December 11, 2015

VIA FACSIMILE: (202) 224-2499

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader McConnell:

On behalf of the national organizations listed above, representing state and local governments, elected officials, employees and retirement systems, we are writing to express our strong opposition to public pension requirements contained in the Puerto Rico Assistance Act of 2015 (S. 2381). These provisions are not limited to the territory of Puerto Rico, but impose a federal mandate on all state and local governments in areas that are the fiscal responsibility of sovereign States and localities, and are conflicting, administratively burdensome and costly.

The provisions are not germane to the underlying legislation, nor do they protect benefits, save costs or improve retirement system funding. They also have neither been introduced this Congress as stand-alone bills nor received consideration under regular order, including in the many hearings pertaining to Puerto Rico.
State and local government retirement systems are established and regulated by state laws and, in many cases, further subject to local governing policies and ordinances. State and local governments have and are taking steps to strengthen their pension reserves and operate under a long-term time horizon. Since 2009, every state has made changes to pension benefit levels, contribution rate structures, or both. Many local governments have made similar modifications to their plans. A compendium of information that corrects many misperceptions regarding the financial condition of these governments and their retirement plans can be found here: State and Local Fiscal Facts: 2015.

Federal interference into the fiscal affairs of state and local governments is neither requested nor warranted. Therefore, we strongly urge the exclusion of provisions impacting state and local government retirement systems from legislation relating to Puerto Rico assistance or any other legislation under consideration.

If you have any questions or would like additional information, please feel free to contact any of our organizations’ legislative staff listed below. We would be more than happy to meet with your office to discuss this important matter further.

Sincerely,

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