

# Catastrophic News: Will YOU Be Next?

One issue that doesn't get discussed enough on talk radio – like Limbaugh & Hannity who command at least 20 million listeners a week or cable news networks is the issue of pensions: city, county, state, private. The warnings have been out there for many years, but Americans either don't know they should be worried or they simply trust whoever is managing their pension funds.

[P.E.R.S. – Oregon's Grand Delusion](#), June 4, 2006, and has time has gone by, Fred lays it all out just as he predicted:

[P.E.R.S.: Lies, Distortions, Half-Truths and Fraud](#), September 14, 2013

[Why Josephine County \(Oregon\) is Broke, January 27, 2015:](#)

“Wonder why the county is out of money?

“Recently Rosemary Padgett, (Tier one PERS recipient) County Financial Officer (CFO) retired. She will receive a pension 38% more than her final salary of \$147,000 a year. That would be a yearly retirement pension of \$202,860.00 plus a 2% COLA (Cost of Living Adjustment) each year until death, which means that her 5th year pension will be \$233,973.83. Why be in free enterprise?

“Also, on top of PERS, Rosemary will receive her Social Security, and be exempt from state income tax like all other retired government employees! According to Fidelity Investments the capital requirement for a single female at age 60. For a \$150,000 a year pension without a COLA costs: \$2,833,000.00!”

Imagine it's you in the piece below. What you have budgeted to live on is determined by your pension and likely social security. Then imagine one day you are notified your pension

has been sliced by 50% or more. Heart stopping.

Well, I'm afraid the news couldn't be worse for some Americans and this is just the tip of the iceberg:

[Another blow for heartland workers: Slashed pensions](#), July 20, 2017

"February was a bad month for Larry Burruel and thousands of other retired Ohio iron workers. His monthly take-home pension was cut by more than half from \$3,700 to \$1,600.

"Things have been rough in the Rust Belt, but this was a particularly powerful punch in the pocketbook for Burruel, who started in the trade at 19 and worked 36 years before opting for early retirement to make way for younger workers. Unfortunately, this sagging industry doesn't have enough younger workers to pay for retirees like Burruel, whose pension plan is in what the U.S. Treasury Department calls "critical and declining status."

"Burruel and the 4,000 members of his Cleveland Iron Workers Local 17 pension plan are the canaries in the coal mine as far as pension cutbacks go. At least 50 Midwestern pension plans – mostly the kind jointly administered by trustees for a labor union and a group of employers – are in this [decrepit condition](#). Several plan sponsors have already applied to the Treasury Department to cut back retirees' allotments...

"However, it's not clear what would be fair. The hammer is falling on the private pension funds that are running out of cash. And those shortfalls have many reasons. "The stock market crash had a huge effect," said Outreach Director Joellen Leavelle of the [Pension Rights Center](#). "Some plans lost billions." It was a loss from which they never recovered...

"For now, both healthy public pension funds and private pension funds aren't at risk. But for those who are affected, it hurts a lot, said Pat Overstreet of Hinckley, Ohio. She and

her former iron worker husband refinanced their home to pay for their daughter's brain tumor treatment. But since his pension has been cut from \$2,500 to \$930, they may lose their house, she said."

What about the UN-healthy pension funds?

[Governor signs bill to ,repair pension plan for corrections officers,](#) April 18, 2017

(Phoenix, State Capitol) – "Governor Ducey has signed SB 1442, a bill sponsored by Senator Debbie Lesko that repairs and reforms Arizona's Corrections Officer Retirement Plan (CORP). The pension plan is currently broken, funded at only 53%. In the past 15 years, the employer contribution rate has grown from 3.2% to 18.2%, a 600 percent increase!"

READ: [Pensions Timebomb In America – "Global Crisis" Cometh,](#) June 30, 2017

[Your pension could be at the center of America's next financial crisis,](#) March 24, 2017

"According to one pension advocacy organization, nearly [1 million working and retired Americans](#) are covered by pension plans at the risk of collapse. The looming pension crisis is not limited by geography or economic focus. These including former public employees, such as members of South Carolina's government pension plan, which covers roughly [550,000 people](#) – one out of nine state residents – and is a staggering [\\$24.1 billion in the red](#). These include former blue collar workers such as roughly [100,000 coal miners](#) who face serious cuts in pension payments and health coverage thanks to a nearly [\\$6 billion shortfall](#) in the plan for the United Mine Workers of America. And when the bill comes due, we will all be in very big trouble."

[NY Teamsters Pension Becomes First To Run Out Of Money As](#)

[Expert Warns “Pension Tsunami” Is Coming](#), March 2, 2017.  
Catastrophic for these people.

[General Electric: Another Impending Pension Crisis is Here](#), June 20, 2017. “Bloomberg reports, “[The \\$31 Billion Hole in GE’s Balance Sheet That Keeps Growing.](#)”

[Stanford Report: California Public Pension Debt Up 19% to \\$964.4 Billion](#), Dec. 3, 2016

[Borrowing to Fund Pensions Could Make California the Next Puerto Rico](#), June 15, 2017. Hey – robbing Peter to pay Paul is how corrupt lawmakers do business.

