

---

**From:** Amy White <aiwhite21@comcast.net>  
**Sent:** Tuesday, April 19, 2022 4:05 PM  
**To:** Office State Actuary, WA  
**Subject:** To the members of the Joint Committee on Pension Policy

**Categories:** Lindsey

**CAUTION:**External email.

I am writing to protest a glaring flaw in the PERS 3 retirement system that I have just learned about. I've been to the Dept. of Retirement Systems' "Nearing Retirement" seminars at least 10 times in almost 40 years and have never heard of this until now, when we are about three months away from retirement.

My spouse and I are each 62 years old. I have 38 years of PERS2 service, he has 25 years of PERS 3 service. I am retiring August 1 shortly before turning 63 and am able to cash out my sick leave balance at the 4-to-1 rate to fund my VEBA account to pay for my health insurance coverage.

My spouse, who had five years of banking, eight years of active duty military service, and his 25 years of PERS 3 state service (or in other words, another 38 years of work history) is separating to draw from his PERS3 defined contribution account. He plans to draw his defined benefit pension at age 65, to allow it to increase from \$859 to the princely sum of \$1141. How's that for a dignified retirement?

He qualifies for retiree health care coverage but he loses thousands of dollars that he would have had to pay for that coverage from his sick leave buyout to fund a VEBA account. His employer will not allow him to cash out his sick leave because he is not receiving the defined benefit portion immediately, not when he separates, and not when he begins to draw his defined benefit.

Because he has been a good and faithful employee who never abused his sick leave he has hundreds of hours of sick leave on the books. If he returned to active employment at any time within the five years after leaving, those sick leave hours would be restored to him, but his employer says there is no way for him to either cash out the hours now or when he draws his defined benefit contribution. The agency quotes WAC 357-31-155 at us, which states, "Employees who separate for any reason other than retirement or death are **not** paid for their accrued sick leave." But he IS separating to retire, he will not be back, and this is the way PERS 3 was designed to work, allowing you to draw from the defined contribution portion while waiting to draw from the defined benefit portion! This hidden flaw is just a landmine waiting for all PERS 3 members. Not one PERS 3 member I've spoken to was aware of this "design feature."

I am just devastated to learn that PERS 3 is designed to essentially cheat PERS 3 employees out of their accumulated sick leave unless you went to work for the state in your 20s, so you have more than 30 years, or you work until you're 70 if you went to work for the state later in life. So much for the "flexibility" of the system, which is how it was promoted when we decided he should transfer when the system was first developed. This is just wrong and a shameful way to treat employees who have given many years of faithful service to the state of Washington. Like so many other things that failed with PERS 3--gainsharing, anyone?

Before I close I would like to thank Senator Conway for his many years of work on behalf of the public servants of the State of Washington. It is truly appreciated.

**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.