
SENATE BILL 6313

State of Washington

52nd Legislature

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

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

1 AN ACT Relating to providing cost-of-living increases to retirees
2 of the public employees' retirement system and the teachers' retirement
3 system; and amending RCW 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 age sixty-six or over (~~the age of sixty-~~
10 ~~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 "benefit age (~~sixty-five~~) retirement
14 allowance";

1 (b) The index for the calendar year prior to the year that the
2 retiree reached the benefit age (~~((sixty-five))~~), to be known for
3 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 benefit age (~~((sixty-
10 five))~~) ~~retirement allowance is multiplied by~~ (~~((sixty percent))~~) the
11 target percentage of the retiree's full purchasing power ratio, to be
12 known for the purposes of this section as the "target benefit."

13 (2) Beginning with the July 1993 payment, the (~~((retiree's))~~) benefit
14 age (~~((sixty-five))~~) retirement allowance for each retiree who is age
15 sixty-six or over shall be adjusted to be equal to the retiree's target
16 benefit. In no event, however, shall the adjusted 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.

21 (3) For members who retire after age sixty-five, (~~((the age sixty-
22 five allowance))~~) index A shall be the (~~((initial retirement allowance~~
23 ~~received by the member))~~) index for the calendar year prior to the year
24 the retiree reached age sixty-five.

25 (4) For beneficiaries of members who die prior to (~~((age sixty-
26 five))~~) ~~retirement or after retirement but before the age set in~~
27 subsection (6) of this section: (a) The benefit age (~~((sixty-five))~~)
28 retirement allowance shall be the allowance received by the beneficiary
29 on the date the member would have (~~((turned age sixty-five))~~) been
30 eligible to retire or the age set in subsection (6) of this section,

1 whichever is later; and (b) index A shall be the index for the prior
2 calendar year (~~prior to the year the member would have turned age~~
3 ~~sixty-five~~)).

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

8 (6) For the purposes of this section:

9 (a) "Benefit age" means the later of either (i) the member's age at
10 retirement or (ii) from July 1, 1993, through June 30, 1995, age sixty-
11 three; from July 1, 1995, through June 30, 1997, age sixty-one; from
12 July 1, 1997, through June 30, 1999, age fifty-nine; from July 1, 1999,
13 through June 30, 2001, age fifty-seven; and from July 1, 2001,
14 thereafter, age fifty-five;

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

19 (~~(b)~~) (c) "Retired member" or "retiree" means any member who has
20 retired for service or because of duty or nonduty disability, or the
21 surviving beneficiary of such a member;

22 (d) "Target percentage" means, from July 1, 1993, through June 30,
23 1995, sixty-two percent; from July 1, 1995, through June 30, 1997,
24 sixty-four percent; from July 1, 1997, through June 30, 1999, sixty-six
25 percent; from July 1, 1999, through June 30, 2001, sixty-eight percent;
26 and from July 1, 2001, thereafter, seventy percent.

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

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

5 (a) The dollar amount of the retirement allowance received by the
6 retiree at the benefit age (~~sixty-five~~), to be known for the purposes
7 of this section as the "benefit age (~~sixty-five~~) retirement
8 allowance";

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

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

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

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

21 (2) Beginning with the July 1993 payment, the (~~retiree's~~) benefit
22 age (~~sixty-five~~) retirement allowance for each retiree who is age
23 sixty-six or over shall be adjusted to be equal to the retiree's target
24 benefit. In no event, however, shall the adjusted allowance:

25 (a) Be smaller than the retirement allowance received without the
26 adjustment; nor

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

29 (3) For members who retire after age sixty-five, (~~the age sixty-~~
30 ~~five allowance~~) index A shall be the (~~initial retirement allowance~~

1 ~~received by the member~~) index for the calendar year prior to the year
2 the retiree reached age sixty-five.

3 (4) For beneficiaries of members who die prior to ~~((age sixty-~~
4 ~~five)) retirement or after retirement but before the age set in~~
5 ~~subsection (6) of this section:~~ (a) The benefit age ((sixty-five))
6 retirement allowance shall be the allowance received by the beneficiary
7 on the date the member would have ((turned age sixty-five)) been
8 eligible to retire or the age set in subsection (6) of this section,
9 whichever is later; and (b) index A shall be the index for the prior
10 calendar year ((prior to the year the member would have turned age
11 sixty-five)).

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

16 (6) For the purposes of this section:

17 (a) "Benefit age" means the later of either (i) the member's age at
18 retirement or (ii) from July 1, 1993, through June 30, 1995, age sixty-
19 three; from July 1, 1995, through June 30, 1997, age sixty-one; from
20 July 1, 1997, through June 30, 1999, age fifty-nine; from July 1, 1999,
21 through June 30, 2001, age fifty-seven; and from July 1, 2001,
22 thereafter, age fifty-five;

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

27 ~~((b))~~ (c) "Retired member" or "retiree" means any member who has
28 retired for service or because of duty or nonduty disability, or the
29 surviving beneficiary of such a member;

1 (d) "Target percentage" means, from July 1, 1993, through June 30,
2 1995, sixty-two percent; from July 1, 1995, through June 30, 1997,
3 sixty-four percent; from July 1, 1997, through June 30, 1999, sixty-six
4 percent; from July 1, 1999, through June 30, 2001, sixty-eight percent;
5 and from July 1, 2001, thereafter, seventy percent.