



NCRGEA Government Relations Update

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North Carolina's local government retirees will receive a long overdue boost in their annual pensions. In late January the Local Governmental Employees' Retirement Board, which governs the state's local government pension system, approved an across-the-board 2 percent bonus for local government retirees.

There are more than 77,000 local government retirees in North Carolina who will receive the bonus in October 2022, as pursuant to state law. While local government retirees will receive their bonus, more than 234,000 state government retirees received a similar 2 percent bonus in their December 2021 checks, with another 3 percent bonus also coming in October 2022.

North Carolina Retired Governmental Employees' Association (NCRGEA) represents both state and local government retirees and worked with state legislators, the State Treasurer, Governor's office and both local and state retirement system boards to help insure that retired public servants would see a pension boost. NCRGEA Board of Directors President Vann Langston said he hopes the treasurer's support of the 2022 bonus is only the beginning of future efforts to abate lost pension values for both local and state retirees.

"Retired public servants have suffered long enough," Langston said. "Local government retirees have suffered the most, being overlooked for nearly a decade. Our association would like to see this as the beginning to restore retiree pension values to maintain quality of life," Langston explained.

Normally, the local government pension system will only provide a cost-of-living adjustment through additional contributions from local governments. Langston explained that NCRGEA worked with the treasurer and retirement system trustees to have the \$59 million bonus provided by investment returns rather than increased contributions by local governments.

"This bonus will be provided without placing additional hardships on our local governments," Langston pointed out.

Historically, the state provided annual cost of living adjustments for both state and local retirees. However, as the Great Recession of 2009 crippled investment returns and lawmakers scrambled to cover the state's bottom line, cost of living adjustments became few and far between. A decade's long shift has occurred since, where lawmakers and other decision makers are now more inclined to provide one-time bonuses rather than recurring adjustments.

NCRGEA, with over 66,000 members, is the largest governmental retiree association in the United States. There are over 320,000 state and local government retirees and NCRGEA works for all of them.

Langston noted it was a team effort to help NCRGEA secure the bonus for local government retirees. He also pointed to efforts by the North Carolina League of Municipalities and the North Carolina City and County Management Association as key to successfully securing the bonus.

North Carolina State Treasurer Dale Folwell said the state must take a long view to make sure government retirees will have healthy retirement benefits for future generations.

“We are blessed to have had sufficient market returns to provide this benefit increase to our local retirees, in a fiscally responsible manner,” Folwell said. “Our job is to keep the retirement system solvent for this and the next generation of those who teach, protect, and serve.”