S-3235.1

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**SENATE BILL 6290**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Senators Hunt, Chase, Van De Wege, Ranker, Kuderer, Hasegawa, Keiser, Palumbo, and Saldaña

AN ACT Relating to cost-of-living adjustments for teachers' retirement system plan 1 and public employees' retirement system plan 1 retirees; adding a new section to chapter 41.32 RCW; adding a new section to chapter 41.40 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The teachers' retirement system plan 1 and the public employees' retirement system plan 1 are the only two state retirement benefit plans that do not provide regular cost-of-living adjustments for retirees' pensions. Members of these plans have not received a cost-of-living adjustment since 2010. Those who have been retired more than ten years have lost, on average, twenty-five percent of their purchasing power. The legislature intends to provide a three percent increase for plan 1 retirees in 2018 to maintain the current purchasing power of members' benefits and to avoid further diminishing the value of those benefits.

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

(1) Beneficiaries who are receiving a monthly benefit from the teachers' retirement system plan 1 on January 1, 2018, shall have a permanent increase of three percent added to his or her monthly benefit on July 1, 2018.

(2) Where the retirement allowance payable was adjusted at the time benefit payments to the beneficiary commenced, the three percent increase provided in this section shall be adjusted in a manner consistent with that adjustment.

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

(1) Beneficiaries who are receiving a monthly benefit from the public employees' retirement system plan 1 on January 1, 2018, shall have a permanent increase of three percent added to his or her monthly benefit on July 1, 2018.

(2) Where the retirement allowance payable was adjusted at the time benefit payments to the beneficiary commenced, the three percent increase provided in this section shall be adjusted in a manner consistent with that adjustment.

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