



# Staying Connected to Pension Issues Nationally

National Pension Education Association  
2010 Annual Conference



## Today in Washington...

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- ▶ The Economy -- Jobs! Jobs! Jobs!
- ▶ Bailouts/Stimulus – Deficit
- ▶ The Tea Party Movement – “Take Back America”
- ▶ Who will control Congress? Speaker Boehner?
- ▶ The Bush Tax Cuts
- ▶ **The Mid-Term Elections!**



## Our Issues...

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- ▶ The Patient Protection and Affordable Care Act
- ▶ Dodd-Frank Wall Street Reform and Consumer Protection Act
- ▶ National Commission on Fiscal Responsibility and Reform
- ▶ Retirement Security
- ▶ The Sustainability of Public Pension Systems



# The Patient Protection and Affordable Care Act

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- ▶ Health IT and Comparative Effectiveness Research
- ▶ Unprecedented coverage expansion
- ▶ Insurance reforms
- ▶ Temporary early retiree reinsurance program
- ▶ High risk pools
- ▶ Major public health improvements
- ▶ Cost-containment initiatives
- ▶ Closing Medicare Part D doughnut hole
- ▶ New long term care initiative
- ▶ Tax credits/low-income subsidies



# Dodd-Frank Wall Street Reform and Consumer Protection Act

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- ▶ Enhanced consumer protections
- ▶ Creates and early warning system (systemic risk)
- ▶ Ends “Too Big to Fail” bailouts
- ▶ Establishes transparency and accountability for exotic investment instruments
- ▶ Strengthens corporate governance tools
- ▶ Implements credit rating reforms
- ▶ Requires enhanced regulatory oversight and enforcement capability



# National Commission on Fiscal Responsibility and Reform

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- ▶ 18-Members (14 votes required for recommendation)
- ▶ December 1<sup>st</sup> deadline – promised up or down vote on recommendations
- ▶ Threats
  - ▶ Tax Expenditure Budget
  - ▶ Severe cutbacks in Social Security and/or Medicare
  - ▶ Mandatory Social Security coverage
- ▶ Opportunities
  - ▶ Meaningful Social Security reforms
  - ▶ Additional health care cost containment initiatives



# Retirement Security

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- ▶ American “Retirement Security” Crisis
  - ▶ *\$6.6 Trillion Retirement Income Deficit*
  - ▶ *92% of Americans believe that there is a crisis in retirement security. For those in their late 40s, the percentage rises to 97%.*
  - ▶ *Over 25% workers have no meaningful retirement savings – None*
  - ▶ *Less than 20% of private sector workers have the security of a defined benefit pension.*
- ▶ Auto IRAs
- ▶ The Issue for 2011



# The Sustainability of Public Pension Systems

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- ▶ The challenge to separate fact from fiction
  - ▶ The willingness to confront real problems
  - ▶ Strength to defend against opportunistic challenges
- ▶ Anti-public employee academics and think-tanks
- ▶ Relentless media attacks (Google journalism!)
- ▶ Public Pensions: The Next Bailout?
  - ▶ Even our friends are expressing concern
  - ▶ Be careful what you wish for
  - ▶ All federal 'assistance' comes with a price tag
- ▶ Remember the Alamo!





## Other issues to watch...

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- ▶ **GASB: Public Plan Response on Preliminary Views of Changes to Statements 25 and 27**
- ▶ **New SEC enforcement unit: Municipal Securities and Public Pensions**
- ▶ **Treasury Department/IRS issues**
  - ▶ Normal Retirement Age
  - ▶ Employer pick-up – one irrevocable election?
- ▶ **Implementation regulations/requests for comment**
  - ▶ Patient Protection and Affordable Care Act
  - ▶ Wall Street Reform and Consumer Protection Act



# The Mid-Term Election and Beyond

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- ▶ Historically, NOT favorable to party in the White House
- ▶ Fight for control of Congress
- ▶ Voter anger... incumbents beware!
- ▶ Talk bipartisan... walk polarization
- ▶ 2011... who knows?
- ▶ 2012 Election begins on November 3<sup>rd</sup>!

# For more information...

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