



## Tried and True Works

*The traditional public pension system is the **best way to ensure taxpayers can reliably receive vital services**. It is a **cost-effective, proven and stable method** to attract and retain qualified people to perform critical public sector work.*

### **The system safeguards the delivery of vital public services such as:**

- Emergency & First Response—Medical, 911, Disaster Relief
- Police Protection
- Firefighting
- Healthcare Services
- Child Welfare Protection
- Health Inspections
- Forensic Investigations
- Education for Children K-12 and College
- Prison & Correctional Services

Providing a modest pension for public servants helps retain and recruit a strong and experienced workforce needed to continue to provide these vital services. A new system could put at risk vital taxpayer services.

### **The system is cost-effective.**

The traditional pension system is the most **cost-effective** solution to ensure taxpayers continue to receive vital services.

Taxpayers contribute **less than 26 cents for every dollar paid out** in pension benefits. The remainder is funded by investment income and employee contributions. In fact, most state and local workers are required to contribute regularly to their public pension benefit—unlike most corporate pension plans.

### **The system is proven, stable and efficient.**

The current system has worked for **more than 100 years**. It is a proven and critical tool to ensure taxpayers receive reliable services from experienced workers.

The traditional pension system is **efficiently managed** by professionals. There are far lower overhead and administrative costs than a radical new system of millions of individual private accounts.

It provides a **modest** and reliable retirement income for people who have spent a career working for the public good. The average retirement pension is only about \$18,500 per year. States that experimented with private accounts saw lower investment returns—nearly a 50% reduction.

To learn more about [topic], contact the NEA Collective Bargaining & Member Advocacy Department at 202-822-7080 or <mailto:collectivebargaining@nea.org>.

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