



## Local Police Union Uses Pay Raise to Help Pay Pension Costs

**East Lansing command officers association applauded 'for thinking of taxpayers'**

By [Tom Gantert](#), published on July 14, 2012



The East Lansing Police Department's Command Officers Association of Michigan voluntarily donated their 2 percent pay raises to help pay for their retirement costs, a police official confirmed.

"The East Lansing commanders should be commended for thinking of taxpayers and realizing the city does not have an unending supply of cash," said Vincent Vernuccio, director of labor policy at the Mackinac Center for Public Policy. "Compromises like the ones the commanders are suggesting keep governments from becoming fiscally insolvent or driving off business and citizens with higher

taxes. Keeping salaries and benefits to realistic levels prevents drastic, last resort, recovery options needed when government unions have milked taxpayers dry."

The police officers are participants in the Michigan Municipal Employees Retirement System (MERS). According to the latest MERS actuary report, the pension plan was just 75 percent funded as of 2010. The city of East Lansing contributed \$4.4 million in 2011 to its defined benefit pension plan. That was a \$921,285 increase from 2009 — a 26.2 percent increase over two years.

Mark Johnson, president of ERISA Benefits Consulting firm in Texas, said the underfunding of public pensions is something people in his business knew was coming.

Johnson said there were "a lot of unrealistic assumptions" made about how much funding public pension plans would need. That's led to "incredible deficits," Johnson said, adding that "the funding status of public pension plans nationwide is pretty bad."

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