SEIU LOCAL 1000: Focus on the Facts

State retiree pensions too generous?

Most state-employee pensions fall short of lavish; some barely liveable

The average annual pension of the 95,000 state workers represented by SEIU Local 1000 is $28,755, even less than the average payout of $31,186 for all state workers[i]. And by some measures, not enough to meet basic needs.

Publicity about state pensions tend to focus on narrow categories, such as California Highway Patrol pensions, which can pay out double or more of the average pension of SEIU workers. But the 7,352 CHP officers--those eligible for enhanced retirement benefits--represent a sliver of the 220,000 employees in the state work force. In reality, state workers are typically single-mom secretaries, custodians or technicians working to support themselves or families and struggle for aspirations like sending their children to college.

Pensions are always based on a worker's salary. The bottom fifth of all state workers earn $41,000 or less a year, making it impossible for them to amass any kind of lavish pension[ii].

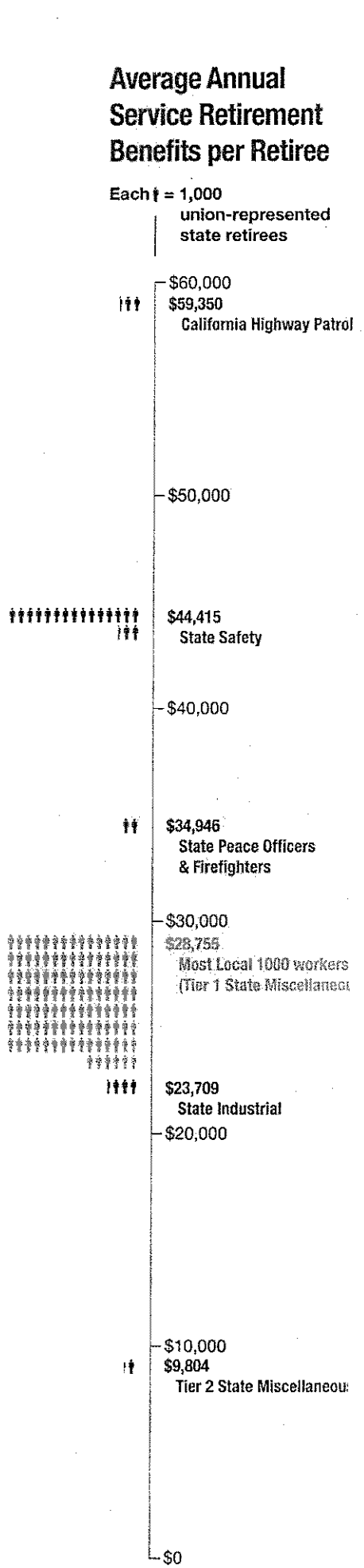
Two examples

"Annie," a single-mother who worked 20 years issuing licenses and vehicle registrations at the Department of Motor Vehicles, retired at 63 after topping out at the top of her salary range at $38,508 a year. She collects $19,254 in annual retirement benefits. Yet living in a one-bedroom apartment in Los Angeles, she would need at least $22,798 a year just to survive, according to the Elder Economic Security Standard Index created by the University of California at Los Angeles, Center of Health Policy Research.

"Roslyn," who lives in a one-bedroom apartment in San Francisco, was forced to retire at 58 because of health problems after 15 years as a program technician at the state Department of Corrections and Rehabilitation. Though she was at the top of her salary range, making $38,508, she will only get an annual pension of $12,635, even though the UCLA study indicates she needs $27, 432 a year just to live self-sufficiently.

Conclusion

Without other options, such as a partner with income, returning to work or Social Security, which aren't always available options, neither retiree could expect even a modest retirement.



Appendix

[i] California Public Employees' Retirement System. "Summary Statistics of Retirees, Beneficiaries & Survivors as of June 20, 2008." Updated January 2009.
[ii] California State Controller's Office, 2008 Payroll Data.