

money to live on when you can no longer work. It is part of the employment contract.

The idea behind pensions is that a company can pay less in salary, take the remaining money and invest it, assuming it can invest it at a higher return than the worker could, then make a profit on the investment return when the pension is later paid.

An additional idea behind pensions is that they keep employees loyal to the employer, and so employers save money on having to train new workers, and in addition they can retain workers who know the business and so can be more efficient than new workers.

In short, a pension is anything but a gift to an employee. It is earned. And it is set up to profit the employer as well as the employee.

Unfortunately, money for pensions is often misappropriated or mishandled by the institutions. It may be badly invested or used for some other purpose, like paying dividends to stockholders or salaries to management. So when a company (say, General Motors) or a city or state says to its employees that it cannot “afford” to pay pensions, they are engaging in theft and the thieves should be prosecuted.

The money has been earned. If it has been used for some other purpose, it has been stolen. If it has been badly invested, then the investment loss is the company’s, and the pensioners should have a claim on the company’s assets.

Unfortunately, framing enters in here. Pensions and health care are called “benefits,” as if they are generous gifts to employees. They are not gifts. They are earned as deferred payments for work done. When a company tells its employees that they can no longer afford such “generous benefits” and will have to cut them, it is a framing lie. Either there has been theft or misinvestment or mismanagement. “Benefits” are earnings, period.

Pensions and benefits are freedom issues. In a free society, there is a justice system that punishes thefts, adjudicates contracts, and in the case of misappropriation of funds, permits lawsuits to make a claim on assets to make up for losses and the costs of the lawsuit—emotional and monetary. To the extent that there is no such justice system, people with pensions and benefits that have been taken from them are not free.