

Recent Op-ed written to the Atlanta Journal Constitution by
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STATE RETIREES DESERVE TO BE TREATED BETTER

State retirees in Georgia have not received a cost of living adjustment (COLA) for 10 years, which reduces the purchasing power of their pension benefits by an estimated 25% and fails to fulfill the promises made to them when they accepted state employment.

This sad story began in 2009, when Georgia's government was experiencing sharply reduced revenues due to the Great Recession. State retirees understood that everyone had to do their share to reduce expenditures to help balance the budget. But as state revenues increased in the following years, other areas of government have had their budgets restored -- yet the Employees Retirement Systems (ERS) board has continued to deny state retirees a COLA.

The ERS board granted its first 3% COLA in 1970, under the Official Code of Georgia Annotated 47-2-29(a), which reads in part: "...the Board of Trustees (Board) of the Employees Retirement System (ERS) is authorized to adopt a method of providing for post-retirement adjustments for the purpose of maintaining essentially no less purchasing power for a beneficiary in his retirement years." During high inflation years, the board even granted retirees supplemental COLAs in addition to the standard 3%.

What's more, the ERS Mission Statement states: "Our mission is to be the guardian of the State of Georgia's retirement plans and to promote a dignified retirement for our members, retirees and their beneficiaries." The ERS' motto is "Serving those who served Georgia" and its 2018 annual report is entitled "Building a bridge to a more comfortable retirement."

In contrast to those fine words, retirees now face a future of rising costs and a retirement income that continues to stagnate. Why is the state failing to meet the commitments and promises made to its retirees?

The answer may be found in the recent State Auditors' report on the retirement systems. That report attributes the following to the ERS: "The single most impactful liability control measure has been the withholding of COLAs from current retirees."

So, the state authorities are renegeing on the promises made to current employees and retirees in order to potentially save money in the future. They decided that was more important than ensuring that their former employees have the dignified and comfortable retirement that was promised to them.

Georgia state government is in a very strong financial position. The rainy-day fund is at approximately \$2.6 billion. Revenues are steadily increasing and are expected to do so for the foreseeable future. Now is time for the state to start treating its retirees with the respect they have earned and deserve. The state must provide adequate funds to the ERS to restore the annual 3% across-the-board COLAs, effective July 1, 2019 and each year thereafter. It is the right thing to do!!

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