Index

Alabama, retirement programs in 43
Alaska 23, 57, 107, 133, 165
   changes in benefit plans in 197, 205, 206
   and defined contribution plans 86
   as outside Social Security system 75
Allen, S.G. 168
American Revolution 1, 14–15, 19–20, 44
Arizona 22, 31 see also legislation (state)
   State Retirement System (ASRS) 21
   Teachers’ Retirement System (TRS) 21
   average monthly wage formula for benefits (AMW) 61–2, 64
Becker, G. 27
Biggs, A. 180
Bodie, Z. 183
Brainard, K. 112, 140, 190, 192, 193
British pension plans: the half-pay system 13
Brown, J.R. 185
Buchanan, J.M. 93
Bureau of Labor Statistics 30, 31, 48, 211
California 22, 33, 56, 75, 85, 137
   Public Employees’ Retirement System (CalPERS) 44
   Public School Teachers’ Retirement Salary Fund 44
   State Teachers’ Retirement System (CalSTRS) 44
   case law see also legislation (US)
      Helvering v. Davis (1937) 68
      Railroad Retirement Board v. Alton Railroad Co (1935) 66, 67, 68
      U.S. v. Butler (1935) 67, 68
   Census Bureau 31, 114, 132, 133, 162
   Census of Governments: Employee Retirement Systems of State and Local Governments 114
Chicago 20, 26, 28
   public sector retirement plans (1907) of 39–40
Choi, J. 201
civil service pensions 17–18, 80
Civil Service Retirement System (CSRS) 173
Civil War 14, 16
   veterans 15, 30
Colorado 20, 75
   Board of Trustees’ recommendations on state retirement plan 206
   changes in pension plans in 205
   optional defined contribution plan in 199, 201, 202
   Public Employees’ Retirement Association (PERA) 45
Comparative Study of Major Public Employee Retirement Plans Wisconsin Report 86–8, 107, 114, 143, 182, 190–94
   Congress 1, 5, 14–20, 44, 46, 53, 55, 61, 63–70, 73–4, 84, 85, 195, 209
Congressional Budget Office (CBO) 63, 161, 186, 209
Connecticut 19, 23, 39–40 see also legislation
   teachers and/or local employees in 75, 85, 133
   teachers’ retirement plan (1917) 39–40, 87
Continental Army 13, 19, 20
Continental Congress and pension plans 1, 13–14, 15
State and local retirement plans in the United States

Continental Navy 13, 15, 19
contribution and financing strategies,
trends in 171–7
Coolidge, President C. 30
Craig, L.A. 28, 43, 70, 97, 98, 99, 113
defined benefit pension plan 167–70
measuring financial status of 181
recent amendments to 204–6
defined contribution pension plans
167–70, 211–12
Delaware 133
Detroit 22, 26 see also legislation
(state) and Michigan
disability benefits/plans 13–14, 19, 26,
28, 62–5, 195
elderly, care for the 3–4, 29–33 see also
old-age assistance (OAA) plans
and poorhouses
county/township relief plans for
48–50
federal old-age insurance (OAI) plan
for 53–7
as priority for Committee on
Economic Security 51–2
Federal Employees Retirement System
(FERS) 173, 181
federal pension plans 12–18
financial status of public sector
retirement plans (and) 180–94
accrued (ABO) versus projected
(PBO) benefit obligations 183–4
asset smoothing 188–9
current funding ratios 181–3
defined benefit retirement plan see
defined benefit pension plan
discounting future liabilities 184–8
GASB actuarial guidelines/practice
184–8, 211
trends in state and local government
funding ratios 190–94
firefighters/firefighters pension plans
11, 23, 28, 35, 39, 57, 64, 75, 85,
132, 135
Fishback, P.V. 47, 97, 113
Florida 23, 96, 108, 137
pension plans in 199, 201–2
Retirement System (1970) 26, 30
Flow of Funds Accounts (FFA) data
(Federal Reserve Board of
Governors) 173–5
Friedberg, L. 56
Gallagher, L. 57
General Accounting Office 165
and state benefit plans 86, 104–5
Georgia
changes in retirement plans in 205
hybrid retirement plan in 202–3
Government Accounting Standards
Board (GASB) actuarial
guidelines 184–9, 211
Great Depression, the 1, 2, 3–4, 8, 59,
