
From: Karen Peele <karenpeele@gmail.com>
Sent: Friday, September 16, 2022 9:51 AM
To: Office State Actuary, WA
Subject: Written Testimony for Permanent COLA for Plan 1 retirees
Attachments: Request permanent COLA for PERS 1.docx

CAUTION: External email.

Attached please find my written testimony supporting a request for a permanent Plan 1 COLA.
Thank you.

Karen Sandnes-Peele, Plan 1 retiree, January 2013
1632 Rainier Street
Wenatchee, WA 98801

CAUTION: This email originated from outside of the Legislature. Do not click links or open attachments unless you recognize the sender and know the content is safe.

September 16, 2022

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

Dear Chair Conway:

I am writing to ask you and the members of the Select Committee on Pension Policy (SCPP) to take immediate action to restore a permanent cost of living adjustment (COLA) to Plan 1 retirees.

I deeply appreciate the one-time COLA you secured for Plan 1 retirees like me in the last legislative session. The COLA was helpful and provided temporary relief. That said, I know that the SCPP is committed to ensuring equity in the pension systems. However, one-time COLAs, while deeply appreciated, are short-term fixes that never address the real problem: the long-standing systemic inequity that plagues Plan 1 retirees. Year after year the state's oldest retirees, who historically receive the lowest pensions, continue to lose purchasing power.

When I joined the Washington State public employees' system back in 1968, even as a young person, I was happy to know I would have a retirement plan and guaranteed COLAs to help during those times of uncertainty in the stock market and sky rocketing inflation. I still have bad memories of my parents and grandparents struggling to make ends meet because their savings didn't cover the everyday cost of food, medicine, heat, etc.

I am an active retiree with a state pension, yes, but I am not keeping up with today's prices. Why are my friends who are under different state retirement systems (Pers 2 and 3) receiving yearly COLAs but I am being discriminated against simply because I am under a different plan—or is it because I'm older?

It's a juggling act deciding whether to buy medicine or food; gas for my 12-year old car to for medical appointments; visit my grandchildren or heat/cooling for my home; premiums for medical and dental going up as well as insurance and taxes for my home and car. The list goes on and on.

For 8 years after my "official" retirement from the state I had to work at a part-time job to supplement my retirement income. I had to resign that position because I was not able to continue working any longer. And this was before inflation raised its ugly head. Looking for was to supplement my income at 71 years of age is challenging. A guaranteed COLA would definitely reduce that stress on me!

Inflation hits everyone hard, but when the State took away Plan 1 COLAs from our contract with the state and ONLY PLAN 1, it really left a bad taste in my mouth. The state made a contract with the Plan 1 employees, only to break it under the guise of "balancing the state's budget"?? As one of the first retirement plans (Plan 1) in the state's retirement system, I feel we

are being arbitrarily and capriciously being dealt with. Is it because if the state waits long enough to decide on giving us back our COLA which was given to us under a “legally binding” contract, we will silently pass away or be too old or tired to fight for what is rightly ours?

If the state needs to balance the budget again, will they then go after Plans 2 and 3 and negate a legally binding contract it has with those retirement groups as well?

Only a permanent COLA guarantees financial, food and housing security in retirement.

With the pay down of the unfunded liability in the Plan 1 pension plan on the horizon, the Retired Public Employees Council (RPEC) asks that you work this legislative session to codify, in law, a trigger point by which the state will fund a permanent COLA for Plan 1 retirees.

I hope we can count on you to embrace this request and lead the path forward to legislation to finally fix this problem.

Thank you for giving RPEC’s request your consideration.

Sincerely,

Karen Sandnes-Peele
1632 Rainier Street
Wenatchee, WA 98801