

NCRGEA Public Comments to NC Retirement System Board of Trustees
January 29, 2020

Thank you for the opportunity to speak to you today. I am Richard Rogers, Executive Director, for the North Carolina Retired Governmental Retirees' Association. Our Association has more than 67,000 members and represents nearly 300,000 local and state government retirees that receive their benefits from the NC Retirement System.

First, I want to thank the board of trustee and the Treasurer for your management of the retirement system. Our association and the retirees are grateful for a retirement system that is well funded. I also want to thank all local governments and the General assembly who continue to support the retirement system as contribution rates have increased over the past several years.

In the last 12 years local government retirees have received less than 1% in cost of living adjustments. During the same time period TSERS have received 3% in cost of living adjustments. Inflation during this time has cumulatively increased more than 18%.

In the last 12 years, very little has been done to protect the pension value of local and state government retirees. Pensioners have seen the value of their pensions decrease more than 10%. The average pension value for retirees is less than \$20,000. Losing \$2,000 in pension value has made the struggle for retiree to make ends meet more difficult.

I understand that your job as the board of trustees and as the treasurer is to keep all the retirement systems in good fiscal condition, and that is appropriate; however with each passing year our local and state retirees go without a COLA the value of their pensions are reduced and their ability to maintain their health and well-being diminishes.

In 2019 the NC pension systems realized a 14.5% investment gain. This is more than \$14 billion in revenue gains to the systems. I understand that the board is bound by rules that limit its ability to provide COLA on actuarial gains, which does not give the board an option of providing a COLA. However, I would hope that each of you understand the need and realize the opportunity the 2019 investment gains provide for retirees to receive a COLA.

While you are limited in your ability to take action on a COLA for retirees. I hope you as a board will add your support for a local and state and local retiree COLA as these recommendations move on to the General Assembly for consideration.