159
growth of public sector pension
plans during 37–46 see also
public sector pension/retirement
plans
pension plans on eve of 11–35
state and local pension plans
during 36–58 see also Social
Security
and state-level old-age assistance
plans see old-age assistance
(OAA) plans
Gruber, J. 97, 113
Gustman, A. 165, 195
Hamilton, A. (Secretary, US Treasury)
15, 19–20
Hawaii 20, 23
Employees' Retirement System
(ERS) 27
old-age assistance (OAA) 46, 57
Hickman, W.B. 40
Higgs, R. 68, 69
Homer, S. 13
Hoover, H. 50
human resource objectives/policies 78,
105, 158–60, 166, 210
Illinois 75, 85, 133, 192–3
Municipal Retirement Fund (MRF)
143
report of commission (2009) on
public retirement plans 206–7
and rise in retirement age for newly
hired teachers 205
Indiana
combination retirement plan in 203
primary plan 104–5
Public Employees Retirement Fund
(PERF) 143
state law in 135–6
teacher and state employee
retirement plans 86
Teachers Retirement Fund (TRF) 143
Indianapolis 20, 26
integration of social security and
public sector pension plans 73–81
Iowa
anti-spiking rules in 205
Benefits Advisory Committee (BAC)
recommendations on funding 207
Public Employees Retirement
System (IPERS) 207
Ippolito, R. 165, 195
Jones, N.L. 187
Kansas 20
changes in retirement plans in 205, 206
Kansas City 73
Kantor, S.E. 97, 113
Kentucky 75, 85
changes in pension requirements in 205
Kollman, G. 61, 64
Krueger, A.B. 97, 113
Labor, US Department of 165, 171
legislation (state) on
care for the elderly (Arizona, 1915) 31
care for the elderly (Pennsylvania, 1923) 31
cash-assistance system for elderly
(Montana, 1923) 31
disability pensions (Virginia, 1624) 19
public pensions (Wisconsin/
Milwaukee) 23
teachers’ retirement plan
(Connecticut Act, 1917) 39–40
teachers’ retirement plans
(Michigan) 22
teachers’ retirement plans (New
York, 1890s) 20
legislation (US)
Agricultural Adjustment Act (AAA,
1933) 54, 67
amendments to Social Security Acts 64, 108, 137
Annuity Act (1780) 15
army pension acts 17
for Civil War veterans (1890) 15
Declaration of Independence 13
Economic Stabilization Act (1942) 69
Emergency Price Control Act (1942) 69
Employee Retirement and Income
Security Act (ERISA, 1974) 8,
159–60, 165, 166, 172, 211
Federal Employees Retirement Act
(1920) 1, 18
grants of pension (House of
Representatives, 1896) 17
grants of pension (Senate bill, 1896)
for Mexican War veterans (1887) 17
National Labor Relations Act
(1935) 8, 69
Pension Protection Act (2006) 170
permitting states to enter into
voluntary agreements with SSA
(1950) 73–4
Railroad Retirement Act (1934) 66–7
and Fifth Amendment ‘takings’
clause 67
service pension act (1832) 14–15
Social Security (early) 3
Social Security Act (1935) 1, 2, 4, 12,
29, 33, 46, 50, 53–7, 60, 66–7,
158
Title I 4, 55–7, 60
Title II 4, 53, 56, 60
Social Security Act (1950) 64
social security coverage made
mandatory for employees not
covered by employer plans
(1991) 74
and Supplemental Security Income program 4
for War of 1812 veterans (1871) 15
Libecap, G. 93
local pension plans 25–9 see also maturing local pension plans
Los Angeles 28
Louisiana 75, 85, 135
changes in retirement plans in 205
Lowenstein, R. 192
McDermid, A. 105, 165, 166, 195
Madrian, B. 201
Maine 22, 23
as outside Social Security system 75, 85
Maryland 19, 48
Massachusetts (and) 19, 40, 48, 90, 96, 135
Bureau of Statistics of Labor investigation into old-age relief 30
defined contribution plan 23
general state employees outside Social Security system 75, 85
public employee pension plan 1, 2
report of study commission on retirement plans 207, 211
maturing local pension plans (1975–2000) 132–57
and 1975 to today 6–7
appendix to 149–57
creation, consolidation and evolution of 133–6
and generosity of local plans 136–41
