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Florida Business Leaders Commend House Proposal to Close State Pension Plan

TAMPA, Fla. (April 18, 2013) – Yesterday, House Speaker Will Weatherford met with Senate pension bill sponsor Sen. Wilton Simpson to discuss the status of the House legislation, which would close the state’s defined-benefit pension plan to new entrants beginning in 2014.

“The Florida Council of 100 strongly supports the House proposal to close the state’s defined benefit pension plan to new members beginning next year,” said Marshall Criser III, chair of the Florida Council of 100. “The workforce of today and tomorrow is more fluid and mobile than it was only a decade or two ago, with the average job tenure of Florida’s career service employees falling 17% since 2002. All our state workers would benefit greatly from the expedited vesting and high portability of the Investment Plan.”

A state-sponsored actuarial study indicates that such a policy would reduce the Pension Plan’s unfunded liability by more than 75 percent over the next 30 years.

“There are very good reasons why nearly all private-sector businesses only offer defined contribution plans and why the state should follow suit,” stated Rhea Law, vice chair of the Florida Council of 100. “Compared to defined benefit systems, defined contribution plans are more financially stable, enjoy lower administrative costs, and generate greater long-term savings. We therefore call on the Florida Senate to take-up and pass the House’s proposal to prospectively close the state Pension Plan.”

The Florida Council of 100 has long championed government efficiency and effectiveness policies and programs, including civil service reform and the Partners in Productivity initiative.

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Formed in 1961, the Florida Council of 100 is a private, nonprofit, nonpartisan organization of business, civic, and academic leaders, which exists to promote the economic growth of Florida and a high quality of life for its citizens. Visit www.fc100.org for more information.