



## Boston Retirement System

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### EXECUTIVE OFFICER

Timothy J. Smyth, Esquire

April 16, 2024

Alex G. Geourntas, City Clerk  
Boston City Council  
Boston City Hall, Room 601  
Boston, MA 02201

### RE: FY25 Retiree Cost-of-Living Adjustment ("COLA") Vote

Dear Clerk Geourntas:

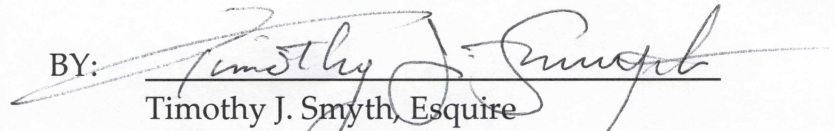
The Trustees of the Boston Retirement Board hereby notifies the Boston City Council that it shall receive public comment relative to retiree Cost of Living Adjustment ("COLA") for FY25 at a public meeting scheduled for May 15, 2024, at 10:00 a.m., in the Pavilion Conference Room on Boston City Hall Plaza. The actual vote on the COLA base is tentatively scheduled for June 26, 2024, at 10:00 a.m.

Each year, pursuant to G.L. c. 32, §103(c), the Public Employee Retirement Administration Commission ("PERAC") reports to the General Court the computation of any increase in the United States Consumer Price Index and the percentage thereof in the previous year by the Commissioner of Social Security. Any such increase is based upon the Consumer Price Index for Urban Wage Earners and Clerical Workers. This index is used annually to adjust benefits paid to Social Security retirees and beneficiaries.

The Social Security Administration has announced that the latest COLA is 3.2%. As such, the COLA which the Retirement Board may grant, pursuant to Chapter 32, Section 103(c), will thus be 3.0%. This figure reflects the Social Security Administration COLA, with a limitation of 3.0%. However, the Board may elect not to grant a COLA in the event it "determines that the cost of living adjustment recommended by said report shall substantially impair the funding schedule of said system," *see* G.L. c. 32, Section 103(c). *See also* PERAC Memo # 6/2024 attached hereto.

Finally, we note that our latest actuarial valuation, as of January 1, 2022, is included for your review as well. Thank you for your customary assistance with these matters.

Respectfully submitted,  
BOSTON RETIREMENT SYSTEM

BY:   
Timothy J. Smyth, Esquire  
Executive Officer

Attachments (Actuarial Valuation as of 01/01/2022; PERAC Memo 6/2024).

cc: Honorable Michelle Wu, Mayor of City of Boston (hand delivery)  
Ruthzee Louijeune, City Council President (hand delivery)  
Ashley Groffenberger, City of Boston Chief Financial Officer (via email)  
Priscilla M. Bok, Boston Housing Authority (via email)  
Bisola Ojikutu, MD, Boston Public Health Commission (via email)  
Teresa Polhemus, Boston Planning & Development Agency (via email)  
Henry F. Vitale, Boston Water & Sewer Commission (via email)  
Kathleen A. Riley, Segal Co. (via email)

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chair*

JOHN W. PARSONS, ESQ., *Executive Director*

Auditor DIANA DIZOGLIO | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES J. GUIDO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN, ESQ.

## MEMORANDUM

TO: All Retirement Boards

FROM: John W. Parsons, Esq., Executive Director

RE: COLA Notice

DATE: January 9, 2024

The Public Employee Retirement Administration Commission (PERAC) is providing this notice regarding the COLA Report required by Chapter 17, Section 8(c) of the Acts of 1997.

Under the statute, PERAC reports to the General Court the computation of the increase in the United States Consumer Price Index in the previous year by the Commissioner of Social Security. Any such increase is based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). This index is used annually to adjust benefits paid to Social Security retirees and beneficiaries.

The Social Security Administration has announced that the latest Cost of Living Adjustment (COLA) is 3.2%. The COLA which any such system may grant, pursuant to Chapter 32, Section 103(c) and effective July 1, 2024 will thus be 3.0%. This figure reflects the Social Security Administration COLA, with a limitation of 3.0%.

Please be reminded that if a board wishes to adopt a COLA, the board must make this decision in a public meeting, properly posted, and called specifically for such action. This step must be completed before June 30, 2024 so the COLA, if approved can be implemented on July 1, 2024. Notification to the legislative body is not required in circumstances where, as here, the Social Security Administration COLA exceeds 3.0%. However, PERAC encourages the boards to notify the legislative body as a matter of good public policy.

Each Retirement Board deciding whether or not to grant a COLA must notify the Commission of that decision within 30 days. In the coming weeks, we will be releasing a new portal in PROSPER for retirement boards to notify PERAC of both the adoption of annual COLAs as well as COLA base increases. Therefore, the notice for this year's COLA should be completed in PROSPER.

JWP/jfb

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