

RETIREMENT COMMITTEE

Committee Chair: Thomas Brown, United Federation of Teachers, Local 2
Committee Secretary: Patricia Colangelo, Pittsburgh Federation of Teachers
AFT Retirees, Local 400

45. REPEAL THE WINDFALL ELIMINATION PROVISION (WEP) AND GOVERNMENT PENSION OFFSET (GPO)

Committee recommends concurrence.

1 WHEREAS, the WEP and GPO affect the standard of living for
2 more than 2 million retired public employees; and
3 WHEREAS, teachers in 15 states have been, are being, and will be
4 affected; and
5 WHEREAS, *more than* 6 million current in-service employees will
6 be affected upon retirement; and
7 WHEREAS, the earned benefits are being significantly reduced or
8 eliminated for affected retirees; and
9 WHEREAS, there was no requirement from the enactment of the
10 WEP/GPO in 1983 until 2005 for employers to inform employees or
11 prospective employees that their employment would not include
12 participation in the Social Security system, thereby making them
13 subject to the WEP and GPO; and
14 WHEREAS, the vast majority of current in-service public employees
15 who will be affected by the provisions are unaware of the penalties they
16 and/or their spouses will incur upon eligibility for any Social Security
17 benefits they have earned from other employment; and
18 WHEREAS, there have been unsuccessful legislative attempts in
19 recent years to address the unfairness propagated by these provisions;
20 and
21 WHEREAS, only a full repeal of the provisions can fully address
22 that unfairness going forward:

23 **RESOLVED, that the American Federation of Teachers will**
24 **undertake efforts to make its members, both retired and currently**
25 **in service, aware of the substantial and negative effects of the**
26 **WEP and GPO; and**

27 **RESOLVED, that the AFT will support legislative efforts to fully**
28 **repeal the WEP and GPO.**

Adopted Adopted as Amended Defeated Tabled
 Precluded by _____ Referred to _____

43. DEI AND RACIAL JUSTICE IN INVESTMENTS

Committee recommends concurrence.

1 WHEREAS, diversity, equity and inclusion (DEI) are core values of
2 the American Federation of Teachers, and the AFT is committed to
3 leading the fight for racial justice; and
4 WHEREAS, DEI refers to policies and programs that promote the
5 representation and participation of historically underrepresented
6 groups, including but not limited to people of color, women, LGBTQIA+
7 individuals, veterans and disabled individuals; and
8 WHEREAS, diversity of identity and thought enrich our schools,
9 workplaces and communities; and diverse identities, experiences,
10 skills and abilities bring value and benefit to society as a whole; and
11 WHEREAS, of the \$69.1 trillion global financial assets under
12 management across mutual funds, hedge funds, real estate and private
13 equity, fewer than 1.3 percent¹ are managed by women and people of
14 color; and
15 WHEREAS, as of 2021, only 17.5 percent of directors² among
16 Fortune 500 companies were people of color, and only 26.5 percent
17 were women; and
18 WHEREAS, diversity, equity and inclusion are integral to achieving
19 good governance of pension fund boards; and
20 WHEREAS, empirical evidence demonstrates that diversity, equity
21 and inclusion yield better overall business performance, including
22 stronger investment returns, increased investment in research and
23 development, as well as talent recruitment and retention; and
24 WHEREAS, the governance and performance benefits of diversity
25 to corporate boards also apply to pension fund boards, many of which
26 do not accurately reflect the diversity of AFT's membership; and
27 WHEREAS, corporate America and the finance sector have
28 contributed to systemic racism; driving racial wealth inequality;
29 targeting minority communities with unhealthy and predatory products
30 and services; and failing to hire, promote and fairly compensate people
31 of color; and
32 WHEREAS, AFT members' pension funds are invested in
33 corporations and asset managers that perpetuate and profit from
34 systemic racism; and
35 WHEREAS, pension fund trustees have a fiduciary duty to assess
36 and address investment risks across all asset classes, including risks
37 posed by lack of diversity and racial inequity:

¹ <https://www.pnas.org/content/116/35/17225>

² <https://www2.deloitte.com/us/en/pages/center-for-board-effectiveness/articles/missing-pieces-report-board-diversity.html>

38 **RESOLVED, that the American Federation of Teachers will**
39 **work with public pension funds, state treasurers, policymakers**
40 **and advocacy organizations to promote diversity, equity and**
41 **inclusion among asset managers, corporate leadership and**
42 **boards of directors through engagement and shareholder**
43 **activism; and**

44 **RESOLVED, that the AFT will work with affiliates to identify,**
45 **recruit, train and support diverse candidates for pension boards;**
46 **and**

47 **RESOLVED, that the AFT pension Trustee Council will work**
48 **within its role as fiduciaries and investors to determine the risk**
49 **posed to our pension funds by lack of diversity and systemic**
50 **racism, and to raise concerns as investors and shareholders**
51 **when appropriate; and**

52 **RESOLVED, that the AFT will support efforts to hold asset**
53 **managers and corporations accountable for achieving diversity,**
54 **equity and inclusion goals, including fostering a pipeline for**
55 **diverse hiring and leadership, and training programs to expand**
56 **opportunities for diverse employees; and**

57 **RESOLVED, that the AFT pension Trustee Council will support**
58 **AFT affiliates and trustees in urging pension fund staff to develop**
59 **and adopt investment policies that integrate consideration of**
60 **diversity factors, including, but not limited to, the selection,**
61 **evaluation and monitoring of investment managers, consultants,**
62 **contractors and service providers, and to integrate racial justice**
63 **into investment decision-making, consistent with fiduciary duty.**

Adopted Adopted as Amended Defeated Tabled
 Precluded by _____ Referred to _____

44. CLIMATE AND GREEN INVESTMENTS

Committee recommends concurrence.

