
From: carolajohns <carolajohns@comcast.net>
Sent: Monday, November 15, 2021 12:28 PM
To: Office State Actuary, WA
Subject: Plan 1 cola

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I'm 80.

31 yrs state service mostly in child welfare working as a social worker at DCFS.

I retired in 2004 after 31 yrs.

Plan 1 was the only pension plan offered at the time I began employment.

At the last pension committee meeting, the analyst brought up the following statistics:

The pension trust fund is currently \$174 billion and earns a minimum of 7.5% interest for a yearly gain of \$12 billion.

Current yearly payout across all pension plans is \$1 billion more than payroll deductions bring in.

Providing TRS 1 and PERS 1 retirees the same COLA as Plan 2 retirees will cost \$500,000,000 per year.

While \$500,000,000 sounds like a lot of money, the net yearly proceeds from the pension trust fund earns \$11 billion, according to the analyst.

Doing the math, a yearly Plan 1 COLA amounts to $\frac{1}{22}$ of the pension fund's net proceeds.

This equates to about 4.4% of the fund's yearly balance.

Help me understand why it is not fiscally sound for the legislature to provide a yearly COLA to plan 1 members when the funds are available and amount to 4.4% of the available trust fund?

In addition, this will obviously be a decreasing payout amount year after year because we old people will be dying, and will no longer receive any pension let alone one with a COLA.

In 15 years, the number of living Plan 1 retirees will have shrunk 50%! (My guess).

It is fiscally sound to provide this COLA.

It is morally sound to provide this COLA.

Please do the right thing by granting a yearly COLA to the 2 pension plans administered by the state whose members have been treated 2nd class and less-than the other eleven plans.

We can do this!

Thank you!

Carol Johns
Pers 1
Spokane, Wa

Sent from Samsung Galaxy smartphone.

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