RSA members should be alert to Pew’s attempts to “reform” Alabama’s pensions. In June, Pew succeeded in pushing pension reform legislation through the Pennsylvania Legislature that changes retirement for newly hired teachers and state employees. New employees would have an option to participate in three retirement plans, two hybrids (a combination of a defined benefit and defined contribution) and a pure defined contribution plan.

According to the National Council on Teacher Retirement (NCTR), the new Pennsylvania law “reduces benefits for future employees by roughly 13 to 35% depending on which of the hybrid options are selected and by 50 to 57% if the defined contribution option is selected.” In addition, “in the short term (over the next 10 years), the new law will actually cost $536 million MORE than under the current law.”

Not surprisingly, the Pew Charitable Trusts, which has had an active presence in the Pennsylvania Legislature over the last several years, supported the legislation, calling it “one of the most – if not the most – comprehensive and impactful reforms any state has implemented.”

Pew has already been in Alabama pushing pension reform during the 2015 and 2016 Legislative Sessions. These initial attempts failed. But with this recent victory in Pennsylvania, there is a good chance that Pew will be back to try again.

Meanwhile, Alabama has already had pension reform. In 2011 and 2012, Alabama reforms required members to pay more towards their pension and decreased benefits for new employees. Alabama certainly does not need reforms that will further reduce benefits and increase costs for employers, such as those in Pennsylvania. These increased costs can jeopardize an employer’s ability to make the full employer contribution. Once employers stop paying the bill, a pension plan will quickly find itself in trouble.

RSA members should stay vigilant and let their legislators know that Alabama does not need Pew’s reforms! RSA members also need to get serious about the state elections next year. Be diligent regarding candidates’ views on the RSA and PEEHIP. Vote for someone who supports you and the RSA, or you will certainly regret what they may do to your pension and healthcare benefits.

---

**Our Elected Leaders Are Doing It Right**

**OVERALL FISCAL CONDITION RANK**

<table>
<thead>
<tr>
<th>MERCATUS CENTER</th>
<th>George Mason University</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOP FIVE</strong></td>
<td></td>
</tr>
<tr>
<td>1. Florida</td>
<td></td>
</tr>
<tr>
<td>2. North Dakota</td>
<td></td>
</tr>
<tr>
<td>3. South Dakota</td>
<td></td>
</tr>
<tr>
<td>4. Utah</td>
<td></td>
</tr>
<tr>
<td>5. Wyoming</td>
<td></td>
</tr>
<tr>
<td><strong>ABOVE AVERAGE</strong></td>
<td></td>
</tr>
<tr>
<td>6. Nebraska</td>
<td></td>
</tr>
<tr>
<td>7. Oklahoma</td>
<td></td>
</tr>
<tr>
<td>8. Tennessee</td>
<td></td>
</tr>
<tr>
<td>9. Idaho</td>
<td></td>
</tr>
<tr>
<td>10. Montana</td>
<td></td>
</tr>
<tr>
<td>11. Missouri</td>
<td></td>
</tr>
<tr>
<td>12. ALABAMA</td>
<td></td>
</tr>
<tr>
<td>13. Ohio</td>
<td></td>
</tr>
<tr>
<td>14. Nevada</td>
<td></td>
</tr>
<tr>
<td>15. North Carolina</td>
<td></td>
</tr>
<tr>
<td>16. Indiana</td>
<td></td>
</tr>
<tr>
<td>17. Alaska</td>
<td></td>
</tr>
<tr>
<td>18. Virginia</td>
<td></td>
</tr>
<tr>
<td><strong>AVERAGE</strong></td>
<td></td>
</tr>
<tr>
<td>19. South Carolina</td>
<td></td>
</tr>
<tr>
<td>20. Arkansas</td>
<td></td>
</tr>
<tr>
<td>21. Oregon</td>
<td></td>
</tr>
<tr>
<td>22. Georgia</td>
<td></td>
</tr>
<tr>
<td>23. Texas</td>
<td></td>
</tr>
<tr>
<td>24. Minnesota</td>
<td></td>
</tr>
<tr>
<td>25. New Hampshire</td>
<td></td>
</tr>
<tr>
<td>26. Washington</td>
<td></td>
</tr>
<tr>
<td><strong>BOTTOM FIVE</strong></td>
<td></td>
</tr>
<tr>
<td>27. Hawaii</td>
<td></td>
</tr>
<tr>
<td>28. Iowa</td>
<td></td>
</tr>
<tr>
<td>29. Wisconsin</td>
<td></td>
</tr>
<tr>
<td>30. Colorado</td>
<td></td>
</tr>
<tr>
<td>31. Delaware</td>
<td></td>
</tr>
<tr>
<td>32. Kansas</td>
<td></td>
</tr>
</tbody>
</table>

**SOURCE:** Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition, 2017 Edition” (Mercatus Research at George Mason University, Arlington, VA, July 2017)

---

**Pew Guts Pensions in Pennsylvania: Is Alabama Next?**

**BY DAVID G. BRONNER**

**Alabama Lacks Revenue**

**GUEST EDITORIAL | TIMESDAILY**

A rallying cry among Alabama conservatives has for years been that increasing revenue to state government merely encourages waste and inefficiency. It’s the argument that has been used to shoot down every tax proposal for decades, with the not-so-incidental result that Alabama’s most wealthy and most politically powerful
A third of people (36%) in the U.S. have nothing saved for retirement, a new survey shows.

