

PIERCE COUNTY

Office of the County Council



September 20, 2023

Select Committee on Pension Policy
P.O. Box 40914
Olympia, WA 98504-0914

Dear Members of the Select Committee on Pension Policy:

As the elected leaders of the Pierce County Council, we are writing to urge your support for a cost-of-living adjustment (COLA) for our community's retired public employees who are vested in Plan 1 of the Washington State Department of Retirement Systems.

During their years of service, these former employees worked hard and made important contributions to our communities. Public employees forgo higher salaries and perks available in the private sector for the promise of a livable pension that will provide security in retirement. Without a COLA, many of our community's public service retirees vested in Plan 1 are struggling to make ends meet.

We understand Senate Bill 5350 (2023) directed the Select Committee on Pension Policy to study and recommend an ongoing COLA for Plan 1 retirees that also considers employer contribution rate stability and the plan's unfunded actuarial accrued liability. The legislation also provided one-time ad hoc COLAs beginning July 1, 2023. We appreciate that the Select Committee has fought to secure one-time ad hoc COLAs in recent years to provide much-needed relief from rising inflation. However, we believe Plan 1 retirees need the stability and predictability a recurring COLA will provide and hope the Select Committee can develop one that is affordable for state and local governments.

If the study's long-term solution is not available, we urge the Select Committee to support another ad hoc COLA to address anticipated inflation. In 2022, inflation was 6.3%, and it is forecasted to be at least 3.7% in 2023. Immediate relief is needed for our Plan 1 retirees whose average age is now at 78. The public service of these retirees is no less important than those vested in Plans 2 and 3, yet this is the only retiree group that does not have a guaranteed recurring COLA.

Sincerely,

A handwritten signature in black ink that reads "Ryan N. Mello".

Ryan N. Mello
Chair, Pierce County Council

RECEIVED

By Beth Halverson at 9:43 am, Oct 12, 2023