

EXHIBIT 4  
DATE 3/22/13  
HB 338

Teamsters Local 190

Oppose HB 338

Chairman Ankney and Members of the Committee;

My name is Rebecca Barger and I represent the Teamsters Local 190 out of Billings, Montana. We rise in opposition to HB 338. HB 338 does not address the current problem, creates a backfill in liability, ensures our members will receive fewer benefits, and creates a high risk that our public employees will outlive their retirement income.

Requiring a new system where new hires are put into a defined contribution benefit plan does not fix the unfunded liability in the current defined benefit system. We as a state will still be liable for the benefits needed to be paid out to current members of the DB system. Switching the system will also create a backfill where the state will be liable to pay even more for benefits that are not being supplemented by new employees. This will cost the state 100 million dollars each year, just to backfill the system for decades!

With the defined contribution the amount of your pension depends on the stock market. This plan produces lower returns than those in DB plans. This is due to multiple factors including: 1. Public Employees are not skilled investors, and 2. Because they are not skilled investors they react to the markets fluctuations. Because of these reasons and lack of stability monthly into the system, members of the DC are 50% more likely to outlive their retirement. This causes senior citizens to take jobs and require support from government programs for food, housing, healthcare, etc.

We support a plan that fixes the unfunded liability in the current system, and allows for our retirees to plan for retirement. Therefore, we urge a NO vote on HB 338.