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To: [Office State Actuary, WA](#); laurie.weidner@rpecwa.org
Subject: Testimony for RPEC Select Committee on Pension Policy
Date: Monday, October 17, 2022 3:35:47 PM
Attachments: [Steve Conway re Permanent Annual COLA-Oct. 17, 2022.pdf](#)

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Attached is my written testimony for the meeting tomorrow in the form of a letter addressed to the Honorable Steve Conway, Chair.

I apologize for its last minute submission. My partner died a month ago and his funeral was two weeks ago. Important personal matters delayed my getting this written.

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

Dear Chair Conway:

I am writing to thank you and the members of the Select Committee on Pension Policy (SCC) for your consideration of both a legislative pathway to a permanent cost of living adjustment (COLA) for Plan 1 retirees, as well as a one-time three percent COLA effective in July 2023.

Your consideration of these priorities will resolve two immediate issues plaguing our oldest retired public servants. First, by inserting language in SPCPP-sponsored legislation that will codify a trigger point by which the state will restore a permanent COLA for Plan 1 retirees will solve the long-standing inequity among the pension plans. Plan 1 retirees have waited nearly 12 years for a permanent COLA. Moreover, your consideration of another one-time three percent COLA for Plan 1 retirees will provide much-needed inflationary relief.

The one-time COLA secured in the last legislative session was helpful and provided temporary relief, as will the proposal you are currently considering. However, one-time COLAs are short-term fixes that do not address the real problem: year-after-year the oldest retirees, who historically receive the lowest pensions, continue to lose purchasing power at a time when they need it most. At a time when Social Security granted a COLA of 8.7% to keep up with inflation, our PERS 1 COLA falls short of 2021 inflation rates by more than 5%.

During the last year, I have been researching senior housing options as I am disabled with severe degenerative arthritis and have had both hips and one knee replaced. The other knee will need to be replaced soon. It is increasingly difficult for me to get around. Some back surgery to remove bone spurs pressing on the spinal cord may also be required. I live alone and need to feel I'm in an environment that provides some support. However, applications for senior housing require evidence of an annual pension COLA as proof that their annual 4% to 6% increases in costs can be met by the applicant. This annual increase is standard across the senior living organizations. Without an annual COLA, the applicant is considered to be financially unable to meet the costs of care. This is an alarming situation.

Only a permanent COLA will help to ensure financial, food, and housing security in retirement. Surely we can count on you to include, in the bill under development, language to codify a permanent Plan 1 COLA and a one-time three percent COLA for 2023.

Sincerely,
Annette D. McCully
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