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Schwarzenegger on Pension Reform: Let's Slow Down and Get it Right

WASHINGTON, D.C. – Grover Norquist, President of Americans for Tax Reform, issued the following statement concerning California's Gov. Arnold Schwarzenegger's announcement to postpone overhauling the California Public Employee Pension System (CALPERS) from a defined benefit to a defined contribution system:

“Gov. Schwarzenegger has not backed away from the pressing need for a defined contribution system. He is merely responding to a small uncertainty concerning disability and survivor benefits within the current reform initiative. The uncertainty cannot be changed at this point and still appear on the ballot this fall. Rather than hammering through a bill with any hint of uncertainty or lack of clarity, Gov. Schwarzenegger is slowing down, clarifying any misconceptions with his pension reform plan, and will resume his crucial push to save the retirement security of California state employees in 2006.”

“Make no mistake,” continued Norquist, **“the current unfunded liabilities that exist under California's defined benefit system are unsustainable. Gov. Schwarzenegger knows that, unless the switch is made to a defined contribution, 401-k style system, the State retirement system risks collapse.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Chris Butler at (202) 785-0266 or at cbutler@atr.org.

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