



March 11, 2014

Danny Heitman
Editorial Page Editor, *The Advocate*
7290 Bluebonnet Blvd.
Baton Rouge, LA 70817

Dear Mr. Heitman,

Inflation erodes the value of a dollar, often making it hard for families to make ends meet. Working Americans count on cost-of-living adjustments (COLAs) in retirement to help them protect their purchasing power.

While it would be nice to grant a COLA every year, that doesn't happen in Louisiana. The state has rigorous requirements in place that must be met before any COLA can be granted to eligible retirees in the four public state retirement systems.

First and foremost, the systems must have enough money to pay for the COLAs. Also, by law, payment on state debt owed to the retirement systems for teachers and state employees must be made before any money can be placed into experience accounts created to hold funds for COLA payments.

It has been at least six years since most of these retirees have seen any increase in their benefits. Piling on additional and excessive requirements to provide periodic economic relief to retirees runs the very real risk of plunging many into poverty.

Last fiscal year, all four pension systems made enough on their investments to fund a COLA. There are several bills this legislative session that would provide a very modest 1.5 percent COLA to the benefits of certain eligible public retirees. The average annual benefit for regular retirees at TRSL is little more than \$24,500; for rank-and-file retired state workers in LASERS, it is less than \$24,000.

Each pension board recognizes the importance of maintaining a fiscally sound retirement system, and we have worked with legislators to implement legislation that has created significant cost savings over the past two decades. We pledge to continue this important work without sacrificing a dignified retirement for our public servants.

Sincerely,

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