and variation of benefits across state plans for local employees 142–7
maturing state pension plans (1975–2000) 104–31
and 1975 to today 6
appendix to 122–31
and trends in public and private plans 104–12
and variation of retirement benefits 112–20
mean replacement rates (for) 2, 93–6, 100–101
local employees 140–41, 147
state employees 91, 107–10, 137
teachers 88, 91, 94–5
Medicare 65
Michigan (and) 21, 104, 133, 165
defined contribution plans 86
Detroit Teachers’ Retirement Fund 22
mandatory defined contribution plan (new employees) 197–8
military and naval pensions/personnel 2, 12–17
military commutation certificates 15
Milwaukee 23, 28
Minnesota 33, 133
NRA for state retirement benefits linked to NRA for Social Security 107
pegged NRA 210
Mississippi: changes in retirement plans in 205
Missouri 85, 133, 136
changes in benefit plans in 205
Local Government Employees Retirement System (LAGERS) 143
teachers retirement plans 20, 73
Mitchell, O.S. 74, 114
Montana 21, 22
and cash-assisted scheme for elderly 31
optional defined contribution plan in 199–200, 201, 202
Monthly Labor Review 28
Moore, C. 24, 42, 78
Moore, M.J. 97, 113
Munnell, A. 75, 85, 97, 105, 113, 166, 195
Myers, R.J. 54
National Association of State Retirement Administrators (NASRA) 79–81
and Public Fund Survey 190–92
National Income and Product Accounts (NIPA) 171
National Labor Relations Board 70 declares pensions as mandatory collective bargaining item 70
Navy pension 13–14, 16–19
and naval prize system 14
Navy Pension Fund 14, 16
Nebraska 20, 197
Index 227

cash-balance plan in 86, 105, 166, 198
Public Employee Retirement System 198
State Employees Retirement System (SERS) 143
Nevada 22, 88
changes in retirement plans in 205
general state employees outside Social Security system 75, 85
‘New Deal’ 50–51, 52–4, 59–60, 66, 68–9
New Hampshire and changes in retirement plans 206
New Jersey 23
changes in retirement plans in 205
New York/New York City 19, 23, 29, 32, 33, 90
change in retirement plans in 205–6
police retirement plans/Police Pension Fund 25–6, 28, 132
teachers retirement plans 2, 20–21
normal retirement age (NRA) 96, 107, 136–7, 143, 209–10, 212
North Carolina 133, 199
North Dakota
changes in retirement plans in 205–6
optional defined contribution plan in 200, 201, 202
Novy-Marx, R. 180, 184, 185
Ohio
and general state employees outside SS system 75
hybrid retirement plan in 203
optional defined contribution plan in 200, 201, 202
Ohio Retirement Study Council report (2009) on retirement plans 207
old-age assistance (OAA) plan 31–33, 46–57
and means-testing 50, 52–3
summary (1934) of 47
old-age assistance and welfare plans 2–4, 12, 29–30, 48–50
for veterans 15–16
old-age insurance (OAI) plan 53–7
old-age relief, Massachusetts Bureau of Statistics of Labor investigation into 30
Olleman, M. 201, 202, 204
Olson, M. 93
Oregon 20, 104
combination retirement plan in 203
Public Employees Retirement System (PERS) 143
teacher and state employee retirement plans 86
Parker, F. 47, 49
patronage and public employment 11–12, 25
payroll tax 52, 53–5, 61, 63–8, 78, 102, 120, 148, 161, 209–10
Pennsylvania 19, 23, 31, 135 see also legislation (state)
pension contribution and financing strategies 171–7
pension coverage rates
comparison of public and private sector 162–4
and trends in contribution and financing strategies 171–2
trends in types of 164–6 see also legislation (US)
pension plans, types of 167–70
defined benefit 167–70
defined contribution 167–70
economic differences between 167–8
perceived differences between 169–70
Plymouth and military disability plans 19
police officers/police pension plans 1, 11, 23, 25–8, 39, 57, 59, 64, 75, 86, 132, 135
poorhouses 29–31, 33, 48, 59 see also elderly, care for the Fraternal Order of the Eagles report on 31
