

COLA for PERS and TRS Plan 1 retirees

WHEREAS, the state of Washington has one of the best-funded public pension systems in the country. The PERS system covers state employees and employees of most city, county and local public entities. The TRS system covers teachers in our public schools.

WHEREAS, accumulated pension funds are under the control of the Washington State Investment Board, which has had excellent return on its investments: 8.9% over the last 20 years. Seventy-five percent of funds paid to retirees are from those returns.

WHEREAS, retirees who participated in Plan 1 of the systems annually received a Cost of Living Adjustment upon a vote of the Legislature. That annual COLA was eliminated in 2011 due to the economic downturn. Retirees in Plans 2 and 3 receive a COLA of up to 3% depending on the inflation index each year.

WHEREAS, the lack of a regular, consistent COLA for Plan 1 member retirees has resulted in a loss of more than 20% of their purchasing power in the past 10 years.

WHEREAS, the Retired Public Employees Council of Washington and other retiree groups are asking the Legislature to restore an annual COLA to Plan 1 retirees.

WHEREAS, many of the retirees were unionized workers who have taught our children, repaired our roads and provided basic services on behalf of our state and local government entities. They should have the dignity and respect of the retirement system they paid for and were promised.

THEREFORE, BE IT RESOLVED: that the Washington State Labor Council support a permanent restoration of a COLA for PERS and TRS Plan 1 retirees.

BE IT FURTHER RESOLVED: that support for the Plan 1 COLA become adopted as a legislative priority.

BE IT FURTHER RESOLVED: That support for the Plan 1 COLA be communicated to the Select Committee on Pension Policy

*Submitted by Retired Public Employee Council of WA, AFSCME, AFL-CIO
Approved by the RPC Executive Board, February 28, 2022.*