



LEGISLATIVE AGENDA

Provide a 5% Cost of Living Adjustment (COLA) for all retirees to maintain buying power and to stay abreast of the Consumer Price Index (CPI). (See COLA history on the back.)

- ✓ Over the past ten years, retired school employees received only **three permanent 1% COLAs** (2012, 2014, 2017), putting retirees 15% behind the CPI over the past 10 years.
- ✓ For the first time in the history of the TSERS, retirees were given one-time bonuses: 1.3% in 2016 and 1% in 2018. It was one-time money given in October in a lump sum, but not permanently built into the pension.
- ✓ The average monthly pension in NC is \$1,752.41 or \$21,028.92 annually. This low income is forcing many of our seniors to substitute in our schools or seek outside employment in order to pay their bills.

Fully Fund the Actuarially Determined Employer Contribution (ADEC) provided by the actuaries in the State Treasurer's Office to the General Assembly. We need to protect the pension plan for present and future retirees by having the General Assembly fully fund the ADEC each year. (2019: 12.97% or \$2.1 B)

- ✓ North Carolina Teachers' and State Employees' Retirement System (TSERS) is 88% funded which makes it the 2nd strongest public pension plans in the US.
- ✓ The General Assembly funded the employer contribution rate at an average of only **2.29%** a year from 2001 to 2010. This had a negative effect on the pension fund as well as declining invest returns and losses in the stock market. **During this same time, hardworking school employees faithfully paid 6% of their salary into the retirement system.**

Maintain Current Benefits for Public School and State Employees Using the State Health Plan

- ✓ Fully fund the State Health Plan with no reduction in benefits or increase in premiums for retirees. Continue to provide a base plan for retirees with no required premium.
- ✓ Continue full funding of a Medicare Advantage Plan with benefits for Medicare eligible (65+) retirees at no additional cost.
- ✓ Provide for cost effective access to prescription medication.
- ✓ Reinstate retired health care benefits for active school employees hired on 01/01/2021 and thereafter.

Support Continuation of a Defined Benefit (DB) pension program for public school and state employees. Oppose any trend toward a Defined Contribution (DC) plan.

- ✓ Since 1941, the North Carolina Teachers' and State Employees' Retirement System has offered its participants a defined benefit plan where the state invests funds for employees. It produces a stable monthly income over a retiree's life without worrying about spending all the money in a 401K.
- ✓ Recent studies have concluded that Defined Benefit Plans are more economical to administer and financially stable for retirees.
- ✓ Studies note that good pensions help public schools to recruit and retain qualified teachers and compensate for low pay. It also keeps effective midcareer teachers in the classroom which increases educational quality for all our students.
- ✓ A study by AARP says that every dollar spent by a retiree generates ten dollars of economic activity and the spending supports 58,442 jobs statewide.