

# PASR “Talking Points”

“Revised and Updated” (June 7, 2022)

## Some Reasons to Pass a COLA Now

1. It has been far too long since the last COLA-about 20 years.
2. Since the passage of Act 9 of 2001, PSERS retirees have lost at least 50% of the value of their pensions due to inflation.
3. Inflation (Cost of Living) has increased over 73% since 1990.
4. The Average **Pre-Act 9** pension is \$1,586 (month). The Median is \$1,427.
5. The Average **Post-Act 9** pension is \$2,352 (month). The Median is \$1,997.
6. About one-third (34.1%) of all PSERS annuitants have a pension of under \$10,000 per year.
7. Almost one-half (47.6%) of all PSERS annuitants have a pension of under \$20,000 per year. (approx. \$1,667)
8. Only about 4.0% of all PSERS annuitants retired prior to 1990. It is a total of 9,638 people.
9. Annuitants who retired prior to 1986 have an average yearly pension below \$7,021. (\$585 monthly)
10. 10 Cost of Living Adjustments were granted between 1967 and 2002 – about one every 3.5 years.
11. Only one COLA has been passed while PSERS was 100% funded (2001).

## **The Case for Pre-Act 9 Emphasis**

The case for passing a COLA to help those who retired before the passage of Act 9 of 2001 is overwhelming. It is especially urgent for those who retired before 1990.

**Pre-Act 9 (those who retired prior to December 31, 2021) annuitants/retirees comprise only 19.9% of all retirees collecting a pension from PSERS.**

That is 45,797 out of 229,562 total annuitants. (A decrease of 4.3%)

**The previous percent (those who retired prior to July 1, 2001) annuitants/retirees prior comprised only 20.9% of all retirees collecting a pension from PSERS.**

That is 47,435 out of 226,683 total annuitants. (A decrease of 5.0%)

**In comparison, that number was 21.8% of the total with data complete as of December 31, 2020. (A total decrease of 9.6% for Calendar year 2021)**

Currently, The Post-Act 9 annuitants outnumber the Pre-Act 9 annuitants 4.01 to 1.

Those who retired in 1995 (Average Pension) = \$1,437 a month.

Those who retired in 1990 (Average Pension) = \$1,075 a month.

Those who retired in 1985 (Average Pension) = \$585 a month.