan, or even a hybrid DB plan.

As are most of us in this room, we came into public service hardly for the glamorous lifestyle or pay, but for a bit of retirement security in our future. Taking away the DB plan would be to take away a significant reason we have quality public employees today.

I do want to state the disadvantages of changing from a DB plan to a DC.

First, as a member of SERS, the investments of a large scale, single plan, as SERS or PSERS, has helped to provide seed money for many businesses here in Pennsylvania. As an appointee to SERS, I would like to keep as much money invested in businesses in Pennsylvania, so they can grow, as, too, our investment. I believe a few years ago, when pensions again were being discussed, various business owners in Pennsylvania came forward to say their business would not be where it is today, without the investments from the various public employees pension plans.

There is already a history of downsides from other states conversions from DB to DC plans.

The Illinois Municipal Retirement Funds general counsel had concluded that their expenses under a DC plan would be \$315 million versus \$65 million they paid under a DB plan.

West Virginia closed their teachers DB plan in 1991, but reopened it in 2008, all due to funding problems. Given the choice, 75% of W. Virginia teachers transferred back to the DB plan. Clearly, the plan of choice for these professionals.

A real concern that could happen in a DB to DC conversion in PA, happened in Alaska. In 2005 Alaska converted from a DB to a DC plan. The EMPLOYER AND EMPLOYEE contributions no longer went into the DB pool, so all those contributions were spread out in thousands of individual DC accounts, losing the advantage of the employers contributions having returns of a larger scale. So if PA converted, the 2012 spike is aggravated due to the loss of both employer AND employee contributions (for new employees). This loss to the DB plan pool increases as new employees are continually hired.

Although portability has always come up as an issue with DB plans, portability really becomes a non-issue for a majority of public employees. This is due to the stability of public employees in the work force. A stable workforce has ancillary savings for any employer, as high turnover of employees in transition and training costs is a trade off for employees with longevity.

Finally, public employment comes with inherent physical demands. We know this when we take a public sector job. Be it an LPN or Certified Nursing Assistant or RN with work related back injuries or a client who acted up. Or a Correctional Officer or Law Enforcement Officer with its obvious life threatening risks. Or a Highway Worker who is subject to a car crashing into a work zone or, worse, of the 100 AFSCME Highway Workers who lost their lives in the last 30 years. A DB plan has provisions for a disability retirement. This is the least we should provide for employees who put their lives on the line for the citizens of Pennsylvania on a daily basis.

Additionally, an effective way to reduce the number of employees, outside of furloughs, is the offering of early retirement provisions. Both the disability retirement or early retirement options are NOT attainable in a DC plan.

My last statistic will sum up the shortfalls of DC plans. The Employee Benefit Research Institute showed that 54% of workers have less than \$25,000 for their entire retirement, and 27% have less than \$1,000, putting a strain on our public assistance programs.

AFSCME is fully prepared to work to help resolve this crisis, yet we are committed to maintain a quality pension benefit for the thousands of state and school district employees. Thank you for my opportunity to be before you today.

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2010 HARRY LEECH SCHOLARSHIPS

Since March 1997 two scholarships have been awarded to the children, stepchildren and adopted children of the full dues paying members of Local 2459. The scholarships will be in the amount of \$500 each. Those who are attending any accredited institution of higher learning such as a community college, 4 year university or college, or a recognized trade or technical school are eligible. The recipient must have successfully completed one full semester, with a C in every course completed. The winners will be chosen at random at the October 2010 meeting. If you wish to enter for the scholarship, please bring the completed form to our October 2010 general meeting and give the form to Rob Householder before the start of the meeting or mail the form to Rob Householder, 3016 Hamilton Street, Jefferson Hills, PA 15025.

(Print or type - If we can't read it we can't award it.)

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NAME OF STUDENT _____
SCHOOL _____

NAME OF FULL MEMBER OF AFSCME LOCAL 2459

ADDRESS OF FULL MEMBER

PHONE NUMBERS - HOME _____ OFFICE _____

DEPARTMENT _____

MEMBERS EMAIL (OPTIONAL) _____

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For more scholarship information see www.afscme13.org. For links to most important state employee information see the Council 13 web site and www.afscme2459.org.

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Memorial Day, in remember of our fallen soldiers.

Local 2459 Officers

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Vice President

Monte R. Turner

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Loretta A. Wasson – 2 Year

Jennifer R. Bishop – 1 Year

Robert A. Householder
AFSCME Local 2459
3016 Hamilton Street
Jefferson Hills, PA 15025

TO:

mailing label