
From: rboesche@aol.com
Sent: Monday, November 14, 2022 9:23 AM
To: Office State Actuary, WA
Subject: Today's Meeting

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Committee Members of the Pension Policy Committee:

I wanted to send a note to encourage the committee today to once again review the situation that Plan 1 TRS and PRS retirees find themselves in. We remain alone among the state retirement systems that does not provide any type of on-going cost of living mechanism for its members. While we were grateful for the recent 3% cola award, it was for one year only and is not on-going (as it is with other retirement groups). The irony in all of this is that Plan 1 retirees are now a dwindling group who were not able to make the same income as thought more recent Plan 2 and Plan 3 retirees, especially teachers who, in those groups, benefited very well from the McCleary decision (and the subsequent gains from supplemental TRI pay which became a part of basic contracts state wide). As I have written in the past, the amount of supplemental contract income which is now a part of state funding for salaries for teachers has increased over 35% for Plan 2 and Plan 3 TRS members. This makes a significant different when you are a retiree on a fixed pension income.

But the issue becomes deeper when one considers that older Plan 1 retirees are not guaranteed at least some type of on-going cola as they are with Plan 2 and 3 retirees. This has not become just an equity issue, but for many a decline in meeting just basic day-to-day living costs. When one considers that the current inflation rate is in the 7% range, a 3% one-time adjustment quickly evaporates in terms of addressing rising costs of living.

Thank you for hopefully taking the time to put into perspective the need for an on-going cola adjustment mechanism for Plan 1 employees.

Sincerely,

Robert & Anita Boesche (Plan 1 Retirees)

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