

L.A. Times article 2/22/05 [full text](#)

Given the choice of state-managed pensions or individual retirement accounts, public employees have tended to reject the accounts. Here's how the individual accounts option has fared in several states:

Montana: 30,000 public employees were given the two options; after a one-year enrollment period and hundreds of seminars, 3% chose individual accounts.

Nebraska: The state, which first offered individual retirement accounts in the mid-1960s, found account holders were doing substantially worse than those with pensions. It dropped the accounts in favor of a more traditional arrangement.

West Virginia: After switching teachers' retirement from pensions to accounts in 1991 to cope with a funding problem, the state is now debating whether to switch back. It found the original change did nothing to solve the funding shortage and ultimately cost more money.

Washington: Given the option of trading traditional pensions for a hybrid plan — a combination of a pared-down pension and a private account — 75% of teachers chose the hybrid when the stock market was climbing; 14% of public employees chose it after the crash.

Michigan: Of 57,000 workers eligible to pick between traditional pension plans and individual accounts, about 3,000 chose accounts.

Ohio: About 5% of eligible state workers have opted for retirement plans based partly or entirely on individual accounts.

Florida: Given the choice of keeping a traditional pension or moving to an investment account or a hybrid plan (an account with a pared-down pension), 7% of workers picked the account-only option.

Source: Times interviews with state retirement officials

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