

From: Warren Seifert
Sent: Sunday, October 11, 2009 8:23 AM
To: comment, cotce
Subject: tax on lavish public pensions

Commission on 21st Economy,

The cost to the state general fund for under funded pension liabilities for CalPERS and CalSTRS is now \$4.8 billion. Shortfalls in the unfunded retirement costs of public employee's pensions are draining the general fund because of gold plated pension promises that the problem now devouring an increasing share of taxes meant to provide services. A surtax should be assessed on pension benefits that exceed fifty percent of pre-retirement base pay could bring billions of dollars back to government coffers and correct a problem that threatens to bankrupt California. The tax would apply to all pensions over a certain benefit level, both public and private to avoid legal challenges but would mostly have an impact public employee pensions because few private pension provide the level of benefits enjoyed by public sector workers.

I do not believe that your proposals will address the fiscal imbalance between revenue and expenditure in the future if this issue is not resolved. Simplifying the tax code will not produce more revenue and finding creative ways to raise taxes on taxpayers and business will keep this economy in perpetual recession. Does this commission have the spine to take on the public employee unions and solve the real problems threatening California and its economy?

Sincerely,

Warren Seifert

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