



**MRTA**

Missouri Retired Teachers Association  
and Public School Personnel

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Jefferson City, MO 65109

[www.mrta.org](http://www.mrta.org)

May 18, 2017

Chairman Aaron Zalis and the PSRS/PEERS Board of Trustees  
PO Box 268  
Jefferson City, Missouri 65102

Dear Chairman Zalis and PSRS/PEERS Board of Trustees:

As you may be aware, Missouri Retired Teachers Association and Public School Personnel (MRTA) is an association of over 26,000 education retirees organized in 1960. We are the largest retiree association in Missouri. MRTA has a long history of promoting and protecting the PSRS/PEERS system and enhancing pension benefits for retirees when practicable.

This is a letter of request regarding the yearly review of the COLA Policy set by PSRS/PEERS Board resolution. MRTA appreciates this opportunity to speak for the thousands of education retirees of Missouri. We also appreciate your service to education retirees and members of PSRS/PEERS.

Missouri's education retirees have contributed to the system all that has been requested of them, while at the same time giving a lifetime of public service to our children and to society. MRTA wants a strong healthy system, one that has the best retirement benefits in the nation for those retirees. This being said, MRTA believes the current COLA policy of 0% COLA when the CPI is between 0% and 2% is harsh and potentially could allow for older retirees to live in poverty in their later years. The 80% COLA Cap is meaningless and was nearly meaningless when the Board reduced the COLA by policy in 2011. This is the second reduction of the COLA by policy in 6 years. Retirees have given more than their fair share in supporting and stabilizing the systems.

MRTA would like to see the COLA restored to 2010 levels again, however we know that times will not allow this. As a second choice, MRTA would like to see the 2011 COLA Policy restored. We know also this may not be possible at this time. It is the attitude of the vast majority of MRTA members that we just want at least the same COLA as Social Security - CPI equals the COLA. For years, MRTA, as well as the PSRS/PEERS Board, have proudly stated that our pension benefits and COLA are so much better than that of Social Security. Because of the current COLA Policy that is just not true today! We seek a reasonable COLA. The current policy is neither reasonable nor, in our opinion, necessary. Retirees who are on a fixed income depend on a reasonable COLA.

MRTA respectfully requests that PSRS/PEERS Option 2 of June 2016 be approved as a new COLA policy. Option 2 stated the COLA would be actual CPI if the CPI is 0% to 2%, if the CPI is 2% to 5% the COLA would be 2%, and if the CPI is above 5% then the COLA is 5%. Information provided by the system on Option 2 indicates that the system will still be above 80% prefunded while the current actuarial required contribution rate remains at 13%. Required actuarial rate is 26% with both employee and employer paying 13% each. They are currently paying 29% or 14.5% each. This suggests the contribution rate for active educators can remain the same while providing active educators a reasonable COLA which they will want and need when they retire. This would be the fair and right thing to do, especially as investment returns are looking very good for this coming fiscal year.

MRTA looks forward to your response and we are available to answer any questions or to be of assistance to you in any way.

Sincerely,

Jim Kreider - MRTA Executive Director

c:PSRS/PEERS Executive Director Steve Yoakum

MRTA, a 501(c)(4) not-for-profit corporation, is a grassroots advocacy association with over 26,000 members. MRTA is independent, nonpartisan, and does not endorse political candidates.