



## Legislative Update #19-06 March 15, 2019

House and Senate Appropriation Subcommittees continued to meet during the week and bills continued to be introduced. We are working with legislators in the House to get a COLA bill introduced for both state and local government retirees.

### [NCRGEA - Pension Reform White Paper- 2019](#)

NCRGEA is supporting a General Assembly review of the state's pension systems. The defined-benefit pension systems have served state and local retirees well over the past 65 years. Because of current and past support of the General Assembly and Local Government, the pension systems are well funded and ranked in the top 5 public pension systems in the nation. However, since the great recession investment gains have not met expectations and employer contribution rates for the plans continue to increase rapidly.

Retiree pension values have been reduced by more than 13% since the 2008 Recession, putting undue burden on local and state retirees. Unfortunately, forecasted investment returns on the pension systems for the next ten years provide no hope for a COLA except from addition funds contributed by employers. Over the next 5 years pension contributions for the General Assembly are projected to grow by \$800,000,000 (\$800 million) and local governments' contributions are projected to double during the same period putting immense pressure on the legislature and local governments to find additional moneys to simply keep these plans well-funded.

Due to the building pressure on the legislature and local governments to increase funding and the need for COLAs to maintain the value of the of retiree pensions, we feel it is time to step back and review the pension systems and implement changes to relieve the financial pressure on the General Assembly and Local Governments and provide regular COLAs to retirees to better maintain pension values for the more than 300,000 state and local government retirees. Through pension reform retirees can be assured the pension system will continue to provide for government retirees for another 60 years.

**Please contact your legislators to advocate for a state and local retiree COLA and to ask them to endorse a legislative review of the pension systems. [www.ncleg.net](http://www.ncleg.net)**

### New Bill(s)

**[SB 243 - Give Retirees a 5% COLA](#) - Action:** Referred to Senate Rules & Operations Committee 3-14-19 - This bill recommends a 5% COLA for state retirees. The cost to fund this COLA is approximately \$240 Million per year for the 12-year period.

No action was taken by the General Assembly on the bills currently being tracked by NCRGEA.

We will keep you updated on all legislative action taken on these bills. The NCRGEA legislative team continues to meet with members of the General Assembly advocating for your retiree benefits, pension reform and for your much needed COLA.

***Stay Tuned!***

Richard Rogers  
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