

2 SSB 6286 - S AMD TO S AMD (S-4703.1/92)  
3 By Senators Saling and Bauer

4 RULED BEYOND SCOPE & OBJECT 3/12/92

5 On page 1, after line 20, insert the following:

6 "Sec. 2 RCW 41.32.575 and 1989 c 272 s 3 are each amended to read  
7 as follows:

8 (1) Beginning July 1, (~~1989~~) 1992, and every year thereafter, the  
9 department shall determine the following information for each retired  
10 member or beneficiary who is over the age of sixty-five:

11 (a) The dollar amount of the retirement allowance received by the  
12 retiree at the benefit age (~~sixty-five~~), to be known for the purposes  
13 of this section as the "~~(age sixty-five)~~ benefit age retirement  
14 allowance";

15 (b) The index for the calendar year prior to the year that the  
16 retiree reached the benefit age (~~sixty-five~~), to be known for  
17 purposes of this section as "index A";

18 (c) The index for the calendar year prior to the date of  
19 determination, to be known for purposes of this section as "index B";

20 (d) The ratio obtained when index B is divided by index A, to be  
21 known for the purposes of this section as the "full purchasing power  
22 ratio"; and

23 (e) The value obtained when the retiree's (~~age sixty-five~~)  
24 benefit age retirement allowance is multiplied by (~~sixty percent~~) the  
25 applicable percentage of the retiree's full purchasing power ratio, to  
26 be known for the purposes of this section as the "target benefit."

27 (2) Beginning with the July payment, the retiree's (~~age sixty-~~  
28 ~~five~~) benefit age retirement allowance shall be adjusted to be equal

1 to the retiree's target benefit. In no event, however, shall the  
2 adjusted allowance:

3 (a) Be smaller than the retirement allowance received without the  
4 adjustment; ~~((nor))~~

5 (b) Differ from the previous year's allowance by more than three  
6 percent; or

7 (c) Be paid before the retiree is age sixty-six.

8 No adjustment shall be made if the benefit age retirement allowance  
9 is greater than three hundred percent of the poverty income level for  
10 a family of two as published annually by the United States department  
11 of health and human services.

12 (3) For members who retire after the benefit age ~~((sixty-five))~~,  
13 the ~~((age sixty-five))~~ benefit age retirement allowance shall be the  
14 initial retirement allowance received by the member.

15 (4) For beneficiaries of members who die prior to the benefit age  
16 ~~((sixty-five))~~: (a) The ~~((age sixty-five))~~ benefit age retirement  
17 allowance shall be the allowance received by the beneficiary on the  
18 date the member would have turned the benefit age ~~((sixty-five))~~; and  
19 (b) index A shall be the index for the calendar year prior to the year  
20 the member would have turned the benefit age ~~((sixty-six))~~.

21 (5) Where the pension payable to a beneficiary was adjusted at the  
22 time the benefit commenced, the benefit provided by this section shall  
23 be adjusted in a manner consistent with the adjustment made to the  
24 beneficiary's pension.

25 (6) For the purposes of this section:

26 (a) "Index" means, for any calendar year, that year's average  
27 consumer price index--Seattle, Washington area for urban wage earners  
28 and clerical workers, all items, compiled by the bureau of labor  
29 statistics, United States department of labor;

1 (b) "Retired member" or "retiree" means any member who has retired  
2 for service or because of duty or nonduty disability, or the surviving  
3 beneficiary of such a member.

4 (7) The benefit age and the applicable percentage shall be  
5 determined by the state actuary using the funds appropriated for this  
6 purpose in each biennial omnibus appropriations act until the target  
7 levels established in this subsection are achieved. The benefit age  
8 shall be initially set at sixty-five, and the applicable percent shall  
9 be initially set at sixty percent. Each year, as available funds  
10 permit, the state actuary shall reduce the benefit age from age sixty-  
11 five to the age at retirement, but no lower than age fifty-five. After  
12 the benefit age has been adjusted to the age at retirement, the state  
13 actuary shall, as available funds permit, increase the applicable  
14 percentage on an incremental basis from sixty percent to seventy  
15 percent."

