
SENATE BILL 5354

State of Washington

52nd Legislature

1991 Regular Session

By Senators Saling, Bauer, Rasmussen, Moore, Nelson, Jesernig, Vognild, Madsen, Skratek, von Reichbauer, Gaspard, Wojahn, West and Stratton.

Read first time January 29, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to cost-of-living allowance for certain retirees;
2 amending RCW 41.32.575 and 41.40.325; and declaring an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 41.32.575 and 1989 c 272 s 3 are each amended to read
5 as follows:

6 (1) Beginning July 1, (~~(1989)~~) 1991, and every year thereafter, the
7 department shall determine the following information for each retired
8 member or beneficiary who (~~(is over)~~) attains or has attained the age
9 of sixty-five:

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

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

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

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

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

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

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

15 (b) Differ from the previous year's allowance by more than three
16 percent.

17 (3) For members who retire after age sixty-five, the age sixty-five
18 allowance shall be the initial retirement allowance received by the
19 member.

20 (4) For beneficiaries of members who die prior to (~~age sixty-~~
21 ~~five~~) retirement: (a) The (~~age sixty-five~~) base allowance shall be
22 either the allowance received by the beneficiary on the first date the
23 member would have (~~turned age sixty-five~~) been eligible to retire or,
24 if eligible to retire at the time of death, the allowance the
25 beneficiary receives; and (b) index A shall be the index for the
26 calendar year prior to the year in which the member (~~would have turned~~
27 ~~age sixty-five~~) died.

28 (5) Where the pension payable to a beneficiary was adjusted at the
29 time the benefit commenced, the benefit provided by this section shall

1 be adjusted in a manner consistent with the adjustment made to the
2 beneficiary's pension.

3 (6) For the purposes of this section:

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

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

11 **Sec. 2.** RCW 41.40.325 and 1989 c 272 s 2 are each amended to read
12 as follows:

13 (1) Beginning July 1, (~~(1989)~~) 1991, and every year thereafter, the
14 department shall determine the following information for each retired
15 member or beneficiary (~~(who is)~~) attains or has attained over the age
16 of sixty-five:

17 (a) The dollar amount of the retirement allowance received by the
18 retiree at (~~(age sixty-five)~~) retirement, to be known for the purposes
19 of this section as the "~~(age sixty-five)~~ base allowance";

20 (b) The index for the calendar year prior to the year that the
21 retiree (~~(reached age sixty-five)~~) retired, to be known for purposes of
22 this section as "index A";

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

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

28 (e) The value obtained when the retiree's (~~(age sixty-five)~~) base
29 allowance is multiplied by sixty percent of the retiree's full

1 purchasing power ratio, to be known for the purposes of this section as
2 the "target benefit."

3 (2) Beginning with the July payment, the retiree's (~~age sixty-~~
4 ~~five~~) base allowance shall be adjusted to be equal to the retiree's
5 target benefit. In no event, however, shall the adjusted allowance:

6 (a) Be smaller than the retirement allowance received without the
7 adjustment; nor

8 (b) Differ from the previous year's allowance by more than three
9 percent.

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

13 (4) For beneficiaries of members who die prior to (~~age sixty-~~
14 ~~five~~) retirement: (a) The (~~age sixty-five~~) base allowance shall be
15 either the allowance received by the beneficiary on the first date the
16 member would have (~~turned age sixty-five~~) been eligible to retire or,
17 if eligible to retire at the time of death, the allowance the
18 beneficiary receives; and (b) index A shall be the index for the
19 calendar year prior to the year in which the member (~~would have turned~~
20 ~~age sixty-five~~) died.

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 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
5 preservation of the public peace, health, or safety, or support of the
6 state government and its existing public institutions, and shall take
7 effect immediately.