In fact, 14% of people ages 65 and older have no retirement savings; 26% of those 50 to 64; 33%, 30 to 49; and 69%, 18 to 29, according to the survey of 1,003 adults, conducted for Bankrate.com, a personal finance website.

“These numbers are very troubling because the burden for retirement savings is increasingly on us as individuals with each passing day,” says Greg McBride, chief financial analyst for Bankrate.com. “Regardless of your age, there is no better time than the present to start saving for your retirement. The key to a successful retirement is to save early and aggressively.”

Other recent research confirms that many people aren’t saving enough for their golden years. About 36% of workers have less than $1,000 in savings and investments that could be used for retirement, not counting their primary residence or defined benefits plans such as traditional pensions, and 60% of workers have less than $25,000, according to a survey of 1,000 workers from the non-profit Employee Benefit Research Institute and Greenwald & Associates.

Many people realize that they are not on track in saving for retirement, and the two most important reasons they give are cost of living and day-to-day expenses, says Jack VanDerhei, the institute’s research director.

He advises people to join the 401(k) plan if their employer offers one and to make sure to contribute at least enough to receive the maximum employer match. “Contributing anything less than that is leaving free money on the table,” he says.
t’s encouraging to see a State Task Force looking into the state’s tax system. It’s not the first time. And it likely won’t be the last. Actually, we have these “task forces” quite regularly. What will be the “first time” is if the Joint Task Force on Budget Reform actually makes substantial recommendations that are adopted. Alabama Political Reporter editor in chief Bill Britt wrote about an interim report prepared by the Joint Task Force on Budget Reform (JTF). The report was released on May 11.

After reviewing Britt’s story and the report, it was déjà vu all over again, for me, at least. Two colleagues – Harold Jackson and the late Ron Casey – and I wrote a series about Alabama’s flawed tax system nearly 17 years ago for The Birmingham News. That series, “What They Won’t Tell You about Your Taxes,” was awarded the Pulitzer Prize for editorial writing in 1991. The series resulted from a decision by then Gov. Guy Hunt to hold off releasing a previous state study on the tax system until after the 1990 election. Much of that series, with an update of a few numbers, would still hold true today. Generally, Alabama’s tax rates aren’t high. But the segments of our population we do tax puts the greatest burden on those least able to pay.

As the JTF’s interim report shows, we depend far too much on sales taxes in Alabama. And the sales tax is probably the most volatile tax we have. When the economy is going full steam, sales taxes generate strong revenues. But during economic slumps, the sales tax revenues suffer. So as the economy goes, so goes the sales tax. Plus, our sales taxes are highly regressive, meaning they impact the poorest citizens the most. We pay sales taxes on baby formula, but not for calf formula. That’s an example we’ve used for years in writing about Alabama’s tax system.

Many states have limited sales taxes on food and some other necessities. Alabama does not, but there are special exemptions for the most powerful interest groups who over the years have been able to lobby to protect themselves. There have been half-hearted efforts in the past to remove the sales tax on food, but they get nowhere. Our budget depends too much on taxing milk and bread.

Meanwhile, our state property taxes are among the lowest in the nation. Indeed, when we wrote our tax series in 1990, property taxes could have been doubled, and they’d still be the lowest in the nation. Except in some local areas, those taxes are still among the lowest. But unlike sales taxes, property taxes don’t fluctuate. They are a stable source of income.

Alabama earmarks more of its tax dollars than any other state. Our tax revenue is often spent before it’s even collected. Removing some of that earmarking would allow lawmakers to send tax dollars to where they’re needed most, not simply to this or that program because tax dollars were earmarked for it years and decades before. It’s great that, as Britt writes, the JTF believes it is necessary to “have a detailed understanding of state finances based on historical data, and not random assumptions or anecdotes developed over the years by lobbyists, special interests, and the media.” Indeed, get that information. But such information has been gotten before. Having the information doesn’t mean a whole lot if it’s not acted upon. That’s what we need to see happen.

---

**A Study in Taxation. Again**

**BY JOEY KENNEDY | ALABAMA POLITICAL REPORTER**

---

**Alabama Has Second Most Sites In U.S. With Contaminated Drinking Water**

**SOURCE: BEASLEYALLEN.COM**

A study conducted by the Environmental Working Group (EWG) and Northeastern University revealed startling results for Alabamians. It was reported that Alabama is tied with New Hampshire for having the second-highest number of sites where drinking water is contaminated with PFCs, behind only New Jersey.

