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Following is the response of Hank Kim, Esq., NCPERS Executive Director and Counsel, to an opinion piece on Bloomberg.com supporting Utah Sen. Orrin Hatch's recently introduced Secure Annuities for Employee (SAFE) Retirement Act:

Contrary to the politically opportunistic fiction put forth by Eileen Norcross and Roman Hardgrave in **To Save Pensions, Get Government Out** (July 23), Detroit's bankruptcy filing is not the result of "huge, unfunded public employee benefits such as pensions." Detroit's story is that of a once great American city that has experienced unprecedented population loss, tax base erosion, property value decline and loss of economic competitiveness. Once the nation's fourth most populous city, it's now barely in the top 20. And as a one-industry town, Detroit's fortunes have suffered mightily with the decline of the U.S. auto industry from world leader to struggling competitor in the global marketplace.

Public pensions are not part of Detroit's problem. In fact, its public pensions are well funded – over 96 percent for the Police & Fire plan and over 87 percent for other city employees. Throughout the country, public pensions are typically well funded, financially healthy and sustainable for the long term. The few plans that are in trouble are in jurisdictions that failed to adequately fund those plans during boom economic times.

Some, like Norcross and Hardgrave, would exploit Detroit's dilemma to push an ill-considered political agenda to dismantle public pensions and enrich life insurance companies. They should note that during the more than 150 years of public pension history, *no* public pension plan has *ever* asked for a federal bailout. But plenty of life insurance companies have failed – 170 of them between 1975 and 1990, according to the Government Accountability Office.

Norcross and Hardgrave – along with Utah Sen. Orrin Hatch, whose pension reform legislation they are championing – would be performing a far greater service for states, municipalities and their taxpayers if they would turn their attention to America's real retirement crisis. The private sector's retirement savings deficit is running upwards of $14 trillion – meaning future retirees will have insufficient assets, will be a drag economic activity and will put higher demands of public resources. Resolving the private sector retirement crisis is crucial to the nation's economic well-being and to state and local financial security – and deserves to take center stage in the public debate.

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