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SENATE BILL 6311

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State of Washington

52nd Legislature

1992 Regular Session

By Senators Saling, Bauer, Skratek, Rinehart, Gaspard, Jesernig, Murray, M. Kreidler, A. Smith, Pelz and Wojahn

Read first time 01/24/92. Referred to Committee on Ways & Means.

1 AN ACT Relating to retirement allowances for members of the  
2 teachers' and public employees' retirement systems; and amending RCW  
3 41.32.575 and 41.40.325.

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

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

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

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

1 (b) The index for the calendar year prior to the year that the  
2 retiree reached age sixty-five or retired, whichever occurred first, to  
3 be known for purposes of this section as "index A";

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

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

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

13 (2) Beginning with the July payment, the retiree's ~~((age sixty-~~  
14 ~~five))~~ initial retirement allowance shall be adjusted to be equal to  
15 the retiree's target benefit. In no event, however, shall the adjusted  
16 allowance:

17 (a) Be smaller than the retirement allowance received without the  
18 adjustment; ~~((nor))~~

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

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

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

25 ~~((4) For beneficiaries of members who die prior to age sixty five:~~

26 ~~(a) The age sixty five allowance shall be the allowance received by the~~  
27 ~~beneficiary on the date the member would have turned age sixty five;~~

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

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

5       ~~((6))~~ (4) 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       **Sec. 2.** RCW 41.40.325 and 1989 c 272 s 2 are each amended to read  
14 as follows:

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

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

22       (b) The index for the calendar year prior to the year that the  
23 retiree reached age sixty-five or retired, whichever occurred first, to  
24 be known for purposes of this section as "index A";

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

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

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

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

9 (a) Be smaller than the retirement allowance received without the  
10 adjustment; (~~nor~~)

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

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

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

17 ~~(4) For beneficiaries of members who die prior to age sixty-five:~~

18 ~~(a) The age sixty-five allowance shall be the allowance received by the~~  
19 ~~beneficiary on the date the member would have turned age sixty-five;~~  
20 ~~and (b) index A shall be the index for the calendar year prior to the~~  
21 ~~year the member would have turned age sixty-five.~~

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

26 (~~(6))~~ (4) For the purposes of this section:

27 (a) "Index" means, for any calendar year, that year's average  
28 consumer price index--Seattle, Washington area for urban wage earners  
29 and clerical workers, all items, compiled by the bureau of labor  
30 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.