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January 2009

United States Congress  
Washington, DC 20515

Dear Member of Congress:

On behalf of the more than 500 public pension funds that are members of the National Conference on Public Employee Retirement Systems (NCPERS), we write this open letter to share with Congress our thoughts on a second stimulus package.

The United States economy last year began a downward spiral that even now has not found significant balance. In October 2008, the federal government authorized more than \$700 billion to help create liquidity and ease concern among market makers. And in December 2008, a short term bailout for troubled General Motors and Chrysler was authorized.

States and localities, too, have been hit hard by the downturn in the economy, and many foresee huge deficits. Congress and the incoming administration have indicated their desire for a second economic stimulus package—possibly focusing on the needs of states and localities—in the opening days of the new Congress.

**NCPERS supports efforts to stabilize the economy through specific legislative efforts.**

As Congress considers and debates a second economic stimulus bill, which may assist states and localities, NCPERS encourages policymakers to consider the following:

- The federal government should look at public pensions as a model to help all Americans achieve retirement security. Public pensions are good investments for taxpayers, financially sound, and getting retirement right. We are succeeding where others have failed, enabling nearly 22 million middle-class public servants such as teachers, police officers, firefighters, and other valued public employees to be self-sufficient in retirement.
- There should be language in the stimulus bill that strongly encourages any state or political subdivision that receives money under the stimulus legislation to make its actuarially required contribution to the pension plan(s) and pledges that it will not freeze benefits for current employees or encumber new benefits for future employers.
- As institutional investors, NCPERS and our members offer our expertise and perspectives and wish to work closely with Congress as it considers and drafts new laws to reform our financial system, including reforming the federal regulatory agencies such as the Securities & Exchange Commission.

The nearly 22 million public servants represent about 10 percent of the American workforce. And because of the ubiquitous and central role our members' participants play in almost every community, NCPERS feels we are in a unique position to provide Congress assistance in this matter.

We hope Congress will consider the above suggestions as the debate on the economy continues. Please contact us if you have any questions or wish to discuss any of the items in detail. We may be reached at 202-624-1456 or [hank@NCPERS.org](mailto:hank@NCPERS.org).

NCPERS is the largest trade association for public sector pension funds, representing more than 500 funds throughout the United States who collectively manage nearly \$3 trillion in pension assets. Our core missions are federal **Advocacy**, conducting **Research** vital to the public pension community, and **Educating** pension trustees and officials—it's who we **ARE**.

Sincerely,



Pat McElligott  
President



Hank Kim, Esq.  
Executive Director & Counsel