Adopted: March 8, 2005

ACADEMIC SENATE of CALIFORNIA POLYTECHNIC STATE UNIVERSITY San Luis Obispo, CA

AS-629-05

RESOLUTION ON PROPOSED RETIREMENT PLAN MODIFICATION

1 2 3	WHEREAS,	The California Public Employees Retirement System (CaIPERS) retirement plan is an integral part of CSU employees' compensation plan; and
4 5	WHEREAS,	CSU employees have often been faced with below market salaries partially offset by a sufficient retirement plan; and
6 7 8 9	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
1 1 2	WHEREAS,	Defined benefit plans are professionally managed; and
13W 14	IIEREAS,	<u>CalPERS</u> <u>is nationally recognized as a leader in positive corporate</u> governance <u>and</u> a model of a well-managed defined benefit pension plan; and
15 16 17	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
18 19 20	WHEREAS,	A privatized defined contribution retirement system dramatically increases an employee's risk of losing their retirement benefits; and
21 22 23 24	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
25 26 27 28 29	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

31	RESULVED:	That the Academic Senate of Car Poly urge President Baker, the Chanceflor of the
32		CSU, and the CSU Board of Trustees to oppose any change III the California
33		Public Employees Retirement System (CaIPERS) that would result in lower
34		retirement benefits to its current faculty and staff or that would increase the costs
35		of the plan to its employees; and be it further
36		
37	RESOLVED:	That the Academic Senate of Cal Poly condemn efforts by the governor and others
38		to unilaterally modify the terms and conditions of employment for CSU
39		employees; and be it further
40		
41	RESOLVED:	That copies of this resolution be sent to the Governor of California, the
42		Chancellor's Office, CSU Board of Trustees, California legislators, and to all
43		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

State of California Memorandum

CAL POLY

SAN LUIS OBISPO

CA 93407

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.