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**From:** Timothy Knopf <timknopf1@yahoo.com>  
**Sent:** Tuesday, October 17, 2023 6:33 AM  
**To:** Office State Actuary, WA  
**Subject:** A Letter to the SCPP

**CAUTION:** External email.

October 16, 2023

Ladies and Gentlemen of the Washington State Select Committee on Pension Policy:

I write today regarding a one-time 2024 Cost of Living Adjustment for retirees within PERS and TRS Plans 1 that I believe the SCPP will soon consider recommending to the 2024 Legislative Session.

I certainly hope that you will recommend it to the Legislature. As you know, an annual automatic COLA, of any amount, was never included in the Plan 1 Retirement at its creation in 1933. Today, 90 years later, teachers and public employee retirees who gave their entire working lives to Washington State truly suffer because they cannot keep up with inflation. This condition sets Plan 1 retirees apart from the members of every other Washington State retirement plan.

Those other plans, created in more recent years, actually do receive an automatic COLA of up to 3%. In times when inflation rises above 3% they enjoy a "banking" feature that allows them to continue receiving that 3% COLA after inflation drops below 3%. That continues until they have made up what they lost. This is a wonderful feature not available to Plan 1 members.

As a result, the purchasing power of Plan 1 retirements has fallen far below their original value due to the erosion of inflation. Some of us have lost as much as a 50% of our retirement's value and truly fear the future. That absolutely should not be happening.

However, in recent sessions, thanks to the recommendations of the SCPP and the subsequent actions of the Legislature, the pain of our situation has eased a little. While Plan 1 retirees can never regain what we have lost, the one-time 3% COLA's of recent sessions have given us hope that things won't continue to get worse. That is so important!

Furthermore, as the SCPP continues your study of the Plan 1 Retirement issue, I hope that you will also recommend that the Legislature approve a full, ongoing and automatic COLA, with banking, for Plan 1 members during the 2025 Legislative Session. By that point the unfortunate Plan 1 liability (not of our making) will be largely eliminated, thus removing a major obstacle preventing Plan 1 members from receiving an annual COLA. To achieve that kind of parity with our fellow state retirees is the ultimate goal for our state's oldest retirees.

Thank you for your efforts on retirees' behalf.

Sincerely,

Timothy Knopf

TRS 1 Retiree  
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