



# Support Your Teachers & State Government Retirees

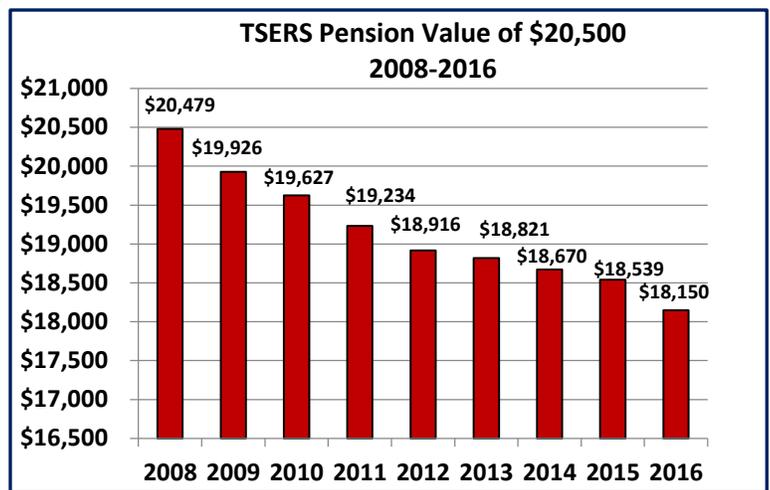
## TSERS (Teachers & State Employees Retirement System)

NCRGEA is the largest association in the nation for retired state and local governmental employees. The objectives and mission of NCRGEA are to advance, promote and defend, by any lawful means the rights, interests and welfare of retired employees of the local governments and the State of North Carolina.

North Carolina has a longstanding tradition of supporting government employees in their retirement. Historically, the Retirement System has provided a defined-benefit pension for its retirees and has also regularly provided cost-of-living increases from investment returns on the pension system that closely tracked inflation until 2008.

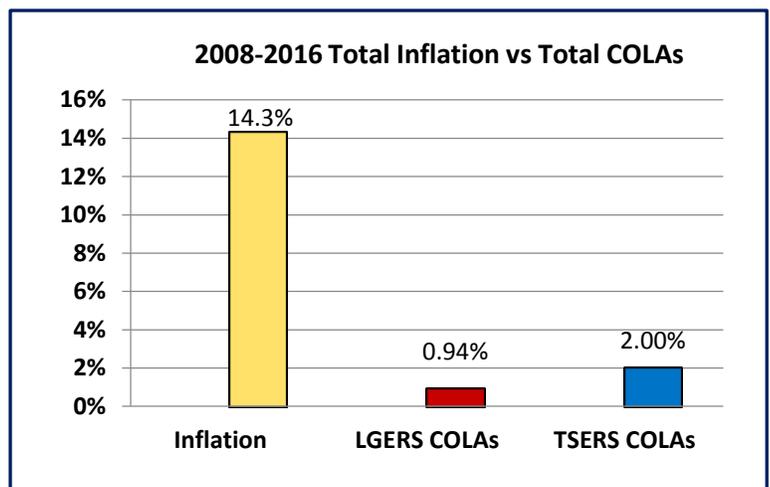
Recent investment gains have been low, resulting in the limited COLAs cited below. Last year, the General Assembly increased the contribution rate, spending tens of millions to help fund and support the pension system. The employer contribution rate will continue to increase in the near term requiring the General Assembly to provide additional fund to the system.

As depicted in the *first chart*, a TSERS retiree who retired in 2008 who receives a \$20,500 annual pension (which is the statewide average) currently has a pension value of \$18,150. **This is a \$2,350 reduction in value from 2008 to 2016.**



The **rate of inflation has increased 14.3% since 2008**, but Teachers and State government retirees (TSERS) have received only **2.00% COLAs from 2008 to 2016**. TSERS received a 1.6 percent Bonus in July 2016. Though appreciated, this is not sustainable.

**Securing a cost of living adjustment (COLA) is essential.** Designed to protect retirees' purchasing power from the effects of inflation, COLAs help provide some security and peace of mind regardless of rising prices. The majority of our government retirees live on limited income and small changes in consumer prices can have a significant negative impact.



Public servants educate our children, protect our society, build and maintain our transportation system, provide health care services, ensure safe drinking water, protect our natural resources and wildlife, and deliver justice. **We must honor and protect the significant value public workers provide to our state.**