Price Administration, Office of 69
public pension plans in the twentieth century 1–10
public pensions in the twenty-first century 8–9, 195–213
changes in 196–7
and defined contribution plans 211–12
impact of social security reform on 209–11
modification of 204–8 see also states
amendments to defined benefit
retirement plans 204–6
recommendations from commissions 206–8 see also
individual states
and states with no traditional
defined benefit plan 197–8 see also
individual states
public school teachers (and) 2, 83–103
comparative generosity of plans for 87–93
determinants of generosity of retirement plans 97–101
employee contribution rates 96
recent trends in retirement plans 85–96
replacement rates of 93–6
social security 84–5
Wisconsin report 86–8
public sector pension/retirement plans 2–3
absence of profit motive in 42–3
current funding ratios in 181–3
eyear (1775–1930) 2–3
on eve of the Great Depression 11–35
financial status of 180–94
growth of 37–46 see also Chicago;
Connecticut and legislation
by chartering of mutual savings banks 40
and investment strategy
minimizing risk 40–41
and municipal bond risks 41
and public safety workers 2
Rauh, J.D. 180, 184, 185
relief, indoor/outdoor 29–31, 33
retirement income: social security – its effect on pension plans 160–62
retirement plans and human resource policies 158–60
Rhode Island 22, 135
changes to retirement plans in 205
study commission recommendations on retirement plans in 208
Roman Empire, public sector pensions in the 12–13
Roosevelt, President Franklin
appoints Economic and
Stabilization Director (Supreme Court Justice J. Byrnes) 69
and Committee on Economic Security 51–2
and the ‘New Deal’ 50, 51, 54,
59–60, 66, 69
signs Social Security Act (1935)
67
Roosevelt, Theodore 30
and Social and Industrial Justice/
Bull Moose Party 30
Sabelhaus, J. 165, 175, 176–7, 192
Schieber, S. 50, 51, 54
Shea, D. 201
Shoven, J. 50, 51, 54
Smith, R. 114
social security 45, 50–57 see also
legislation
and effect on pension plans 160–62
evolution of (1940–75) 59–82, 161
exclusion of public workers from 3
and impact on public sector plans 79
integrated with public sector pension plans 73–81
laws 178
and levels of integration with
pension plans 171–2
and old-age insurance (OAI) plan 53–7
plans 181
and public sector employees 53
worldwide 50
Social Security Administration 54, 62,
209
social security as retirement plan (and) 60–65
automatic cost of living adjustment (COLA) 65
average monthly wage (AMW) 61–2,
64
continued exclusion of farmers and
clergy 64
disability benefits 64
disability benefits (and) 65
social security retirement (and) 65
disability benefits (and) 65
new early retirement age (ERA) 65
social security development (and) 65
adjustment for increasing life expectancy 9
impact on state retirement plans 7
the New Deal 50–51
Townsend’s plan 51
Social Security earnings data, analysis of (Congressional Budget Office) 161–2
Social Security Trust Fund 67, 174
and Old-Age Reserve Account 67
South Carolina
optional defined contribution plans in 200, 201–2
South Dakota 90, 133, 137
state and local pension plans 20–22, 71–2
after the Great Depression 65–73
during the Great Depression 36–58
state plans and variation of retirement benefits for local employees 142–7
State Retirement Administrators, National Association of (NASRA) 79–81, 190–92
states (with)
employees outside Social Security system 75
mandatory defined contribution and defined benefit component 202–4
no traditional defined benefit plan 197–8
optional defined contribution plans 199–202
Steinmeier, T. 165, 195
Stigler, G.J. 27
Stoian, A. 47
Streckewald, F. 75, 85
Studensky, P. 40
Supreme Court 66–7 see also case law
and the New Deal 54, 66
