Private interest groups, focused on dismantling secure retirement plans, are planning legislation to move ASRS members into a 401k style Defined Contribution retirement plan.
THE ARIZONA STATE RETIREMENT SYSTEM

594,000 MEMBERS

$40 BILLION DOLLARS INVESTED

150,000 RETIREES

THE AVERAGE YEARLY RETIREE BENEFIT IS $20,136

CURRENT FUNDED STATUS 71.2%
ASRS EMPLOYERS INCLUDE ..
PUBLIC SCHOOLS, STATE AGENCIES, UNIVERSITIES, COUNTIES AND MANY CITIES, COLLEGES, AND DISTRICTS
The primary intent of ASRS is to:

- Provide an incentive in the recruitment and retention of employees of the highest possible quality.

- Provide a retirement system that encourages employees to remain in service for periods of time that will provide public employers with the full benefit of the training and experience gained by the employees.
ASRS IS A DEFINED BENEFIT PLAN
Your pension is a fixed benefit amount after retirement and guaranteed for life.

A 401k STYLE PLAN IS A DEFINED CONTRIBUTION PLAN.
Your pension is determined by the amount contributed and market returns. There is no guarantee that it will be there when you need it or that it will be enough to last your lifetime.
DEFINED BENEFIT vs DEFINED CONTRIBUTION

“... a DB plan can provide the same level of retirement income at almost half the cost of an individually directed DC plan.”

Defined Benefit Savings

- Pooling longevity risks
- Optimal asset allocation
- Higher returns and lower fees
- Total cost savings

FIND OUT MORE: https://www.nirsonline.org/resources
Both switched to 401k Defined Contribution plans and saw costs rise and retirement security plummet. In 2005 West Virginia allowed workers back into a Defined Benefit plan and 78% of teachers switched back.

Michigan continued with their DC plan. By 2017, the average 401k employee balance was only $77,000, a fraction of what would be needed for lifetime retirement security.
Public schools have employee mobility rates that are roughly half that of practically all other sectors of our economy.

“The Public Employees want to live, work and stay in Arizona … with an ASRS pension, not a 401k”

The Bureau of Labor Statistics shows job quitting rates are lower today than in 2000. The job-hopping millennial, indeed, the job-hopping American, is a myth.

Public schools have employee mobility rates that are roughly half that of practically all other sectors of our economy.
WHO IS BEHIND ATTACKS ON PUBLIC EMPLOYEE PENSION SYSTEMS?

THE ARNOLD FOUNDATION

THE REASON FOUNDATION

THE ARIZONA CHAMBER OF COMMERCE
IS THE THREAT TO THE ASRS PENSION PLAN REAL ???

2013 - ELECTED OFFICIALS RETIREMENT PLAN (EORP)
Closed to new members and replaced with a 401k style plan. The state agreed to pay $8 million a year out of the general fund for 30 years to pay down the unfunded liability.

2016-17 - PUBLIC SAFETY PERSONNEL & CORRECTION OFFICERS RETIREMENT SYSTEM (PSPRS/CORP)
Reformed and now offers new hires a choice of a 401k style Defined Contribution Only Plan or a Defined DB/DC Hybrid Plan.

ASRS Remains as the only 100% Defined Benefit plan still standing in Arizona.
WHO WILL PAY FOR A 401K OPTION?

RETIREES
Who have not had a Cost Of Living Adjustment since 2005

CURRENT EMPLOYEES
Who will see their contribution rates increase even more

NEW EMPLOYEES
Who make the wrong choice and end up without enough funds for a secure retirement
CAN GOVERNMENT STILL AFFORD THE ASRS PENSION PLAN?

Every **invested** in an ASRS Pension, supports $6.39 in total economic activity

Every **paid out** in pension benefits, supports $1.54 in total economic activity

In 2018 retiree spending, from state and local pension plan benefits, supported **49,000** jobs in the state
OUR GOAL IS TO RAISE AN ARMY OF INFORMED ASRS MEMBERS

Don’t let the Legislature trick public employees into making a BAD CHOICE.

Protect the ASRS pension. Keep Arizona public service employees in Arizona jobs.
401K PLANS ARE A BAD CHOICE

IT'S NO CHOICE WHEN IT'S A BAD CHOICE

HIGHER COSTS

LOWER HIGH RISK

EMPLOYEE TURNOVER

LOWER RETURNS
ASRS is the premier public employee pension plan in Az and among the top rated plans in the nation

Defined Benefit pensions attract and keep employees in public service jobs and in Arizona

401k plans risk leaving retirees short of benefits and dependent on government welfare

Please Join Us

PROTECT ARIZONA PENSIONS
ARSC CORE COALITION MEMBERS

AARA - Arizona Alliance for Retired Americans

AASRA - All Arizona School Retirees Association

ACEP - Arizona Center For Economic Progress

AEA - Arizona Education Association

AEA Retired - Arizona Education Association Retired

AFL - CIO - American Federation of Labor – Congress of Industrial Organizations

AFT – American Federation of Teachers

AFSCME - American Federation of State County and Municipal Employees

MCCFA – Maricopa Community Colleges Faculty Association