

States and Localities Slash Pension Benefits

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States and local governments across the United States have been moving to cut the pension benefits for public sector employees. Public pensions funds are increasing the retirement age, increasing the vesting period, and lowering the amount of benefits paid out to workers.

There are several other tactics by which state and local governments are able to reduce the benefits available to the working class. One possible explanation as to why states and localities are cutting benefits is due to increased “financial pressures” over the years.

The actual reason for the reduction in benefits is that state and local governments serve the interests of the capitalist class, not the working class. Billions of dollars are paid to hedge fund managers and investment advisors in the form of fees for “managing” pension funds.

When there is a shortfall in pension funding it is the working class, not the oligarchs, who suffer the negative consequences.

The pension crisis in America is just one of many examples in which the capitalist economic system is failing the working class. Whereas corporate executives, investment managers, and business owners are profiting wildly, the working class is forced to live an austere lifestyle.

The solution to the many contradictions in American society is not the reform of the capitalist system with incremental changes through legislative, executive, and judicial decrees. The solution, rather, is a qualitative change to a new, better economic system in which the needs to the workers are satisfied.

<https://www.nytimes.com/2017/05/12/business/gretchen-morgenson-pension-funds-fees.html>

<https://www.usatoday.com/story/money/economy/2018/07/03/dramatic-pension-cut-s-state-local-governments/36359047/>