



NCRGEA Government Relations Update

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August 10, 2021

We are very thankful to the membership of the N.C. House of Representatives, who have listened to our concerns about the failure of the State's public pensions to keep up with inflation, and the hardship this has inflicted on our membership.

The two percent bonus included in the prospective House budget will help retired government employees as they try to recover financially from the ongoing COVID-19 situation and the recent spike in inflation nationally.

However, the two percent bonus, as currently drafted in the budget, does not bring sustainable relief as a recurring cost of living adjustment would. As such, this is only a temporary panacea for a greater problem. Retired governmental employees have received very little in the way of a cost-of-living adjustment since the financial crisis of 13 years ago. Our pensions had already lost roughly 20 percent of their purchasing power even before COVID and the current inflation struck.

As we have pointed out in the past, retirees are not asking for a handout from the government. In their working years, most of them eschewed more lucrative private-sector work in favor of employment with government agencies due to the promise of a secure retirement. North Carolina has a moral obligation to these hundreds of thousands of former governmental employees who helped build this state.

What is needed is a permanent and recurring COLA, similar to what was offered by the General Assembly prior to 2008. This is the only way in which our retirees' pension values can be stabilized and the long-term financial security they were promised in their working years, assured.

While thankful, we sincerely hope that this issue will be revisited by the legislature as the budget process continues.

Stay Tuned!

Richard Rogers
NCRGEA Executive Director