

May 24, 2022

RE: Cost of Living Adjustment (COLA) for State Retirees (A.10273)

As a taxpayer, constituent and a member of the NYS Public Employees Federation, I urge you to pass legislation implementing a COLA for current and future state retirees (A.10273 by Asm. Abbate)

The landmark Permanent COLA law (Chapter 125 of the laws of 2000) provides important inflation protections for public sector retirees living on fixed incomes. However, the protection is limited in its scope and has been weakened over time.

The current provisions of the Permanent COLA law provide annual inflation protection equal to 50% of the annual increase in inflation calculated on a maximum base retirement benefit of \$18,000 with a minimum increase of 1% per year and a maximum cap of 3% per year.

The flaw with the current Permanent COLA law is that the maximum base of \$18,000 used for calculating the annual COLA, which has not increased in 22 years. This has caused erosion in the buying power of current retirees and does not adequately protect the buying power of employees retiring now or in the future.

This legislation would create an annual increase in the base benefit amount of \$18,000 equal to 50% of the annual rate of inflation (Up to 1% and capped at 3%) to protect the buying power of those who are already retired and to more accurately reflect the higher base benefits of staff retiring now or in the future.

I urge you to pass this vital piece of legislation this year.

Sincerely,