The below is another reason to be thankful for the LEOFF Retirement System.

An opinion from the Los Angeles Times. For nearly 40 years now, we have been hearing that 401(k) plans are the key to a comfortable retirement. By giving a tax break to workers contributing part of their paychecks to their retirement nest eggs, the plans were designed to supplement Social Security benefits and employer pensions. Instead, they've become substitutes, not supplements, for employer pensions and bulwarks against continuous attacks on Social Security benefits. A new survey from Boston College's Center for Retirement Research demonstrates, however, that 401(k) plans are destined to fail millions of Americans. They are not offered by enough employers, they are not taken up by enough workers, and for most people, and their balances are not large enough to provide for a decent retirement. All these factors weigh most heavily on middle- and lower-income workers, the segment in which the participation rate and balance accumulation are disproportionately low. The survey authors point to an important difference between 401(k)-type defined contribution plans on the one hand and traditional defined-benefit pensions and Social Security on the other. The latter provide lifetime benefits; the former provide steady retirement income only if they are managed carefully by their owners during retirement. They face the risk of either spending too quickly and outliving their resources or spending too conservatively and depriving themselves of necessities. Individuals are on their own. This is an important issue, because it goes to the heart of the retirement crisis facing millions of Americans. Conservatives never tire of claiming that the retirement crisis is a myth, based on their assertion that retired Americans have consistently under-reported their income and in fact are doing just fine. The subtext of their argument is that Social Security benefits can be cut without causing much pain. That is a faulty conclusion. The rise of the 401(k) would not be much of a problem if these accounts provided an effective way to husband assets for retirement periods that are growing longer, or if Social Security and employer pensions were as secure as they used to be. Social Security's full retirement age is increasing to as high as 67 (for those born in 1960 or later) from the traditional 65. The change means that those subject to the maximum retirement age who nevertheless retire at 65 will receive 86.7% of their full benefits. In other words, most new retirees are facing a benefit cut, one way or another. The 401(k) model has its virtues. The plans are portable, so they do not tie workers to a single employer over a lifetime. They are not quite as back-loaded as defined-benefit plans, which provide exponentially higher rewards to workers with high longevity. In an age when traditional defined-benefit plans are an endangered species in the private sector, at least they are something. But how good are they at providing retirement security? Not too good at all. First, the rise of defined-contribution retirement plans has not compensated for the disappearance of defined-benefit pensions. Since 1999, the percentage of private-sector workers offered any retirement plan at all by their employers has plummeted, from 64% to 43%. The level is lower today even than in 1979, just at the inception of the 401(k) era, when 59% of workers were offered one type or another, or both. The last three or four decades has seen an almost complete disappearance of defined-benefit pensions in the private sector. In 1983, 88% of workers were covered by defined-benefit plans, including 26% who also had access to defined-contribution plans. In 2016, 17% are covered by defined-benefit plans alone and an additional 10% have both plans. The share of workers with 401(k) defined-contribution plans only has risen from 12% in 1983 to 73% today. See the full report and video at www.latimes.com/business/hiltzik/la-fi-hiltzik-401k-20171010-story.html.