STATEMENT OF PURPOSE

RS19607

The purpose of this resolution is to amend the actions of the Public Employee Retirement System Board at it's December 2009 meeting wherein they granted a 2.48% cost of living adjustment (COLA) to retired members. Current law required the board to give a minus 1.48% COLA which adjusts to the consumer price index. With their action then granting a 2.48% COLA the net effect was to increase retirees payments by 1%. At a time when active employees are faced with furloughs and in the near future an increase in their contribution rate to PERSI it is not appropriate to have the retirees receive an increase. With this amendment the retired employees will continue to receive exactly the same retirement check, as they were before the action of the board.

This resolution is permitted under subsection (7) of Section 59-1355 of Idaho Code which gives the Legislature the authority to amend or reject the cost of living adjustment by adoption of a concurrent resolution.

FISCAL NOTE

No impact to the General Fund. $50 million savings, over time, to the PERSI retirement fund.

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