



Dear Chair Niepoky and members of the Employees' Retirement System of Georgia Board of Trustees:

In our March 2020 newsletter, ERS Executive Director Jim Potvin generously provided a summary of his remarks that he made during the February ERS Board Meeting. In his summary, Mr. Potvin mentioned that the ERS Board's annual decisions since 2009 not to grant a post benefit adjustment or COLA while painful have been necessary to secure the health of the system.

That pain has been acutely felt by retired state employees, who have an average yearly pension of approximately \$24,000 (before taxes). That pain is real and increases with each passing year that the ERS Board votes not to grant a COLA.

According to Mr. Potvin, had the ERS Board granted annual 3% COLAs since 2009, the employer contribution would have been, by 2018, \$177 million per year higher. That is less than 1% of the state's budget. The pain to the State of Georgia pales in comparison to the pain felt by those who actually spent their careers serving the citizens of Georgia.

As state employees, we dedicated our careers to serving the citizens of Georgia and did so while earning a salary far below market rates. In return for our service to the State of Georgia, we were promised a comfortable and dignified retirement. Unfortunately, for many retirees, that comfortable and dignified retirement has deteriorated to an uncomfortable and stressful retirement.

While the recent "13th check" payments granted by the Board are both appreciated and helpful, the impact of the "13th check" is short term. It does not help retirees deal with ever-present inflation and increased medical costs and long-term care, caring for themselves or their loved ones. The issues and costs faced by state retirees can only be adequately addressed by ensuring that the purchasing power of our pensions does not continue to decrease over time.

The time is now for the ERS Board to change the downward trajectory of our retirements by voting to approve a COLA for all eligible state retirees and instructing the actuaries to include the COLA as part of the ADEC formula.

Sincerely,

Jim Sommerville, President
Georgia State Retirees Association
April 3, 2020