
From: Chuck and Linda Larson <chuckllarson@msn.com>
Sent: Friday, November 12, 2021 12:22 PM
To: Office State Actuary, WA
Subject: ATTN: Select Committee for Pension Policy

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RE: Reinstating Permanent CLA for PERS 1

I retired from the Employment Security Department in July of 1999 and am receiving a monthly PERS 1 pension. I have seen the value of that pension erode by about 40% from inflation, resulting in a purchasing power of a little over half the value of what it was when I retired. And that was with a modest rate of inflation. Since the pandemic began, it has continued to lose value, because of the much higher costs for many items due to supply chain problems, and all the other impacts resulting from the pandemic, which we are learning about on a daily basis. Many analysts are predicting this rise of inflation to possibly continue for quite some time.

It also seems that our state tax policy has an adverse effect on the value of my monthly retirement. Our state's heavy reliance on property taxes, affects homeowners like me adversely, as real estate and housing values have skyrocketed. Our property taxes are now much larger than the rental costs we had all through the 70's.

I began working for DSHS in the early 70's, switched to ESD, was laid off for a few months because of a federal budget standoff, and returned to continue until my retirement in July, 1999. After working for the state for about 10 years, with our combination of closely watching our expenses--driving our 1969 VW into the ground, no eating out, not caring about fashion and no cell phone, internet or cable TV coverage; and saving most of our income, we were able to begin building a house in 1980. By combining those savings and doing much of the work ourselves such as roofing, painting, etc. we were able to own a home. Which we are really fortunate and happy to have. However, the increased property taxes are continuing to be a burden, because my pension has not increased comparably.

I think a lot of the state pensions are now are given as 401K's, allowing a retiree to invest those funds into the stock market, which has continued to do really well. So even though they wouldn't have any additional CLA's, they have the opportunity to increase their retirement income if they invest the time and energy to do so. I would be interested to know how that would play out in the long run, comparing a fixed retirement benefit to the newer 401K's, over time.

Please consider also that many of us older retirees are continuing to give our time, energy and gas money to volunteer and provide much needed service to the elderly and disabled in our communities. I have been a Meals on Wheels volunteer driver for almost 20 years, volunteered to read and record the local paper to the blind, and was recently a SHIBA volunteer for several years, until the contract was awarded to another contractor. I am also a regular contributor to our local food banks.

I really appreciate your efforts in exploring the possibility of a permanent CLA for PERS 1 retirees.

Thank you for your work on our behalf.

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