1 **WHEREAS, according to a 2022 report by the Intergovernmental**
2 **Panel on Climate Change (IPCC), a body of experts convened by the**
3 **United Nations, governments are not doing nearly enough to protect**
4 **cities, farms and coastal areas from the impacts of climate change they**
5 **already are experiencing, and that immediate, transformational action**
6 **is required to avert the most catastrophic impacts; and**

7 **WHEREAS, in February 2021, the United States officially rejoined**
8 **the 2015 Paris Agreement, an international accord involving nearly**
9 **every nation, that aims to significantly reduce global greenhouse gas**
10 **emissions to limit global temperature increase during this century to 2**
11 **degrees Celsius above preindustrial levels; and**

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12 WHEREAS, a 2021 study found that none of the G20 nations—
13 which together are responsible for 80 percent of greenhouse gas
14 emissions—are on track to achieve the emissions reduction goals laid
15 out in the 2015 Paris Agreement, and the IPCC warned in 2021 that
16 countries must achieve zero emissions within 15 years to avert global
17 warming of 1.5 degrees Celsius above preindustrial levels; and

18 WHEREAS, there is a consensus among the IPCC and other
19 experts that limiting global warming to 2 degrees Celsius above
20 preindustrial levels is necessary to avoid unmanageable and
21 unpredictable economic and social consequences, including severe
22 and unpredictable impacts on risk-adjusted returns to investors,
23 including teachers' pension funds, and

24 WHEREAS, there is a scientific consensus that the burning of fossil
25 fuels (oil, coal and gas)—and the consequent increase in carbon
26 dioxide and other greenhouse gases in the atmosphere— is the primary
27 cause of climate change; and

28 WHEREAS, fossil fuel companies have spent millions on lobbying
29 and denying the well-documented environmental consequences of
30 burning fossil fuels at the current rate, with some fossil fuel
31 corporations actively suppressing information from their own scientists
32 on global warming since the 1980s; and

33 WHEREAS, fossil fuel companies have failed to produce robust
34 climate change plans detailing how they will adapt to the low- or zero-
35 carbon future required to avoid climate catastrophe; and

36 WHEREAS, Russia's invasion of Ukraine has made it more
37 apparent that fossil fuel dependence puts people at risk, makes energy
38 systems insecure and enables authoritarian power grabs, destabilizing
39 democracy and economies across the globe, and creating serious
40 investment risks; and

41 WHEREAS, it is estimated that \$250 billion in AFT members'
42 pension assets are invested in fossil fuel companies and related
43 assets; and

44 WHEREAS, fossil fuel companies' role as the primary driver of
45 climate change and their refusal to modify their business models pose
46 investment risks to institutional investors like public pension funds; and

47 WHEREAS, some AFT locals and members are already engaging
48 with AFT members' pension funds on climate issues, including working
49 with student groups, community organizations and advocacy groups
50 that urge pension funds to divest from fossil fuels; and

51 WHEREAS, some pension funds where AFT members serve as
52 trustees have already taken significant actions to reduce fossil fuel
53 exposure and address climate risk, including the Teachers' Retirement
54 System of the City of New York, which voted in 2021 to divest from
55 fossil fuels; the New York State Teachers' Retirement System, which
56 voted in 2021 to divest from thermal coal and engage with fossil fuel
57 companies on climate risk; and the California State Teachers'

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58 Retirement System, which in 2021 successfully replaced two
59 ExxonMobil board members over their failure to account for climate risk
60 and create sustainable investment value:

61 **RESOLVED**, that the American Federation of Teachers will
62 work with the AFT pension Trustee Council to identify and
63 develop investment opportunities for members' pension funds
64 that simultaneously create and support good jobs and generate
65 noncarbon-emitting energy, and provide a just transition for
66 workers and communities that may be harmed due to changing
67 energy sources; these investment opportunities may include but
68 are not limited to low or zero carbon-emitting schools, affordable
69 housing, and other renewable energy and infrastructure projects
70 that benefit AFT members, students, and communities while also
71 producing positive risk-adjusted financial returns for pension
72 funds; and

73 **RESOLVED**, that the AFT will work with our trustees, locals,
74 state federations and members' retirement systems to assess the
75 exposure of our members' pension funds to fossil fuels, and
76 evaluate risk of climate change to those funds' overall investment
77 portfolios, including evaluating the impact to the fund of divesting
78 from thermal coal companies, other types of fossil fuel companies
79 and other companies that contribute substantially to climate
80 change, consistent with fiduciary duty to participants and
81 beneficiaries; and

82 **RESOLVED**, that the AFT will work with our locals, state
83 federations and members' retirement systems to support
84 shareholder initiatives that seek to address the investment risk
85 posed by climate change, and require companies to clarify and
86 demonstrate progress in achieving their climate risk policies,
87 consistent with fiduciary duty; and

88 **RESOLVED**, that the AFT will work with pension trustees to
89 engage with private equity and hedge fund managers on climate
90 risk and adopt fund policies requiring that private equity firms and
91 hedge funds disclose their fossil fuel-related holdings on an
92 annual basis, and

93 **RESOLVED**, that the AFT will support efforts by the Biden
94 administration and independent agencies such as the U.S.
95 Securities and Exchange Commission and the Board of
96 Governors of the Federal Reserve System to require
97 comprehensive disclosure of climate-related data and risk factors
98 by operating companies, asset managers and other financial
99 institutions.

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