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HB 629 – State Retirement and Pension System – Consumer Price Index - Definition
FAVORABLE
House Appropriations Committee
February 13, 2024

Good afternoon, Chairman Barnes and Members of the House Appropriations Committee. I am Karen Morgan, a member of the Executive Council for AARP Maryland. As you may know, AARP Maryland is one of the largest membership-based organizations in the Free State, encompassing almost 850,000 members. We thank Delegate Forbes, House Chairman of the Joint Committee on Pensions, for sponsoring this legislation.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities, and fights for the issues that matter most to families such as health care, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

HB 629 would replace the 1967 Consumer Price Index for all urban consumers that is used to calculate retirement cost of living increases, with the index published for 1982-1984, in the calendar year ending December 31, as published by the U.S. Department of Labor, Bureau of Labor and Statistics.

AARP Maryland supports the recommendation and this bill from the Joint Committee on Pensions. Given AARP advocacy for people ages 50 and older, the security of retirement finances is a top priority. The Bureau of Labor Statistics is slated to cease publication of the 1967 Consumer Price Index for all urban consumers, rendering its use as a reference point obsolete. Replacement of the 1967 index with the more current index for 1982-1984 is necessary to ensure that the cost of living increases calculated by the State Retirement and Pension System for retirees from state employment remain reasonably current.

AARP supports HB 629 and respectfully requests the House Appropriations Committee to issue a favorable report. For questions, please contact Tammy Bresnahan, Director of Advocacy for AARP Maryland at tbresnahan@aarp.org, or by calling 410-302-8451.

