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To: [Office State Actuary, WA](#)
Subject: Letter for the SCPP Committee
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Thank you again for your help getting this letter posted!

Dear Members of the Select Committee on Pension Policy:

Plans 1 TRS and PERS COLAs

I began attending the SCPP in September of 2021. One of the first things I learned was that LEOFF 1 was funded at 141%, LEOFF 2 was funded at 101%, and TRS 1 was funded at 66%. The reason TRS Plan 1 is behind in funding is because the state legislature failed to put their full 6% matching money into the fund for several years. This showed up on my paycheck. I paid 6% (as did all other Plan 1 TRS members), while the state paid less, forcing education and other state workers to balance the state budget. I also learned the state had promised to put \$800 M into the Plan 1 TRS fund June 1, 2023, as a part of the budget process. Unfortunately, when June 1, 2023 came around, that promise was rescinded fully. However, with the uproar that created, \$250 M was put into the plan rather than \$0.

The next thing I learned was the retirement funds earn 7 or 8% annually, but in 2021 they earned 29%, or \$22 Billion more than expected! Plans 1 TRS and PERS funds could have been fully funded that year alone!

The following month, I learned that Washington is one of the five states with the best funded pension system in the U.S. You can imagine I was NOT impressed with the retirement funds the Plans 1 TRS and PERS retirees were receiving, especially the oldest Plans 1 retirees! I can't speak for the PERS retirees, but the teachers received starting salaries of \$2,000-\$4,000 per YEAR when Plan 1 began. Even with the minimum distributions that have been added to their pension, they are barely able to make ends meet. Even when I started teaching in the mid-1970's, the starting pay was about \$8,000 per YEAR! We were told the pay was low, but we would have a generous retirement! I imagine others in the Plans 1 TRS and PERS system were told the same thing. Just recently, I read online that only Washington and New York had fully funded pension systems in 2023.

I have been retired in the Plan 1 TRS retirement system for eleven years. In that time, the cost of living has increased about 37%. With the 5 raises (two at \$62.50/month, and three at \$110/month), inflation adding up to about 37%, and taking into account the raises at about 10.5% and the caps that were imposed, I am about 26% behind already.

I also learned that SCPP adopted a goal in 2005 “to increase and maintain the purchasing power of retiree benefits in Plans 1 TRS and PERS, to the extent feasible, while providing long-term benefit security to retirees.” Considering that goal was made 20 years ago, I am very unhappy at the lack of progress that was made for many years towards achieving it!!

In addition to the fact that the state failed to put their full 6% into the Plans 1 retirement system for many years, they also failed to make provisions for a COLA for 6 years in the 90’s even though the cost of living ranged from 2.98% to 7.11% Keep in mind that anyone with 15 or more years of experience was at the top of the salary schedule, so during those 6 years in a row, many of us were losing ground! I still have the yellow button that I wore that had 6 zeros on it! And NOW, as a retiree, I need a red button with 6 zeros on it, since I have gone 6 out of 11 years without a COLA while the CPI has ranged from 0.91 to 8.81%

This travesty should have been corrected a LONG time ago! When Plan 1 was closed to new members in 1976 and Plan 2 was opened with an annual COLA up to 3%, with anything over 3% banked for years that were less than 3%, the state legislature KNEW a COLA was needed for Plans 1, but did nothing about it! And currently, the oldest retirees in Plans 1 are dying without ever being made whole.

I am tired of the same old story, year after year! We need to get the annual up to 3% COLA, based on the CPI, with banking of any amount over 3% put in place!! Meanwhile, health insurance, home owner’s insurance, car insurance, food, electricity, property taxes, income tax, etc. have all gone up, while we are losing buying power to inflation. So, it’s a double whammy! Please make sure there is a raise this year, and if possible, make it annual. The annual raise was supposed to start in 2025! That’s what we were told at the SCPP Committee meetings last year!!

Sincerely,

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