
From: Jim Davison <pjdavison47@gmail.com>
Sent: Monday, September 13, 2021 9:13 PM
To: Office State Actuary, WA
Subject: TRS 1 & PERS 1 COLA is needed

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September 13, 2021

Dear SPCP committee members,

My July message reminded you 2011 is often mentioned as the end of the UCOLA. It was also pointed out many Plan 1 retirees—myself included—who retired PRIOR to 2011 had not received any increase until the two passed by the legislature in recent years. That means many of us have only received 4.5% increase since retirement—some as long ago as 2000. During that same time my friend, who retired in 2000, has lost 58.35% of his purchasing power to inflation according to the CPI Inflation Calculator.

Using the same calculator, since my retirement in 2005 inflation has decreased my purchasing power by 40.36% and the only increases received are the same two referred to above—in 2018 and 2020 totaling 4.5%. When compared, the loss of purchasing power is substantially more than the 4.5% increase granted by the legislature since retirement for many who retired in the apparent “doughnut hole” that exists from about 2000 to the often-used 2011.

To put that in perspective, consider losing 50% (give or take) of your monthly income and the impact that would have on your ability to pay your bills, including normal monthly bills (utilities, food, drugs) not to mention unexpected bills (roof replacement, HVAC, vehicle breakdowns, medical). These are mentioned because we all deal with them (our shingles failed half way through their expected life; we were reimbursed for 1/2 the cost of replacement materials--no labor).

You are urged to consider these facts, which can easily be checked, during your consideration of a COLA for PERS 1 and TERS 1 retirees.

Sincerely,

Jim Davison
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