

Representative Tipton, Senator Higdon and members of the Public Pension Oversight Board –

My name is Larry Totten and I am a retiree in the KERS Non-Hazardous plan, having spent over 36 years with Kentucky State Parks. I am the current President of the retiree group Kentucky Public Retirees. I appreciate the opportunity this afternoon to address the issue of a Cost-of-Living Adjustment for public retirees.

I am here to ask you for one thing – making a retiree COLA the #1 item on the list of recommendations that you will be making to the 2023 General Assembly.

I am not going to discuss the personal stress faced by many of the over 125,000 retirees across the Commonwealth. Two-thirds of KPPA pension recipients receive less than \$20,000 a year. There are public retirees in each of your districts who can speak to you directly about this more poignantly than I. Nor am I going to talk about the Consumer Price Index or the effect of inflation over the past eleven years. You likely heard all that during the last Session regarding increments for active employees and you will hear more in the next Session as you discuss what to do for possible employee increments next year.

What I will say is straightforward – Kentucky’s public retirees need some relief and now is the right time to make this happen.

At this Committee’s October 2021 meeting, a presentation regarding costs of five possible benefit increase scenarios was given by KPPA’s actuary. These costs ranged from \$171 million to just over \$6 billion. A one-time, permanent 1.5% increase was estimated to cost \$352 million. One of the other options that could be compelling is the so-called “13th check”, essentially a single lump-sum payment of a retiree’s current monthly benefit, and estimated to cost \$188 million. Today, however,

is not the time to get too specific in the details other than asking for your understanding of our retirees' needs and your support for a solution.

There appears to be money available to do this based on newspaper reporting and press releases. This is a "Window of Opportunity" which may not pass our way again. Our state obviously has many needs requiring funding and there will be many voices out there looking for their share, just as I am doing today. Many of these are paid to be very assertive. Sadly, public retirees, like public employees, have no comparable voice. Our past service to the Commonwealth speaks for us.

Today we mark just over eleven years since the last COLA for public retirees. We are relying here on your realization that this is far too long and the time is right to help mitigate this situation. My hope is that we can take actions in the coming months, through this Committee and in the General Assembly, to make something good happen.

Thank you.