16 "Sec. 2 RCW 41.40.325 and 1989 c 272 s 2 are each amended to read  
17 as follows:

18 (1) Beginning July 1, (~~(1989)~~) 1992, and every year thereafter, the  
19 department shall determine the following information for each retired  
20 member or beneficiary who is over the age of sixty-five:

21 (a) The dollar amount of the retirement allowance received by the  
22 retiree at the benefit age (~~((sixty-five))~~), to be known for the purposes  
23 of this section as the "~~((age sixty-five))~~ benefit age retirement  
24 allowance";

25 (b) The index for the calendar year prior to the year that the  
26 retiree reached the benefit age (~~((sixty-five))~~), to be known for  
27 purposes of this section as "index A";

28 (c) The index for the calendar year prior to the date of  
29 determination, to be known for purposes of this section as "index B";

1 (d) The ratio obtained when index B is divided by index A, to be  
2 known for the purposes of this section as the "full purchasing power  
3 ratio"; and

4 (e) The value obtained when the retiree's (~~age sixty-five~~)  
5 benefit age retirement allowance is multiplied by (~~sixty percent~~) the  
6 applicable percentage of the retiree's full purchasing power ratio, to  
7 be known for the purposes of this section as the "target benefit."

8 (2) Beginning with the July payment, the retiree's (~~age sixty-~~  
9 ~~five~~) benefit age retirement allowance shall be adjusted to be equal  
10 to the retiree's target benefit. In no event, however, shall the  
11 adjusted allowance:

12 (a) Be smaller than the retirement allowance received without the  
13 adjustment; (~~nor~~)

14 (b) Differ from the previous year's allowance by more than three  
15 percent; or

16 (c) Be paid before the retiree is age sixty-six.

17 No adjustment shall be made if the benefit age retirement allowance  
18 is greater than three hundred percent of the poverty income level for  
19 a family of two as published annually by the United States department  
20 of health and human services.

21 (3) For members who retire after the benefit age (~~sixty-~~  
22 ~~five~~), the (~~age sixty-five~~) initial retirement allowance shall be  
23 the initial retirement allowance received by the member.

24 (4) For beneficiaries of members who die prior to the benefit age  
25 (~~sixty-five~~): (a) The (~~age sixty-five~~) initial retirement  
26 allowance shall be the allowance received by the beneficiary on the  
27 date the member would have turned the benefit age (~~sixty-five~~); and

28 (b) index A shall be the index for the calendar year prior to the year  
29 the member would have turned the benefit age (~~sixty-five~~).

1 (5) Where the pension payable to a beneficiary was adjusted at the  
2 time the benefit commenced, the benefit provided by this section shall  
3 be adjusted in a manner consistent with the adjustment made to the  
4 beneficiary's pension.

5 (6) For the purposes of this section:

6 (a) "Index" means, for any calendar year, that year's average  
7 consumer price index--Seattle, Washington area for urban wage earners  
8 and clerical workers, all items, compiled by the bureau of labor  
9 statistics, United States department of labor;

10 (b) "Retired member" or "retiree" means any member who has retired  
11 for service or because of duty or nonduty disability, or the surviving  
12 beneficiary of such a member.

13 (7) The benefit age and the applicable percentage shall be  
14 determined by the state actuary using the funds appropriated for this  
15 purpose in each biennial omnibus appropriations act until the target  
16 levels established in this subsection are achieved. The benefit age  
17 shall be initially set at sixty-five, and the applicable percent shall  
18 be initially set at sixty percent. Each year, as available funds  
19 permit, the state actuary shall reduce the benefit age from age sixty-  
20 five to the age at retirement, but no lower than age fifty-five. After  
21 the benefit age has been adjusted to the age at retirement, the state  
22 actuary shall, as available funds permit, increase the applicable  
23 percentage on an incremental basis from sixty percent to seventy  
24 percent."

25 "NEW SECTION. Sec. .... The sum of twenty million dollars, or as  
26 much thereof as may be necessary, is appropriated for the biennium  
27 ending June 30, 1993, from the general fund to the department of  
28 retirement systems for the purposes of sections 2 and 3 of this act."

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4 On page 1, line 2, after "RCW" insert "41.32.575, 41.40.325, and"