



The **POWER** of a Personal Story

Keitha and two others met with WA Senator Jamie Pederson regarding cost of living increase legislation (SB 6165). The ask: his support of COLA increase for Plan I retirees. His initial response: “No, my parents are both retired educators and they are doing fine.” When probed, he acknowledged that his parents were living off the income from investments and saving their retirement pensions for special expenditures, potential health needs and other contingencies.

Keitha then went on to explain why support of the COLA increase was so important. She told him that, like many other Plan I retirees who are in their 70’s and 80’s and beyond, she was having difficulty making ends meet. When adjusted for inflation, the purchasing power of Plan I retiree pensions has decreased approximately 40%. Keitha explained that as a single woman, she had not been able to make investments, so she had no other income. And because she had a health condition requiring constant medication, sometimes she could not pay all her bills.

She shared that many retirees end up destitute and cost the state 3x more money in state assistance than the cost of the COLA increase being requested. Then Keitha and the other two women with her provided some facts:

- * The average pension is \$2,000/month. After federal income taxes (approximately 15%) and another \$250 deduction for PEBB supplemental health insurance, they are left with just \$1,370 to pay for all bills and expenses.
- * There has only been one COLA increase since 2010 and that was a one time event. Other state retirement systems have a built-in 3% COLA.

The three women asked the Senator to reconsider his position and vote in favor of SB 6165 (the vote was to be taken the next day) and to also consider sponsoring a bill next year to make the COLA increases consistent with other retirement systems.

After their discussion, the Senator promised to give their request consideration. As she left, Keitha thanked the Senator for his time and consideration for the most vulnerable educator retirees. As she shook his hand, she said, “When I run out of money, as most retirees will, I will be using whatever I have for medications because I am diabetic.” Then she added, “When there is no money for food I will be first in line at your house for dinner and I will be bringing friends like me.”

The Senator laughed and got the point. The next morning he voted in favor of the bill. The next day when he saw Keitha in the hall, he smiled and waved across the lobby.