

**PENSION COST-OF-LIVING ADJUSTMENT**

* For more than 20 years, retired public servants in Pennsylvania haven’t received a cost-of-living adjustment to their pensions.
* All retired public employees deserve a COLA—but the case for Pre-Act 9 retirees is beyond critical.
* From 1968 to 2002, the General Assembly passed cost-of-living legislation every four or five years for retired public servants. This was relied upon and expected by retirees. Yet lawmakers haven’t approved a COLA since 2002.
* From 2002 until today, the cost of food has increased 88%, the cost of housing has gone up 85%, and the cost of medical care has gone up 111%.
* Act 9 was passed in 2001, legislation that increased the pension multiplier by 25% for active members in SERS and PSERS. People who retired before Act 9 became law were not provided that benefit enhancement and have a significantly lower pensions than those who retired after Act 9 was passed. There are more than 60,000 pre-Act 9 annuitants who are still alive today.
* Every year that goes by without a cost-of-living adjustment, their lives get harder, and their money doesn’t go as far. Many of pre-Act 9 annuitants have lost their homes and struggle to afford food and medicine.
* According to analyses by the Independent Fiscal Office, the average pre-Act 9 annuitant is 80 years old and receives an annual pension of less than $20,000.
* There are bills pending in the House of Representatives that would remedy this:
  + The bills propose a COLA for pre-Act 9 PSERS and SERS annuitants, providing different percentage increases based on retirement year:
    - HB 408 (Deasy) provides between a 10% and 20% increase for PSERS and SERS annuitants who retired prior to July 2, 2001.
    - HB 411 (Malagari) provides between a 15% and 24.5% increase for PSERS and SERS annuitants who retired prior to July 2, 2001.
* Lawmakers can help this segment of the senior population without placing any additional burden on school districts or local taxpayers. If lawmakers are unwilling to pay for the pre-Act9 COLA through the General Fund, the pension funds can absolutely absorb the modest increases that HB408 and HB411 propose. The impact on SERS and PSERS funded ratios would be less than half a percent.
* Fulfilling the promise of a secure retirement for public employees and the positive impact of a COLA will help recruitment and retention efforts.
* It is time lawmakers ensure that retired public service workers have a pension that covers their basic living expenses and allows them to enjoy a dignified retirement.

Please make it a priority to get a pre-Act9 COLA singed into law THIS YEAR!