[California uses one state credit card to pay off another](#), July 9, 2017

“Contained within the budget is a plan worked up by Gov. Brown and State Treasurer John Chiang that greenlights the state to borrow reserve cash from state government accounts and to plow the proceeds into the California’s pension investment fund.

“The idea is that the higher yielding pension fund will earn more than enough to cover both interest on the new debt and pay down some of the state’s pension obligations. Over the past two decades, several states and localities tried very similar schemes to deal with their own pension problems, but the practice is fraught with risk, and it has backfired spectacularly on more than a few occasions.”

[After A “Run On The Pension Fund” Dallas Mayor Demands Halt Of Withdrawals](#), Nov. 30, 2016

“As the Board is well aware, at the beginning of this year, the **actuarial value of assets under your supervision and control were reset to market value, resulting in a \$1 billion valuation loss. This significant markdown was the result of years of mismanagement and abuse.**

“Critically the Pension System’s actuary warned that the Pension System would become insolvent even sooner if Deferred Retirement Option Plan (“DROP”) funds are drawn down in less than a ten-year period.

**“Despite this clear warning, you have inexplicably paid out nearly \$500 million in lump-sum DROP withdrawals over a matter of mere months – notwithstanding your power to unilaterally restrict or limit DROP withdrawals. In doing so, you have knowingly allowed DROP funds to be withdrawn at record levels, cognizant that doing so is irreparably harming the Pensions System’s solvency and liquidity.**

**“Already, as a result of your actions, the Pension System’s ability to pay its members’ future benefits has been irreparably reduced from a period of 15 years to 10 years. Further, both the City of Dallas and the Pension System have projected that DROP withdrawals, if unabated, will lead to a liquidity crisis in the Pension System with the next 90 days, causing a forced sale of illiquid assets. Your Board Chairman summed it up best when referring to the payment of DROP withdrawals: “- the continuation of this practice would be financial suicide.” And yet the practice continues.**

**“Given the urgency of this matter, I request a response within 48 hours as to whether the Board will immediately cease DROP payments until such time as the solvency and actuarial soundness of the Pension System is restored.”**

[Dallas Police and Fire Pension Board ends run on the bank, stops \\$154M in withdrawals](#), Dec. 8, 2016

[Detroit Pension Cuts From Bankruptcy Prompt Cries of Betrayal](#), Feb. 5, 2015:

“Pension checks will shrink 6.7 percent for 12,000 Detroit retirees beginning in March. Making matters worse, many also must pay back thousands of dollars of excess interest they received. It’s a bitter outcome of Detroit’s record \$18 billion municipal bankruptcy for David Espie, 58, who will repay the city \$75,000 in a lump sum while his \$3,226 monthly pension is cut by \$216.

“As retirement costs swallow larger portions of U.S. city

budgets, Detroit's bankruptcy plan resolved a pension crisis with creative strokes, though at a cost to retirees who thought their benefits were untouchable. "I feel betrayed," said Espie, who may abandon plans to move to Alabama. He recounted family get-togethers he missed during the 30 years he spent in the Department of Public Works picking up trash and plowing snow. He also pays \$500 a month more for health insurance than a year ago." The rest is a horror story.

Outrageous: [National epidemic: Public employees 'spiking' pensions](#)

Those are but a few examples of a national crisis piled on top of Obamacare killing off disposable income for tens of millions of Americans who struggle to pay the outrageous premiums. When people begin to panic – like a sucker punch to the gut when they read real life stories like the ones above – they stop spending. They hoard because they don't know what's coming next – especially if you depend on or will depend on some pension fund to supplement your social security. In some state systems employees don't pay into SS only their pension fund.

Of course, such contractions have dire consequences to local economies and you see businesses shutter. Big box chain stores aren't just going out of business because of behemoth Amazon (who I feel is biting off more than Bezos' can chew and as they say, the bigger they are the harder they fall). It's because for Americans, despite the healthy optimism out there as a result of President Trump getting some important things done – like axing a boat load of unnecessary business killing regulations – reality is still out there. Grossly under-funded pensions is one of the biggest.

If you will depend on a pension down the road or are receiving one now you really should look into its solvency and keep up with the numbers.

Kudos to President Trump for this; be sure to read the details: [Trump Signs “Buy American, Hire American” Executive Order](#)

[Devy does a pod cast every Thursday: What Congress and the Media Won't Tell You, which covers bills like the one to stop taxing social security rotting in committee in Congress. Knowledge is power but only if truth is made available to millions of Americans. Her 7.20.17 pod cast dealing with the destruction of the Seventeenth Amendment (electing US senators) needs to be shared far and wide. The beauty of a pod cast is you can listen live or download and listen anytime on just about any gadget out there like iTunes, on your computer, iPhone, Smart Phone or Android device. [Here's the direct link.](#) Just click on show title to the right.]\

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