The Special COLA Commission finds and declares:

1. The Massachusetts public retirement system is a co-dependent partnership between the citizens of the Commonwealth, their government, public employees and retirement board members to responsibly fund, administer and protect the system.

2. While Massachusetts public pensions can provide larger benefits than Social Security, Massachusetts public pensions do not keep pace with inflation as well as Social Security because of the COLA base cap of $13,000 and 3% annual limit, particularly in high inflationary periods.

3. The longer one is retired, the greater the impact of inflation and the greater reduction in buying power of the pension.

4. State and local retirees in Massachusetts spur economic output, generating $1.35 in economic activity for each $1 paid out in public pension benefits.[1]

5. The State and Teachers' COLA bases have been increased once in 28 years and place them in the bottom 20% of the state's 104 public retirement systems. Two systems have a lower base, 15 systems have the same and 85 systems have a higher base.

6. To increase COLAs to deflect inflationary impact is a desired and just course of action, but one that must be done in a fiscally responsible way for taxpayers, government and the health of the system and in a fair and equitable manner for retirees.

7. Using a share of significant investment gains to fund increased COLAs would have the least impact on the general fund, state budget and retirement system and would generally cover the cost.

[1] Pensionomics 2025: Measuring the Economic Impact of DB Pension Expenditures; National Institute on Retirement Security. https://www.nirsonline.org/wp-content/uploads/2024/12/NIRS-Pensionomics-2025_MA.pdf Retrieved Feb. 26, 2025