

Members of the State and Local Government Committee:

I am DeNae Kautzmann. I am in favor of SB 2239. I am a retired state public employee who served on the PERS Board when the Legislature added a defined contribution (DC) plan which was pushed by the Schafer administration. The Board was not in favor. Now we have House bills 1039 and 1040 which seek to close the defined benefit (DB) plan.

These proposed bills to close the defined benefit plan would be more expensive for our state and will result in a worse retirement plan for state public employees. Defined Benefit plans offer a reliable source of retirement income for public employees at a lower cost for the state.

It is to be noted that state public employees prefer the Defined Benefit plan. Less than 40% of eligible employees made the initial move into the DC plan when it was first offered. Less than 3% of all new state public employees elected to join the DC plan when given the option. Finally, 75% of the DC plan participants moved back into the DB plan when given the opportunity, and agreed to pay 2% more in employee contributions.

In summary, I do not believe that closing the DB plan is fiscally responsible nor is it what state public employees want. It is my understanding that SB 2239 would sustain the DB plan and address the funding concerns, while also offering a DC plan as an option for new employees. I would encourage your support of SB 2239. Thank you.

Sent from my iPad