PENSIONS: A GOOD DEAL FOR TAXPAYERS, EMPLOYERS AND EMPLOYEES

FOR TAXPAYERS...
Nationally, taxpayers contribute only one-fourth of the total cost of public pension benefits.

25% Taxpayer Cost

75% Employee Contributions and Investment Returns

Pensions reduce taxpayer costs.
In 2010, taxpayers spent about $7.9 billion dollars less on public assistance to older households because of pension income.

Pensions among older American households in 2010 were associated with:

- 4.7 million fewer poor and near-poor households.
- 460,000 fewer households with a food insecurity hardship.
- 500,000 fewer households with a shelter hardship.
- 510,000 fewer households with a health care hardship.
- 1.22 million fewer households receiving means-tested public assistance.

Pension benefits generate tax revenue.

$135 billion total pension tax revenue in 2012

$63 billion State & Local Tax Revenue

$72 billion Federal Tax Revenue

NRTA
AARP's Educator Community
FOR EMPLOYERS...

Pensions help government employers recruit and retain qualified employees.

Pensions help government employers deliver better taxpayer services.

Percentage of Americans who say retirement benefits are important.

Percentage of employees with pensions who say pensions give them an important reason to stay with employer.

Percentage of pension sponsors who say pensions impact employee retention.

Public employers would attract a different and less experienced labor force if they switched from pensions.

Pensions also help employers reduce turnover costs. Nationally for teachers, $550 million in cost savings were realized thanks to the retention effects of pensions.

FOR EMPLOYEES...

Pensions help government employers recruit and retain qualified employees.

Pensions enable public employees to be self-sufficient in retirement after a lifetime of hard work because they:

Provide a modest lifetime benefit that doesn’t run out.

Are professionally managed so that employees don’t have to make complex investment decisions.

Deliver a regular benefit so retirees have an easier time budgeting each month.

Do not allow participants to borrow or withdraw money from the plan before retirement.

Are stable in that pension checks do not fluctuate with interest rates or the stock market.