WHEREAS, The California Public Employees Retirement System (CalPERS) retirement plan is an integral part of CSU employees' compensation plan; and

WHEREAS, CSU employees have often been faced with below market salaries partially offset by a sufficient retirement plan; and

WHEREAS, CalPERS "defined benefit"* pension, which offers CSU employees the security and dignity of a guaranteed pension upon retirement, has been central to our recruitment efforts; and

WHEREAS, Defined benefit plans are professionally managed; and

WHEREAS, CalPERS is nationally recognized as a leader in positive corporate governance and a model of a well-managed defined benefit pension plan; and

WHEREAS, The risk of "defined contribution"** plans is in the hands of employees who are often not educated in the investment of these funds; and

WHEREAS, A privatized defined contribution retirement system dramatically increases an employee's risk of losing their retirement benefits; and

WHEREAS, Imposing a defined contribution retirement system on new employees will diminish the funding base for the current defined benefit retirement plan; therefore be it

RESOLVED: That the Academic Senate of California Polytechnic State University (Cal Poly) strongly oppose the imposition of any defined contribution retirement system—whether for new or existing employees—as well as any mandate to create an optional plan for converting employees from a defined benefit plan to a defined contribution plan; and be it further
RESOLVED: That the Academic Senate of Cal Poly urge President Baker, the Chancellor of the CSU, and the CSU Board of Trustees to oppose any change in the California Public Employees Retirement System (CalPERS) that would result in lower retirement benefits to its current faculty and staff or that would increase the costs of the plan to its employees; and be it further

RESOLVED: That the Academic Senate of Cal Poly condemn efforts by the governor and others to unilaterally modify the terms and conditions of employment for CSU employees; and be it further

RESOLVED: That copies of this resolution be sent to the Governor of California, the Chancellor's Office, CSU Board of Trustees, California legislators, and to all CSU campus academic senates.

Notes:
* A secure retirement plan is known as a "defined benefit" plan. MontWy retirement amount is fixed and based on an individual's salary and years of service.

** Individual risk accounts are known as "defined contribution" plans. MontWy retirement amount would depend on how the individual invests and the ups and downs of the stock market.

Proposed by: Manzar Foroohar, CSU Academic Senator
Date: February 14, 2005
Revised: February 22, 2005
Revised: March 2, 2005
To:        David Hannings  
   Chair, Academic Senate  

Date:    April 8, 2005  

From:    Warren J. Baker  
   President  

Copies:   R. Detweiler  

Subject:  Response to Senate Resolution AS-629-05  
   Resolution on Proposed Retirement Plan Modification  

This is to formally acknowledge receipt of the above-referenced Academic Senate resolution.