

**From:** [Steven Johnson](#)  
**To:** [Office State Actuary, WA](#)  
**Subject:** Inflation Concerns with State Retirement Retiree Accounts  
**Date:** Saturday, July 17, 2021 2:25:49 PM

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To Whom It May Concern:

Certainly the state employees in Teacher's Retirement Plan one who have no COLA and have been retired for the past ten to twenty plus years no longer have a pension that is adequate to provide a livable wage. Inflation has caused their pension incomes to no longer have the buying power they once had and many are struggling to meet their needs and their quality of life has diminished and created many problems for these hard working and dedicated state employee educators. This is not right in light of them devoting their whole working life and ending up pretty much on poverty and struggling to make ends meet in their golden years when they should have ample income to enjoy their retirement years without excess concerns about finances and how they will live day to day. Many did the work and finically planning and setting aside the funds for retirement but I don't believe anyone could have anticipated how high inflation has climbed or increased over the past years especially during the recent decades. State retired workers need and deserve a cost of living and even more they need and deserve a substantial raise in their retirement pension incomes from the state so they are able to live out their retirement years in a productive, respectful, and relatively comfortable manner.

In addition, I have concerns for TRS Plan two and three members as even though these retirement plans have a cost of living adjustment process the process has likely not anticipated the cost of living to rise like it has or will in the future. There is a 3% per year cap and this year the inflation rate may be close to 5%. Yes, I realize that the increases above 3% can be banked and added on to the cost of living adjustments in years where the COLA is less than 3% but this means that this cost of living adjustment is always falling behind and this means that retiree buying power is also falling behind. There is no plan for catching up or getting ahead of the slow gradual erosion for these pension incomes. There is also no process or procedure if inflation should exceed 3% over a long period of time or for an indefinite period of time. These scenarios need to be anticipated by the actuarial process for the well being of retirees as well as for the state budget and the health of the state retirement system. Processes and procedures need to be put in place for the benefit of all stakeholders for these possible scenarios. This preparation may well require state legislative actions and it is my hope that this committee will begin to take the steps necessary to do what is right to help state retirees and protect the health of the state retirement system.

Thank you for your time spent reading this message expressing my concerns. I hope you will take the actions necessary to address these concerns for all retirees.

Sincerely,  
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