



COST-OF-LIVING ADJUSTMENT (COLA) UPDATED JANUARY 2012

For many state retirees – including members of APSCURF – rising costs for gas, utilities, health care and property taxes can be a tough economic reality to face. That’s because, unlike Social Security, pension payouts from the Pennsylvania State Employees’ Retirement System (SERS) do not adjust automatically with inflation. A cost-of-living adjustment, or COLA, is only granted when members of the General Assembly pass legislation authorizing one.

The last time the General Assembly enacted COLA legislation was in 2002. There have been a number of proposals since then, but none has made its way to the governor’s desk.

Certainly, it’s a tough economic environment. However, it’s important for APSCURF members and other state retirees to stay engaged and continue talking with their legislators about the COLA issue.

How to Get Involved

1. **Contact your legislators** – You can find out who represents you in the state Senate and House by entering your zip code using the [APSCUF Zipsticker](#).



APSCURF members may also request the legislative directory, which provides contact information for all members of the General Assembly. Please email Laura Saccente at lsaccente@apscuf.org or call 717-236-7486 for a copy. When you contact your legislators, you may use our [draft letter](#) or create your own using the COLA talking points below.

2. **Contact Governor Tom Corbett** – You may write to Governor Corbett at the following address:

Governor Tom Corbett
225 Main Capitol Building
Harrisburg, PA 17120

3. **Participate in the Retirement Security Coalition** – The Retirement Security Coalition (RSC) is a working group of various organizations that collectively represent hundreds of thousands of retirees in the Commonwealth. Formed in 2006, the RSC supports legislation that will provide fiscal health to SERS and the Public School Employees' Retirement System (PSERS), as well as provide a COLA for state and school retirees.

The RSC includes representatives from the following:

- Association of Pennsylvania State College & University Retired Faculties (APSCURF)
- Service Employees International Union/State Council (SEIU)
- American Federation of State, County & Municipal Employees (AFSCME)
- Retired Public Employees of Pennsylvania AFSCME Chapter 13
- Pennsylvania Association of School Retirees (PASR)
- Pennsylvania Alliance for Retired Americans (PARA)
- Pennsylvania Association of Retired State Employees (PARSE)
- Pennsylvania Federation of Teachers (PFT)
- Pennsylvania State Education Association (PSEA)
- Penn State Retirees Faculty/Staff Club

Retirement Security Coalition Meeting Minutes

December 6, 2011	November 15, 2011
October 18, 2011	September 20, 2011
June 28, 2011	June 14, 2011
May 24, 2011	May 3, 2011
April 11, 2011	March 1, 2011
February 9, 2011	January 11, 2011

Talking Points

- A cost-of-living adjustment will stimulate the economy. According to a [study](#) released by the National Institute on Retirement Security, every dollar contributed to the state and local pension plans returns \$9.46 to the state's economy.
- The average annual pension for public sector retirees is \$20,523. A modest increase in their pensions will allow retirees in every county of the state contribute more to their local communities.
- Increased purchasing power for retirees helps to stimulate Pennsylvania's economy. The state has passed ad hoc cost-of-living adjustments during challenging economic times, most recently in 2002. Investment in the state pension plans return \$10.5 billion in economic output for the state.
- Approximately half of Pennsylvania's public retirees retired prior to the passage of Act 9, and 40 percent receive less than \$1,000 per month. There are some individuals so under-pensioned they are choosing between medication and food and spending their days in senior centers because they cannot afford to turn on their furnaces.

- Pennsylvania has gone longer without a cost-of-living adjustment than any other state in the U.S. It has been almost ten years since our public retirees have seen an increase in their pensions. Both SERS and PSERS have seen improvement in their investment returns. The state should be able to afford a modest increase for our public retirees.

Resources

[State Employees' Retirement System \(SERS\) Homepage](#)

[SERS FAQ on Cost-of-Living Adjustments](#)

[SERS Retirement Legislation Database](#)

[COLA Letter for Legislators](#)

[Fact Sheet from National Institute on Retirement Security](#)

Got Questions?

For more information about the Retirement Security Coalition and COLA legislation, please contact Laura Saccente at lsaccente@apscuf.org or 717-236-7486.