

Public sector workers' pensions under threat



Research Director
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There has been some important news over the last month about public employee pensions. Workers and retirees both for the City of Detroit and for the State of Illinois are at risk for big cuts to their pensions.

During the summer of 2013, Detroit filed for bankruptcy. In December, a federal judge ruled that the bankruptcy could proceed, paving the way for the largest municipal bankruptcy in U.S. history. The judge ruled that pension protections contained in the Michigan

state constitution did not apply in the Detroit bankruptcy case.

Also in December, pensions for Illinois public workers were cut following a close vote in the legislature and the signing of the bill. As in Michigan, the Illinois state constitution includes protections for pensions, but this does not seem to matter in Illinois, either.

The legality of both the Detroit and Illinois pension cuts is being challenged in court.

The recent cuts to public-sector pensions are alarming. If they proceed, they could set a dangerous precedent. Politicians in both Chicago and cities in California are reportedly following the pension cuts closely to see if they support the case for pension cuts in their cities.

Steven Kreisberg of the American Federation of State, County and Municipal Employees (AFSCME) gave a great interview about the issue to the PBS NewsHour on Dec. 4. He explained that there are laws that protect private-sector workers from cuts to benefits already earned, but there are no such protections for public workers because, ironically, few thought that these laws would ever be necessary. Workers paid into these pension systems throughout their careers, often trading income in their current checks for deferred income in retirement. Pensions were part of the compensation package for which employee unions negotiated in the collective-bargaining process. Kreisberg made other good points in the PBS segment and the full interview is worth watching.

For a reality check, the average pension for a City of Detroit worker is about \$19,000 a year. The average pension for public-sector workers in Illinois is about \$33,000 a year, but almost none of these workers will collect Social Security. So, clearly, people are not becoming rich through their pensions.

As part of the bankruptcy case in Detroit, the emergency manager there has been talking about cutting pensions to 16 cents on the dollar. If this happens, it would likely have a devastating effect on the retirees, their families and their communities.

The NALC Research Department will continue to track these and other pension-related developments.

2014 Letter Carrier Food Drive: Building on a billion



Community and
Membership Outreach
Coordinator Pam Donato

This year will mark the 22nd national Letter Carrier Food Drive. The concept behind the drive is simple: We ask our customers to leave nonperishable food donations at their mailboxes—and we take care of the rest.

While the model is simple, there have been many new twists and innovations added. Hundreds of thousands of experienced “researchers” involved (and by that I mean NALC letter carriers, of course) have all had a hand in creating the largest one-day food drive in the country.

Branch presidents already should be in receipt of the 2014 Letter Carrier Food Drive registration form and the letter from President Rolando encouraging them to join the drive. The registration form also can be downloaded online (though it must be signed on hard copy) at nalc.org on the food drive page. Registration forms must be returned by Jan. 31 to ensure that enough food drive post cards are ordered for all of the residential deliveries each branch serves. The form has changed a bit from years past, to provide us with better information about your needs and ways to contact those who are leading branch efforts.

Upon receipt of the branch registration form, a food drive coordinator’s package will be sent to the designated branch food drive coordinator. This includes a new promotional DVD and coordinators manual containing letters of support from our national partners (including the postmaster general); our new Family Circus cartoon; information on ordering posters, shirts, pins and other promotional materials; and many valuable tips.

Also included in the package will be the username and password for our food drive database (also accessible on our food drive web page). The database will provide important specific branch information on resources being sent, historical data on pounds of food collected and special branch messages. The system is updated daily and provides immediate feedback to coordinators.

The resource with the single-biggest impact is the promotional bag delivered to each home mailbox. It’s not too late to find a willing bag sponsor in your community, so please review your coordinators manual and our online food drive tool kit for great tips. Promotional bags have a dramatic effect on donations, doubling or tripling amounts collected over customers who received only a postcard reminder. At this stage, there are no national sponsors for bags, so each branch should be out trying to secure a bag partner of its own.

We celebrate 21 years and 1.3 billion pounds of success in our national Letter Carrier Food Drive, as we should. But letter carriers never stay still for any length of time, and so we are “Building on a Billion!”

Please make sure your branch gets registered.