

Dear Mr. Thomas

By way of introduction I am Ray Edmondson, CEO and a founder of the Florida Public Pension Trustees Association. We are an educational Florida 501C3 Corporation that has pioneered education and certification for pension fund trustees and administrators for the past twenty five years.

I hope you won't be offended, but it is gratifying to know you are not a public employee, because I fear your research wouldn't meet the standards of public employment. Instead, I invite you to visit FPPTA.ORG to find additional sources that contain information, well researched and documented, that seems at odds with your commentary, *State Pensions Bad Deal for Public* (Orlando Sentinel, Feb. 13th).

There is research available that speaks to both sides of this issue, and we're counting on your sense of fair play to more fully educate your readers. So, we hope you will endorse the publication of the attached letter-to-the-editor, or perhaps revisit the subject in tandem with our request that the paper publish it. In any event, I'd like to share some key points for future reference, and an open invitation to let us help educate you about the subject.

Some important points to remember:

- ✓ Defined Benefit Pensions are the only kind of pensions; all others are actually just individual savings plans.
- ✓ Some 401(k) investment accounts lost as much as 40+% of their value during the recent stock crash, while defined benefit pension plans averaged only about a 17-20% drop in value.
- ✓ Any brief historical search on the subject will reveal that 401(k) accounts were never designed to serve as retirement pension plans to begin with. In fact, according to The Professional Asset-Managers and Record Keepers, the average 401(k) has a balance of just \$45,519, and 46% of all 401(k) accounts have less than \$10,000.
- ✓ A pension plan that is *underfunded* by 20% actually means the pension fund is currently prefunded and capable of paying out 80% of its committed retirement benefits today. And Florida pension plans are among the best funded plans in the country. This isn't California.
- ✓ There already are proposed legislative initiatives in Florida that could further reduce state employee earnings by 5% - a financial blow when considering many haven't received a raise in six years. Also, legislation that FRS convert to a 401(k) style savings accounts has been proposed by an investment account sales rep.

Please take a few minutes to read the attached response to your commentary. We understand this is a volatile issue and that taxpayers are frustrated, but we also know the 'quick and dirty' facts provoke an emotional response that too often gets in the way of the whole truth. There is a lot to consider before eliminating defined benefit pensions – in both the public and private sectors.

Regards,

Raymond Edmondson, Jr., CPPT
Florida Public Pension Trustees Association