



# Retired Public Employees Association

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## MEMORANDUM IN SUPPORT

### S.3306, by Senator Richie

**AN ACT** to amend the retirement and social security law, the education law and the administrative code of the city of New York, in relation to providing cost-of-living adjustments

The **Retired Public Employees Association (RPEA)** supports this bill which would increase the base amount upon which the annual cost-of-living (COLA) adjustment for a public service pension is calculated.

Since 2000, the base amount upon which the COLA for a public pension has been based is \$18,000 and this bill would raise such amount to \$25,000 to reflect the average pension received by a retiree more accurately. For example, in the State and Local Employees Retirement System (ERS), the Comptroller reports that the average pension for all ERS retirees in Fiscal Year 2016 is \$22,415. For retirees of the Police and Fire Retirement System (PFRS), the average pension is \$47,397. The base amount has never been raised.

The COLA enacted in 2000 is limited in that it does not provide for a full Consumer Price Index (CPI) adjustment and for the past few years has been at 1%. Furthermore, the cost of health care coverage for State retirees has increased by double digits. This comes on top of a substantial increase in the percentage contribution of the NYSHIP premium that is paid by State retirees.

Increasingly, pensions have not kept up with increased living costs for essential needs and this affects a vulnerable population living on a fixed income. Increasing the base amount to \$25,000 would somewhat ameliorate these rising costs for retirees. It is only fair and just after public employees have given their lifetime of labor to public service.

For these reasons, RPEA strongly urges passage of this bill.