

Russell, Lindsey

From: Jim Davison <pjdavison47@gmail.com>
Sent: Monday, September 25, 2023 8:00 PM
To: Office State Actuary, WA
Subject: Plans 1 information for your consideration

Categories: Lindsey

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Dear Members of the Select Committee on Pension Policy:

A few things to keep in mind when deliberating regarding any COLA for TRS and PERS Plan 1 members:

- Sixty percent of Plan 1 retirees are women, the oldest of whom were sometimes paid less because it was thought to be a second income for a family.
- The average age of Plan 1 retirees is 76.
- The median (not average) Plan 1 monthly pension income, **BEFORE** tax and healthcare deductions, is \$2,150.
- Roughly 20% of Plan 1 retirees qualify for minimum benefits which are approximately \$65 per month, per year of service.
- ALL OTHER STATE EMPLOYEE RETIREE GROUPS RECEIVE AN ANNUAL INCREASE OF UP TO 3%--but NOT members of TRS 1 or PERS 1.

Pension Payments have Economic Benefits*

- Washington State has 186,120 annuitants in TRS 1 and PERS 1.
- Every \$1 paid to retirees generates \$1.57 in total economic output. That means state annuity payments create \$562,848,579 in monthly economic activity.
- Eighty-seven percent of benefit recipients live in Washington State.

*Washington State Department of Retirement Systems and National Institute on Retirement Security.

According to the CPI Inflation Calculator, it would take \$157.85 today to purchase what \$100 bought in 2005, the year of my retirement. That's 57.85% lost purchasing power during that time, except for the four capped one-time COLAs granted during that same period. (2018—1.5% up to \$62.50/mo.; 2020—3% up to \$62.50/mo.; 2022—3% up to \$110/mo.; 2023—3% up to \$100/mo.)

Thank you for your thoughtful consideration,

Jim Davison, TRS 1 member
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