

From: [Gloria Smith](#)
To: [Office State Actuary, WA](#)
Subject: Correspondence with the SCPP Committee
Date: Saturday, October 7, 2023 8:07:48 AM

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October 7, 2023

Dear Select Committee on Pension Policy Members,

I am for an Ad Hoc Plans 1 COLA. However, I want to make it clear that I am disappointed about the lack of progress on the 2005 goal to make all pensions equitable.

1. To my knowledge, there are no other pensions in Washington state where a cap on a COLA at \$44,000 is implemented. Lack of equity. I would like to see the cap eliminated, or at least raised to \$150 per month so as not to impact educators.
2. Plans 1 are the only plans that do not have a guaranteed annual COLA. Lack of equity. They also do not have the “banking” of any COLA that would exceed 3%, like Plans 2 and 3.
3. The employees under Plans 1 are in no way responsible for the unfunded amount of money in the Plans 1 pension funds. The state opted not to pay the full 6% matching money that was promised for an extended period of time. All employees paid 6% every month. Lack of equity.
4. The state also KNEW in 1977 when Plans 1 were closed and Plans 2 were opened that the lack of a Plans 1 COLA would be a problem. Proof of that is the new Plans 2 began with an up to 3% annual COLA based on the CPI, with any amount above 3% eligible to be banked and used in a future year. Lack of equity.
5. The matching funds that are put into the plans 2 and 3 retirement plans are written into statute and the state legislature cannot underfund them. The COLAs are written into statute and cannot be denied. Lack of equity.

Thank you for allowing me to submit my letter. Sincerely,

Gloria Smith
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