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SENATE BILL 6305

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State of Washington

65th Legislature

2018 Regular Session

By Senators Hunt, Baumgartner, Braun, Palumbo, Hawkins, Keiser, Conway, Hasegawa, Kuderer, and Chase

Read first time 01/11/18. Referred to Committee on Ways & Means.

1 AN ACT Relating to retiree benefits for participants in the  
2 public employees' retirement system, the teachers' retirement system,  
3 and the public employees' benefits board; amending RCW 41.05.085;  
4 adding a new section to chapter 41.32 RCW; adding a new section to  
5 chapter 41.40 RCW; and providing an effective date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.32  
8 RCW under the subchapter heading "plan 1" to read as follows:

9 (1) Beneficiaries who are receiving a monthly benefit from the  
10 teachers' retirement system plan 1 on July 1, 2017, shall receive,  
11 effective July 1, 2018, an increase to their monthly benefit of three  
12 percent multiplied by the beneficiaries' monthly benefit, not to  
13 exceed sixty-two dollars and fifty cents.

14 (2) This section does not apply to those receiving benefits  
15 pursuant to RCW 41.32.489 or 41.32.540.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.40  
17 RCW under the subchapter heading "plan 1" to read as follows:

18 (1) Beneficiaries who are receiving a monthly benefit from the  
19 public employees' retirement system plan 1 on July 1, 2017, shall  
20 receive, effective July 1, 2018, an increase to their monthly benefit

1 of three percent multiplied by the beneficiaries' monthly benefit,  
2 not to exceed sixty-two dollars and fifty cents.

3 (2) This section does not apply to those receiving benefits  
4 pursuant to RCW 41.40.1984.

5 **Sec. 3.** RCW 41.05.085 and 2005 c 195 s 3 are each amended to  
6 read as follows:

7 (1) Beginning with the appropriations act for the 2005-2007  
8 biennium, the legislature shall establish as part of both the state  
9 employees' and the school and educational service district employees'  
10 insurance benefit allocation the portion of the allocation to be used  
11 to provide a prescription drug subsidy to reduce the health care  
12 insurance premiums charged to retired or disabled school district and  
13 educational service district employees, or retired state employees,  
14 who are eligible for parts A and B of medicare. The legislature may  
15 also establish a separate health care subsidy to reduce insurance  
16 premiums charged to individuals who select a medicare supplemental  
17 insurance policy option established in RCW 41.05.195.

18 (2) The amount of any premium reduction shall be (~~established by~~  
19 ~~the board. The amount established shall not result in a premium~~  
20 ~~reduction of more)) no less than fifty percent of the premium cost,  
21 except as provided in subsection (3) of this section. The board may  
22 also determine the amount of any subsidy to be available to spouses  
23 and dependents.~~

24 (3) The amount of the premium reduction in subsection (2) of this  
25 section may exceed fifty percent, if the administrator, in  
26 consultation with the office of financial management, determines that  
27 it is necessary in order to meet eligibility requirements to  
28 participate in the federal employer incentive program as provided in  
29 RCW 41.05.068.

30 NEW SECTION. **Sec. 4.** Sections 1 and 2 of this act take effect  
31 July 1, 2018.

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