

COLA Presentation for BOS

SCARE Board members met with all 5 members of the Board of Supervisors and the CAO to ask them to commit to looking for a way to give current retirees a COLA. We emphasized the following:

- ❖ **Sonoma County is the only governmental agency in CA that does not give an annual COLA.** We have ad hoc COLAs
- ❖ The County gave 30 ad hoc COLAs between 1970 and 2008 totaling 74% and the pension fund remained healthy. It is now about 94% funded, which is very good compared to most pension funds.
- ❖ There have been no COLAs since 2008 and people who retired after 2003 have never received a COLA.
- ❖ We still have retirees who retired in the 70s, 80s and 90s who had very low salaries and therefore, very low pensions. RK worked as a lab tech at Community Hospital for 29 years before retiring in 1985 with a pension of \$1260. There are over 800 retirees who have lost 74% of their Purchasing Power as of March 2024 on what started out as already low pensions. It will be even higher as of March 2025.
- ❖ About half of retirees get less than \$2,500/month in their pension
- ❖ Those with enhanced pensions have much higher pensions (80% higher). Those retiring in the last 15 years also have much higher pensions as salaries have increased dramatically but without a COLA, they will see value decline. Example: Board of Supervisor member Ernie Carpenter retired in 1997 after 16 years with a base pension of just over \$1300.
- ❖ 32% of Safety retirements and 5% of General retirements are due to duty disabilities. They are younger, often with families and high health insurance costs, and they average \$1,000/month less than regular service retirements.
- ❖ Having no COLA affects the County's ability to hire and retain employees.
- ❖ Sonoma County has a very high cost of living but if retirees move, they often have very high health care costs.
- ❖ As retirees age, their costs go up as their health deteriorates and they are unable to continue doing everything for themselves.

- ❖ The Board of Supervisors has shown that they care about low-income workers by setting a Living Wage and increasing it regularly.
- ❖ The Board of Supervisors has shown that they care about older people as they adopted a comprehensive Master Plan for Aging, ensuring that their swelling aging population can age with dignity, resources and independence.

We ask that the Board of Supervisors show the same concern for their retirees.

Modification of the SCARE Settlement Agreement

Under the SCARE Settlement, the County agreed to pay “up to \$500” for 10 years (up until June 2026) and then \$200 after that for 15 years. This cut would be devastating for many retirees.

Background:

- ❖ Many of the retirees covered under the lawsuit were told in writing at the time they were hired that the County would pay 100% of their health insurance cost.
- ❖ That was later decreased to 85% when unions negotiated that lower rate for employees since employees and retirees were tied together.
- ❖ In 2009, the County decreased its contribution to “up to \$500” for retirees. Since retirees were tied to employees, employees were also cut to \$500. However, employees were given an additional \$600/month cash allowance that was pensionable.
- ❖ Since then, the County increased its contribution so that employees who have Sutter or Western Health insurance pay nothing. That is 65% of the workforce.
- ❖ The County has continued to pay “up to \$500” to all employees who retired after the settlement in 2016 or a flat \$500 to Safety.

Our request – modify the SCARE settlement to increase the contribution in 2026. It can be done as long as both SCARE and the County agree.

Things We Can Do

Send letters to BOS – either hard copy or by mail. Best to tell them how lack of a COLA is affecting you and if you retired before 6/30/216, how the cut to \$200 in the County contribution for health insurance in 2026 will affect you. You can tell them how much purchasing power you have lost on your pension (see document that gives this information)

District 1 – rebecca.hermosillo@sonoma-county.org
District 2 – david.rabbitt@sonoma-county.org
District 3 – chris.coursey@sonoma-county.org
District 4 – james.gore@sonoma-county.org
District 5 – lynda.hopkins@sonoma-county.org

Ask for an appointment with your Board member. If you don't know who that is, you can find out which district you are in by going to the BOS website at <https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/board-of-supervisors/supervisorial-districts/district-lookup>

Appear and speak at BOS meetings – SCARE will try to coordinate this so we have teams of 2 or 3 people. Sign up sheet available so we know who is volunteering for this and can contact you.

Attend SCERA meetings – Retirement Board and Admin Benefits. It is fine to do this on Zoom. They need to know we are paying attention, and they do notice when we attend.

Send email to SCERA telling them how much you need a COLA. They are on our side but it should still have some impact if they start getting emails, in particular if you retired a long time ago with a small pension and a large loss of purchasing power. Go to <https://scretire.org/contact-us/email-us> to send email to them.

Send Letters to the Editor of the PD or other papers

If you belong to any social groups like Rotary or any others, you can let them know this is happening to County retirees.

FYI - UC Berkely Center for Labor Research and Education did a study on Sonoma County pensions in 2023. It found that public employees are paid significantly less on average than private sector employees and pensions help to offset that along with retiree health benefits.

Make sure that active employees know what is happening – no COLA for almost 17 years with people who retired prior to 2000 having lost 75% of their purchasing power. We can work with the unions on this but as an individual, if you know any people still working, talk to them. Since actives don't want to pay for an ongoing COLA, they need to support SCARE in getting County to resume Ad Hoc COLAs.

Join one of the committees working on the Sonoma County Master Plan for Aging. There are six – 1. Housing, 2. Transportation, 3. Health, 4. Wellness, Equity and Inclusion, 5. Caregiving, and 6. Economic Security. Contact Joni Huntsperger at jhuntsperger@schsd.org if you are interested.