survey(s) on
Consumer Finances (1989–2007) 165
Current Population Survey (CPS), March Supplement (US Census Bureau) 162–4
development of public pensions (NASRA) 79–81
employee contributions to retirement plans (National Association of Government Defined Contribution Administrators, 2006) 86
Public Fund Survey (Standard and Poor for NASRA) 190–92
Sylla, R. 13
tax, payroll 52, 53–5, 61, 63–8, 78, 102, 120, 148, 161, 209–10
teacher retirement plans 20, 22, 39–40, 44, 73, 86, 143, 204
1975 to today 5–6
Teachers Insurance and Annuity Fund (TIAA)/College Retirement Equity Fund (CREF) 199
Tennessee 96, 133
Consolidated Retirement System (CRS) 143
Texas 75, 85, 133
and rise in years of service/retirement age 205
Thrift Savings Plan (TSP) 174
Trawick, M. 70
Treasury, US 14, 16, 67
bonds/securities 180, 181
Treasury Inflation Protected Securities 169
Treaty of Paris 19
trends in public pensions compared to those in private sector 158–79
economic differences between pension plan types 167–8
pension contribution and financing strategies 171–7
public and private retirement plans 177–8
public and private sector pension coverage rates see pension coverage rates
retirement income: social security – its effect on pension plans 160–62
Tennessee 96, 133
Consolidated Retirement System (CRS) 143
Texas 75, 85, 133
and rise in years of service/retirement age 205
Thrift Savings Plan (TSP) 174
Trawick, M. 70
Treasury, US 14, 16, 67
bonds/securities 180, 181
Treasury Inflation Protected Securities 169
Treaty of Paris 19
trends in public pensions compared to those in private sector 158–79
economic differences between pension plan types 167–8
pension contribution and financing strategies 171–7
public and private retirement plans 177–8
public and private sector pension coverage rates see pension coverage rates
retirement income: social security – its effect on pension plans 160–62
Tennessee 96, 133
Consolidated Retirement System (CRS) 143
Texas 75, 85, 133
and rise in years of service/retirement age 205
Thrift Savings Plan (TSP) 174
Trawick, M. 70
Treasury, US 14, 16, 67
bonds/securities 180, 181
Treasury Inflation Protected Securities 169
Treaty of Paris 19
trends in public pensions compared to those in private sector 158–79
economic differences between pension plan types 167–8
pension contribution and financing strategies 171–7
public and private retirement plans 177–8
public and private sector pension coverage rates see pension coverage rates
retirement income: social security – its effect on pension plans 160–62
State and local retirement plans in the United States

retirement plans and human
resource policies 158–60 see also
main entry
Tullock, G. 93

United States see also Congress and
Treasury
House of Representatives 105
and ratification of the Constitution
1, 15, 19
Utah 20, 133
changes in public pension plans in
198
Vermont 135
recommendations of study
commission on state retirement
plans in 208
Virginia
Retirement System (VRS) 74
Supplemental Retirement System 74
Virginia Company passes Act on
disability pensions 19
Viscusi, W.K. 97, 113
War of 1812 14, 15
war veterans 15–16, 30

Washington
combination retirement plan in
204
retirement options in 202
teacher retirement plans in 86, 204
Washington, George 15
West Virginia 23
Wilcox, D.W. 185
Wilson, President Woodrow 30
Wisconsin 33, 91–4, 108–12, 133,
138–41
first public pension plans in 23
Legislative Council 107, 143, 190
Report/Study 86–8, 107, 114, 143,
182, 190–94
World War II (and) 8, 57, 63, 68, 159,
177
expansion of public pension plans
(1940–1975) 4–5
post-war expansion of private sector
plans 159
rationing of goods 69
state and local pension funds prior
to 38–46
wage controls 72–3
Wyoming 33
Retirement System (WTRS) 75