

MSP Airport Fire Fighters

IAFF Local S-6 P.O. Box 11780 St. Paul, MN 55111



March 28, 2024

State Representative Kaohly Her Chair, Legislative Commission on Pensions and Retirement Room 359 State Office Building St. Paul, MN 55155

Email: rep.kaohly.her@house.mn.gov

Re: HF 4666 (Wolgamott) SF 4878 (Frentz) Police & Fire Pension Fairness Law

Dear Representative Her:

As a union representing firefighters, I am writing today to urge your support of HF 4666 and SF 4878, a bill that would modestly increase the post-retirement adjustment (COLA) for retired members of the PERA Police & Fire Plan. The bill would also reduce the current waiting period to receive an initial COLA from three years to one year.

On March 14, 2024, the PERA Board of Directors took historic action by supporting this legislation with a 9-1 approval vote to remedy the serious effects of inflation on fire fighters and our survivors. For over a decade, the PERA General Plan has provided a higher COLA than the PERA Police & Fire Plan, causing a significant burden on public safety workers by comparison. Over the last three years the cost of living has increased 17% and our permanent post-retirement adjustments have gone up only 3% (and in the case of those who retired in the last three years their increase has been 0%).

The cost to the state to bring our current 1.0% COLA in line with the maximum PERA General Plan COLA of 1.5% has a price tag of \$28 million annually. The cost to reduce the current punitive three year waiting period and make it the same as the one year wait period all other public employees is \$12 million annually. We understand that \$40 million is a lot of money, but our members are really suffering significant economic loss each year this inequity goes on.

Fire Fighters are unhesitatingly at the front line in crisis after crisis. We have to show up day after day. We cannot call in our work or stay at home and do our job behind a computer. Our members do not receive Social Security for our work. We have no genuine cost of living protection that other workers have. In 2018 when the state was facing high pension costs that risked the state's credit rating, we agreed to the "shared sacrifice" concept the pension fund administrators urged on us. Now, with clearly better days, we cannot seem to be allowed to share in the state's surplus.

Please consider supporting and passing into law the Police & Fire Pension Fairness Law of 2024.

Regards,

Daniel W. Olson, IAFF Local S-6 President On behalf of our members and retirees

Cc. Governor Walz