

Resolution on Proposed Retirement Plan Modification for the CSU

#11-04/05-EX – March 29, 2005

RESOLVED: That the Academic Senate of Humboldt State University strongly oppose the imposition of any defined contribution* retirement system—whether for new or existing employees—as well as any mandate to create an optional plan for converting employees from a defined benefit** plan to a defined contribution plan; and be it further

RESOLVED: That the Academic Senate of Humboldt State University urge President Rollin Richmond, the Chancellor of the CSU, and the CSU Board of Trustees to oppose any change in the California Public Employees Retirement System (CalPERS) that would alter the retirement benefits currently available to its faculty and staff or that would increase the cost of the plan to its employees; and be it further

RESOLVED: That the Academic Senate of Humboldt State University condemn efforts by state administrators and others to unilaterally modify the terms and conditions of employment for CSU employees; and be it further

RESOLVED: That copies of this resolution be sent to the Governor of California, the CSU Chancellor's Office, the CSU Board of Trustees, California legislators, and to all CSU campus academic senates.

***RATIONALE:** CalPERS is nationally and internationally recognized as a leader in positive corporate governance and a model of a well-managed defined benefit pension plan. The professionally managed CalPERS defined benefit pension plan offers CSU employees the security and dignity of a guaranteed pension upon retirement, unlike defined contribution plans that are strongly influenced by market trends and controlled by the employees themselves who often are not educated in the investment of these funds.*

The CalPERS retirement plan is an integral part of CSU employees' compensation plan, which partially offsets the below-market salaries endemic throughout the system and serves as an important recruitment incentive in that it offers a de facto form of professional compensation. The integrity of the CSU system depends upon retaining benefits such as CalPERS that contribute to the recruitment and retention of quality faculty.

Notes:

* Individual risk accounts are known as defined contribution plans. The monthly retirement amount depends upon how the individual invests and the cyclic nature of the stock market.

** A secure retirement plan is known as a defined benefit plan. The monthly retirement amount is fixed and based on an individual's salary and years of service.

APPROVED – March 29, 2005