



City of Boston, Massachusetts
Office of the Mayor
Michelle Wu

January 23, 2023

TO THE CITY COUNCIL

Dear Councilors:

I transmit herewith for your approval, an acceptance of Chapter 269 of the Acts of 2022, *An Act Relative to Cost-Of-Living Adjustments for Retirees*.

The Trustees of the Boston Retirement Board voted to grant a Fiscal Year (FY) 2023 Cost of Living Adjustment (COLA) of 3% on the first \$15,000 of pension benefits at their May 18, 2022 Board meeting. The Act before you, signed by the Governor on November 16, 2022, gives local retirement systems the option to increase the Fiscal Year 2023 COLA up to 5% if accepted by a majority vote of the Trustees of the Boston Retirement Board, as well as the Boston City Council.

At its Board meeting of January 20, 2023, the Trustees of the Boston Retirement Board unanimously voted to provide a one-time COLA of 5%. This change would add \$26.6 million to the unfunded pension liability, resulting in an increased cost of \$5.4 million in FY 2023 and increased costs in the subsequent four fiscal years in order to meet our scheduled full funding in FY 2027. While I am mindful of the significant fiscal impact of this action, I am also mindful of the impact of this current high inflationary environment on our retirees. Therefore, I urge your Honorable Body to support this one-time increase in the FY 2023 COLA from 3% to 5%.

Sincerely,

Michelle Wu
Mayor of Boston

CITY OF BOSTON
IN CITY COUNCIL

AN ORDER APPROVING A PERCENTAGE INCREASE OF THE COST-OF-LIVING ADJUSTMENT TO 5%, PURSUANT TO CHAPTER 269 OF THE ACTS OF 2022.

ORDERED: That, pursuant to Chapter 269 of the Acts of 2022, an increase in the percentage of the cost-of-living adjustment from 3% to 5% for Fiscal Year 2023.

The increase of the cost-of-living for Fiscal Year 2023 is a one-time increase of up to 5% on the base amount specified pursuant to G.L. ch. 32 §103 for all retirees and beneficiaries of the Boston Retirement System, effective July 1, 2022. This order may not be revoked.

**I HEREBY CERTIFY
THE FORGOING, IF PASSED IN
THE ABOVE FORM, WILL BE IN
ACCORDANCE WITH LAW.**

BY


ADAM CEDERBAUM
CORPORATION COUNSEL