



TALKING POINTS ON SB 1040

Now is the time for school employees and retirees to contact their state senators on the overreaching retirement bill, SB 1040, which undermines the retirement security for both current and future retirees and increases employee contributions dramatically. Please write, call, email or talk face to face with your state senator before the legislature returns to the Capitol on April 17. If your senator is on the Senate Appropriations Committee, immediate contact is especially important—see attached list.

You are encouraged to add the impact on you and your family and draw from any of these points:

- The legislature just made major changes to school employee pensions in 2007 and 2010 that increased costs for employees and reduced certain benefits—**when will it end?**
- Employee contributions were already increased in 2007. SB 1040 would increase employee contributions **to 8% for some employees and 11% to others, just to keep their current benefits**. At a time when wages have been flat—and concessions made in many districts—this is unfair.
- SB 1040 eliminates the “graduated” contribution rate for lower wage support staff, especially those who earn \$15,000 a year or less. Removing this provision will **make it hard for these employees to support their families**.
- Retirees already pay increased shares of their health care costs because of changes that the School Employees Retirement Board has made over the years. **Why does the legislature want to impose increased costs on us when we are living on fixed incomes?**
- Taking longevity out of compensation that counts towards a pension **removes an incentive for employees in districts and community colleges from providing long-term service** to students in their communities.
- Removing tax-sheltered annuities from counting towards pensions **takes away an incentive for employees to save money towards their own retirement**.
- Applying the “graded scale” premium—which just became law in 2007-- retroactively **is unfair** to people who have made employment decisions based on their own and their families’ needs for health insurance.
- First, **the legislature taxes my pension**. Now you want to make me pay more from my reduced income for my retiree health benefits?

- Retiree health care is underfunded because the state stopped putting money into it.
Why should employees and retirees pay because state policymakers didn't do what they should have?

All state senators receive mail at this address: State Capitol, PO Box 30036, Lansing, MI 48909-7536. For other contact information or to find out who your state senator is, go to www.legislature.mi.gov