

## PENSION WORKING GROUP TESTIMONY

2/5/2019

Good Morning. I'd like to thank the Co chairs and members of the working group for allowing me to speak on behalf of the fire fighters regarding the fate of our retirement security.

For the past 2 years, fire fighters have had to worry as to whether they were going to be able to retire and receive the modest monthly benefit that they were promised when they chose this profession. It is our belief that when we elected to subject ourselves to the physical and mental injuries and illness that we often encounter, we would at least be able to retire with dignity.

In CERS, we certainly aren't getting rich. The average annual benefit for Non Haz is \$11,739. In CERS Hazardous, the average is \$25,000. These numbers are mostly from Tier 1, so I would these figures to drop once Tier 2 and Tier 3 participants begin to retire.

The majority of fire fighters in the Commonwealth DO NOT participate in Social Security, so our defined benefit pension is our only means of income replacement.

Those of us in CERS have already been thru Pension Reform. The Cash Balance plan that went into effect in 2014 changed the benefits for fire fighters hired in Tier 3. Since that was enacted, recruitment and retention of fire fighters has been a concern for many of our employers. Any further reduction in benefits will only magnify this issue and force fire fighters to work well beyond the age that they are physically and mentally capable to provide the public protection that our citizens deserve.

I also need to bring up the fact that there are more than 100 fire fighters in CERS Non Hazardous. These individuals already receive a reduced benefit compared to their brothers and sisters in the Hazardous plan.

And lastly, The Kentucky Professional Fire Fighters Assoc. fully supports the separation of CERS from KRS. There are no state funds allocated for CERS. We do not have proper Board representation when you consider the percentage of CERS stakeholders as compared to the rest of KRS. Thru separation, politics and ideology would not be a concern. And with separation, the Board could make investments that best serve the participants in CERS.

WE, fire fighters, do not hesitate when asked to lay our lives on the line for our communities. All we ask in return is to allow us the ability to retire at an age that we aren't a burden to our departments and coworkers and that we not have to worry about being able to afford necessities in our retirement years.

Again, Thank you for providing me this opportunity to voice our concerns.

Joe Baer

President, Kentucky Professional Fire Fighters Assoc.