



AFSCME Council 5
300 Hardman Ave. S.
South St. Paul, MN 55075
www.afscmemn.org

March 17th, 2025

Chair Frentz and Honorable Members Legislative Commission on Pensions and Retirement:

AFSCME Council 5 strongly supports the annuity benefit multiplier increase and retiree COLA increase in HF 2237. This will address the increasing needs for both active workers as well as retirees and we believe the needs of both must be addressed.

The needs are increasing, in part, because of the high inflation which has significantly outpaced worker pay and COLA increases and erodes the purchasing power of both workers and retirees. While the proposed increases do not completely mitigate the negative impact of inflation, they will have a meaningful impact on people's lives and their ability to make ends meet in retirement, allowing them to live with dignity.

The proposed increases are also fully justified because of past sacrifices made by workers to get these retirement plans in a healthier position. As a result, funding is now sufficient to cover the cost of these proposed increases. It is cost neutral to the state and will have no impact on the state's general fund.

It therefore makes perfect sense to return these dollars to those who work, and have worked, so hard in exchange for a promise of a secure and stable retirement. The state must follow through on its commitment to these workers. The entire state will benefit from the increased pension benefits; it will help to recruit and retain the best workers who provide vital services to the people of Minnesota and support retirees in every district throughout the state.

We do have apprehension over removing the reference to the definition of "average salary", defined earlier in this chapter of law, from the 352.113 subd. 3 "Retirement Annuity". We understand this is a matter of preference and simply want to avoid any unintended future consequences of this being misconstrued in any way other than relying on the current definition.

Please vote to fulfill Minnesota's commitment to our workers by supporting these cost-neutral benefit increases.

In Solidarity,

A handwritten signature in cursive script that reads "Bart Andersen".

Bart Andersen
Executive Director

A handwritten signature in cursive script that reads "Kent Eken".

Kent Eken
Political Action Director