[**Chieppo: T pension fund on disastrous track**](http://www.bostonherald.com/opinion/op_ed/2017/04/chieppo_t_pension_fund_on_disastrous_track)

Case of early retiree shows system’s bloated benefits

[**Charles Chieppo**](http://www.bostonherald.com/users/charles_chieppo) Monday, April 03, 2017

Don’t tell anyone, but my wife turns 50 this summer. Like many Americans, we’re marking the milestone by doing something we can’t afford; in this case, taking our kids (16 and 13) to Italy.

Little did I know that meeting with our travel agent to make initial plans would turn into a parable about the MBTA and its pension fund. As we were talking, a gentleman about my age (I’m 57) sat down with the next agent over to discuss his vacation options.

I’m not generally interested in strangers’ travel plans, but that changed when he told the agent that he was an MBTA retiree. After nearly two decades of writing about the T and its pension system, I admit that I’m obsessed. I had to eavesdrop.

Punta Cana? Been there. Cancún? Done that. Turns out he too will be heading to Italy. The only difference is that he can afford it.

Don’t get me wrong, it’s my choice to write about public policy for a living instead of practicing law, and I don’t regret it. But when I came here in 1977 to attend Boston University, I never imagined that 40 years later I’d be far better off (not to mention retired) if I had been driving the 57 bus up and down Commonwealth Avenue rather than crossing it to go to class.

Two years after snow and cold unmasked an MBTA in tatters, a Fiscal and Management Control Board has taken the reins at the T and been empowered to do things such as renegotiate bloated contracts, reform lax personnel policies and outsource inefficient services — which should have been done decades ago.

But the success or failure of the fiscal control board — and ultimately the T — will depend on its ability to tame the MBTA Retirement Fund. The pension system’s costs are so out of control that no number of other reforms can counterbalance them.

About two-thirds of MBTA funding comes directly from taxpayers, and the T is responsible for three-quarters of the increases in contributions to its pension fund that are needed to keep it solvent. Despite the fact that those contributions have more than doubled over the past decade, the T retirement fund’s unfunded liability has risen from less than $50 million in 2005 to more than a $1 billion today.

Even a writer can figure out why. In addition to the fund’s dubious management, MBTA employees contribute less toward their retirement and get richer benefits than other state workers. They receive Social Security benefits in addition to their pensions; a perk other state employees don’t get. And unlike all but a few of their state peers, they can retire at age 55 if they’ve worked at the T for at least 25 years.

The results? The average MBTA employee hired before December 2012 contributes $47,000 during his or her career and collects $1.65 million in lifetime benefits — and the T’s retirement fund is going bankrupt.

It would be great if everyone could spend a long and comfortable retirement seeing the world. What doesn’t seem right is that the only ones who get to do it are the wealthy — and those collecting gold-plated pension and health care benefits from a transit agency that Massachusetts taxpayers are trying to rescue.

*Charles Chieppo is principal of Chieppo Strategies LLC, a public policy writing and communication firm. Talk back at letterstoeditor@bostonherald.com.*