



Legislation referenced in this article: [HB27](#)

## PSEA president hails passage of COLA legislation.

Text of April 18 press release.

*Measure provides needed benefits to school retirees; association lobbied to increase funding.*

HARRISBURG - Patsy J. Tallarico, a former mathematics teacher from New Kensington Arnold School District and president of the Pennsylvania State Education Association (PSEA), issued the following statement today regarding passage of legislation in the General Assembly, containing a Cost-of-Living-Adjustment (COLA):

"In May 2001 when we successfully lobbied the General Assembly to increase pension benefits for active public school employees, we pledged to our retired members that we had not forgotten their very real economic needs. We promised we would make passage of a COLA bill our association's top priority.

"Today, we made good on our promise. The state's public school and state retirees will see meaningful benefits thanks to the efforts of legislative leaders and PSEA's members and staff, who lobbied long and hard for this COLA. We worked hard with our coalition partners who included: the Association of Federal, State, County and Municipal Employees (AFSCME); the Association of Pennsylvania State College and University Faculties (APSCUF); the Association of Pennsylvania State College and University Retired Faculties (APSCURF); the Pennsylvania Federation of Teachers (PaFT); and the Pennsylvania Social Services Union (PSSU).

"PSEA and its coalition partners displayed a willingness to work with legislators, in contrast to the tactics of alienation of the Pennsylvania Association of School Retirees. The spirit of compromise succeeded in bringing about a COLA that helps those most in need at a time when they need it the most."

"We commend the legislative leaders who worked hard to meet the needs of retirees. Thanks to their efforts, PSEA and other groups were able to increase the benefits included in this COLA to \$1.1 billion.

"While this proposal is not as much as some had hoped for, it does acknowledge the present fiscal climate. This is a realistic compromise. School retirees deserve an increase in their pensions. Many continue to experience real hardships in making ends meet on a fixed income, and due to the rising costs of health insurance.

"PSEA and the Pennsylvania Federation of Teachers support future proposals which would implement an annual COLA equal to the percentage of Social Security increases. Pennsylvania is one of only a few states that do not appropriate an annual COLA for state and public school retirees. Under this proposal retirees would be protected from loss of income due to inflation every year-not just the years coinciding with legislative elections."

The legislation passed Wednesday night would provide for a COLA beginning on July 1, 2002 for public school employees who retired on or before July 1, 1990. Additional COLA increases would become effective July 1, 2003 and would be payable to public school employees who retired after July 1, 1990, and on or before July 1, 2002. Public school employees who retired in 2002 and opted for the increased pension benefits under Act 9 of 2001 are not eligible to receive the COLA benefits of the legislation passed Wednesday.

The benefit percentage increases effective July 1, 2002 are:

- Retirement date before July 2, 1980: 25 percent
- Retirement date July 2, 1980 to July 1, 1983: 15 percent
- Retirement date July 2 1983 to July 1, 1988: 10 percent

--Retirement date July 2, 1988 to July 1, 1990: 8 percent  
The benefit percentage increases effective July 1, 2003 are:  
--Retirement date July 2, 1990 to July 1, 1994: 9 percent  
--Retirement date July 2, 1994 to July 1, 1998: 7.5 percent  
--Retirement date July 2, 1998 to July 1, 1999: 6.35 percent  
--Retirement date July 2, 1999 to July 1, 2000: 4.87 percent  
--Retirement date July 2, 2000 to July 1, 2001: 3.08 percent  
--Retirement date July 2, 2001 to July 1, 2002: 2.27 percent

This would include any who did not take advantage of the increased pension benefits under Act 9 of 2001.

PSEA represents nearly 160,000 active, retired and future school employees, and health care workers.

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