
From: Laurie Weidner <laurie.weidner@rpecwa.org>
Sent: Friday, September 9, 2022 4:51 PM
To: Office State Actuary, WA
Subject: Correspondence for SCPP Sept. 20 meeting
Attachments: SCPP Permanent COLA Proposals 090422.pdf; G1 - RPEC Plan 1 COLA Resolution - WSLC.pdf

CAUTION: External email.

Please post the following materials to the website for SCPP. I am submitting these materials on behalf of the signatories noted on the letter. These materials were sent to Chair Conway and all members of the SCPP on September 4, 2022. If you have questions, please reach out to me.

Laurie Weidner
Executive Director
Retired Public Employees Council of Washington
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September 4, 2022

The Honorable Steve Conway
Chair
Select Committee on Pension Policy
P.O. Box 40429
Olympia, WA 98504-042

Dear Chair Conway:

On behalf of the Retired Public Employees Council of Washington, Washington Education Association-Retired, Washington State School Retirees' Association, Washington State Labor Council, Washington Federation of State Employees, American Federation of Teachers Washington – Retirees Chapter, Washington State Alliance for Retired Americans, and Washington State Senior Citizens' Lobby, we formally submit the following Plan 1 Cost of Living (COLA) proposals for consideration by the Select Committee on Pension Policy (SCPP). It is our hope that these proposals will be prioritized and given consideration by the SCPP this fall.

- A thorough analysis by the Office of the State Actuary (OSA) regarding the feasibility of restoring a permanent 3% COLA for Plan 1 retirees beginning in fiscal year 2023.
- A thorough analysis by OSA that examines the viability of a permanent 3% COLA for Plan 1 retirees that will take effect as the unfunded liability is paid down. This analysis will assume contribution rates remain stable at a lower rate to fund the ongoing COLA. This information could inform legislation that would restore a permanent COLA.

Restoring a permanent COLA for Washington's oldest retirees remains a top legislative priority for not only the state's retiree organizations but also the entire labor community. Attached please find a copy of a resolution, unanimously approved by the Washington State Labor Council in July. Restoring a permanent Plan 1 COLA is now a legislative priority for Washington's organized labor organizations.

Historically, Plan 1 retirees receive the lowest pensions. This already meager benefit has been greatly exacerbated in real terms by rampant inflation which has dramatically reduced retirees purchasing power in real terms, pushing many toward poverty. The one-time ad hoc COLAs advocated by the SCPP have been important in providing temporary relief to struggling seniors; however, restoring a permanent COLA is essential to financial, food and housing security in retirement for our state's most vulnerable retired public service employees and finding a path forward on this policy must be a top priority of the SCPP and the Legislature.

We stand unified in our pursuit of a permanent COLA. Please call upon us as a resource this fall as you examine proposals. We would be happy to meet with you and SCPP members, as a Coalition, in support of our proposals and to provide more details.

Sincerely,



Kandy Kraig, President
Retired Public Employees Council of
Washington



Mary Lindsey, President
Washington Education Association -
Retired



Alan Burke, Executive Director
Washington State School Retirees' Association



Larry Brown, President
Washington State Labor Council



Jackie Boschok, President
Washington State Alliance for Retired Americans



Walt Bowen, President
Washington State Senior Citizens'
Lobby



Jim Howe, President
American Federation of Teachers Washington –
Retirees Chapter



Kurt Spiegel, Executive Director
Washington Federation of State
Employees

Cc: SCPP Legislators
SCPP Executive Directors
SCPP Active Members
SCPP Employers
SCPP Retirees

COLA for PERS and TRS Plan 1 retirees

WHEREAS, the state of Washington has one of the best-funded public pension systems in the country. The PERS system covers state employees and employees of most city, county and local public entities. The TRS system covers teachers in our public schools.

WHEREAS, accumulated pension funds are under the control of the Washington State Investment Board, which has had excellent return on its investments: 8.9% over the last 20 years. Seventy-five percent of funds paid to retirees are from those returns.

WHEREAS, retirees who participated in Plan 1 of the systems annually received a Cost of Living Adjustment upon a vote of the Legislature. That annual COLA was eliminated in 2011 due to the economic downturn. Retirees in Plans 2 and 3 receive a COLA of up to 3% depending on the inflation index each year.

WHEREAS, the lack of a regular, consistent COLA for Plan 1 member retirees has resulted in a loss of more than 20% of their purchasing power in the past 10 years.

WHEREAS, the Retired Public Employees Council of Washington and other retiree groups are asking the Legislature to restore an annual COLA to Plan 1 retirees.

WHEREAS, many of the retirees were unionized workers who have taught our children, repaired our roads and provided basic services on behalf of our state and local government entities. They should have the dignity and respect of the retirement system they paid for and were promised.

THEREFORE, BE IT RESOLVED: that the Washington State Labor Council support a permanent restoration of a COLA for PERS and TRS Plan 1 retirees.

BE IT FURTHER RESOLVED: that support for the Plan 1 COLA become adopted as a legislative priority.

BE IT FURTHER RESOLVED: That support for the Plan 1 COLA be communicated to the Select Committee on Pension Policy

*Submitted by Retired Public Employee Council of WA, AFSCME, AFL-CIO
Approved by the RPC Executive Board, February 28, 2022.*