PFC levels exceeding the EPA’s health advisory were measured at five sites in northern Alabama: Decatur, Centre, and three in Etowah County near Gadsden. Lawsuits have already been filed by the impacted water systems against the alleged sources of the contamination. The West Morgan-East Lawrence Water and Sewer Authority claims have already been filed by the impacted water systems against the alleged sources of the contamination. The West Morgan-East Lawrence Water and Sewer Authority claims have already been filed by the impacted water systems against the alleged sources of the contamination. The West Morgan-East Lawrence Water and Sewer Authority claims have already been filed by the impacted water systems against the alleged sources of the contamination.

Lawsuits have already been filed by the impacted water systems against the alleged sources of the contamination. The West Morgan-East Lawrence Water and Sewer Authority claims have already been filed by the impacted water systems against the alleged sources of the contamination. The West Morgan-East Lawrence Water and Sewer Authority claims have already been filed by the impacted water systems against the alleged sources of the contamination.

Lawsuits have already been filed by the impacted water systems against the alleged sources of the contamination. The West Morgan-East Lawrence Water and Sewer Authority claims have already been filed by the impacted water systems against the alleged sources of the contamination. The West Morgan-East Lawrence Water and Sewer Authority claims have already been filed by the impacted water systems against the alleged sources of the contamination.

The West Morgan-East Lawrence Water and Sewer Authority claims have already been filed by the impacted water systems against the alleged sources of the contamination.

---

**Save Time, and Go Online!**

The Alabama Law Enforcement Agency’s (ALEA) Driver License Division offers a number of convenient services on its website. Renew or replace your driver license or ID, renew your boat registration, schedule an appointment, and order a crash report – without even leaving your home or office.

All you need is a computer with access to a printer and a credit card. Try it today at http://www. alea.gov/Home/wfContent.aspx

?PLH1=plhALRenewal.
ENJOY YOUR FALL
A Special Deal
FOR RSA MEMBERS

The Battle House,
A Renaissance Hotel—Mobile—$109
• September 1-5, 9-11, 14-17, 24-30
• October 1-2, 5-9, 15-18, 22-31
• November 1, 5-7, 11-14, 19-30

The Renaissance Riverview Plaza—Mobile—$99
• September 3-6, 10-11, 14-19, 22-30
• October 1-2, 9-11, 15-16, 22-27, 27-31
• November 1-2, 5-6, 12-13, 17, 19-30

Marriott Grand—$109 plus a 15% resort fee
• September 4-5, 17, 24-26 • October 1-2, 29-30
• November 5-6, 12-15

Marriott Grand—RSA Golf Package—$179
plus a 15% resort fee—Promotional code—R2A
Includes: Deluxe Room, One Round of Golf for Two People.
Call for Tee Times after booking package
• September 4-5, 17, 24-26 • October 1-2, 29-30
• November 5-6, 12-15

Marriott Shoals—Florence—$90
• September 4-5, 10, 24
• October 5, 10-11, 15, 22, 29
• November 5, 12-19, 21, 26

Renaissance Ross Bridge—Hoover—$109
• September 4-6, 10-14, 19-21, 24-25
• October 1-2, 5, 9-10, 15, 22-23, 29-30
• November 5-6, 12-16, 19-22, 26-30

Renaissance Montgomery—$109
• September 3-4, 9-10, 13-17, 23-24
• October 3, 14-15, 24-31
• November 5, 8, 14, 21-23, 25-28
RSA Spa Package—$189—Promotional code—R2A
• September 9, 13-16, 23 • October 3, 14, 24-28, 31
• November 8, 14, 21-23, 25, 28

Specific room requests may require additional charge.
Rates available the 1st of the month and are not applicable to groups.
800-228-9290 Ask for RSA rate. Promotional
Code: R2A on www.rsa-al.gov
Book Online and Save RSA $4.

SOURCE: NerdWallet survey of 2,072 U.S. adults

Putin’s Oil/GDP Problem

Crude Coincidence

Russia, GDP, % change on year earlier
Brent crude oil price $ per barrel

Annexation of Crimea
Sectoral sanctions take effect

2012 13 14 15 16 17

Individual sanctions take effect

CEO
David G. Bronner
Deputy Director
Donald L. Yancey
Executives
Communications
Michael E. Pegues
Chief Accountant & Financial Officer
Diane E. Scott
Employees’ and Judicial Retirement
William F. Kelley, Jr.
Field Services
Christopher C. Gallup
Information Technology Services
Michael T. Baker
Investments
R. Marc Green
General Counsel
Leura G. Canary
Legislative Counsel
Neah M. Scott
Member Services
Penny K. Wilson
PEEHIP
Donna M. Joyner
RSA-1
Rhonda H. Peters
Teachers’ Retirement
Christopher P. Townes

The Retirement Systems of Alabama
201 South Union Street
P.O. Box 302150
Montgomery, Alabama 36130-2150
Phone: 334.517.7000
877.517.0020
RSA Website: www.rsa-al.gov