

City of Norfolk Retiree Association

Our Primary Goal Statement

The City of Norfolk needs to provide City Retirees the same purchasing power of their retired pay (Pension Benefit) to which they were entitled to at the time of retirement and ensure it is not, at any time in the future, eroded by subsequent increases in consumer prices.

Cost of Living Allowance

Inflation protection COLAs are essential to preserve the value of our Normal Service Retirement Allowance (Pension Benefit) over the course of our retirement years. Ad-Hoc COLAs and those granted AD-HOC COLAs below the accumulated consumer price index since the last AD-HOC COLA depress successive adjustments eroding retiree purchasing power and abrogate the Pension Benefit commitment to City Retirees.

Fairness Issue

1. The City of Norfolk funds or assists in the automatic funding of COLAs for Norfolk Public School employees, Norfolk Constitutional Officers and their employees (Sheriff, Commissioner of the Revenue, City Treasurer, Commonwealth's Attorney and Clerk of the Court) and the Norfolk Redevelopment and Housing Authority employees. Over time retirees from these employers receive a far greater Pension Benefit than do similarly situated City Retirees.
2. All Commonwealth of Virginia school employees are covered under the Virginia Retirement System which has an automatic COLA.
3. Almost all City, County and Towns in the Commonwealth of Virginia are also covered under the Virginia Retirement System which has the automatic COLA.
4. The Virginia Retirement System covers all South-side Cities and School system employees (Virginia Beach, Chesapeake, Portsmouth, Suffolk). The City of Norfolk is the lone employer in the area with this major employee benefit detriment (Automatic COLAs).
5. VRS retirees receive an additional monthly health care benefit (ranging from \$1.50 for Constitutional employees to \$4.00 for School employees per year of service).
6. The City's accrued Pension Benefit funding is not related to the COLA issue. It is a City administration issue. Over the years the City has chosen to not fund or to not fund the Plan adequately and have used the Plan for "other" reasons (competing Budget items, Retirement Extra Opportunity Program, Retirement Opportunity Windows of '93 and '96 and the Retirement Enhancement Program for Fire and Police, and adding new members, i.e., Council and Community Services Board) which in total has added significant cost which the City in turn attempts to use as a reason not to grant COLAs.
7. Every City Retiree (General and Public Safety) has suffered or is in the process of suffering substantial financial degradation to their Pension Benefit due to the City's lack of sufficient COLAs.

Retiree COLA vs. Active Employee Pay Raise

Active employee pay raises are tied to other employers pay growth in order to maintain pay comparability standards. Retiree COLAs, on the other hand, aren't "pay raises" but are meant to sustain the same purchasing power of retired pay (Pension Benefit) from year to year and are tied to inflation (as measured by the CPI).