



Testimony of Ed Leavy  
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**HB 5430: AN ACT CONCERNING TEACHERS' RETIREMENT  
SYSTEM CONTRIBUTIONS**

Finance Committee

March 16, 2018

My name is Ed Leavy, and I am the president of the State Vocational Federation of Teachers. I am proud to represent the nearly 1200 educators in the technical high school system. I have also been an English teacher for 33 years. While most of our members are in the State Retirement plan, more than 25% are in Teachers' Retirement. This year, they have seen their contributions to their pension increase 1%. Bill 5430: *AN ACT CONCERNING TEACHERS' RETIREMENT SYSTEM CONTRIBUTIONS* returns their pension contributions to 6%. I strongly urge its passage.

The increase in pension contributions last year was an attempt to balance the budget; it defied all sense of fairness. The problems with the Teachers' Retirement funding is clearly not the fault of the teachers themselves; the State has a decades-long, bipartisan tradition of not making its required pension. There has been much talk of late that the State cannot flatten its future pension obligations, as it did last year with the State Retirement System, because it would break the "bond covenant." The State broke its covenant with the teachers themselves long ago by refusing to meet its pension obligations. The problem with the Teachers' Retirement System is not the contributions by the teachers; six percent of salary is a significant cost. The shift of an additional 1% to the teachers is an abdication of the State's responsibility.

The change to 7% last year was, in effect, a tax on the teaching profession. The State did not match the increase, and instead used the money for the general fund. We are told regularly that we cannot have a 1% millionaire's tax because millionaires will leave the state. There is no proof that will happen, but we can see a dramatic reduction in young people entering the teaching profession, especially in important areas such as science and special education. We cannot be surprised by this trend when we single out teachers as the one profession which has an increased tax on income. Lawyers, doctors, hedge fund managers, and legislators were not required to pay an additional 1%, but teachers were. Not only does the additional contributions cause real financial hardship for many teachers, who in most districts have seen their salaries stagnate while their insurance costs increase, but it shows a lack of respect for the profession itself. When we should be investing in education, we are instead targeting educators to provide additional funds. Bill 5430 addresses this problem. On behalf of my members and my profession, I strongly recommend its passage.

Thank you.