

# FINAL BILL REPORT

## SB 6453

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Synopsis as Enacted

**Brief Description:** Establishing a one thousand dollar minimum monthly benefit for certain plan 1 members of the public employees' retirement system and certain plan 1 members of the teachers' retirement system.

**Sponsors:** Senators Mulliken, Pridemore, Fraser, Rockefeller, Franklin and Spanel; by request of Select Committee on Pension Policy.

**Senate Committee on Ways & Means**

**House Committee on Appropriations**

**Background:** The basic retirement allowance of a member Plan 1 of the Public Employees' Retirement System (PERS) or the Teachers' Retirement System (TRS) is equal to 2 percent of the member's average final compensation for each year of service credit. There is also a minimum benefit level of \$32.71 per month per year of service. A member with 25 years of service is therefore eligible for a minimum benefit of \$817.75 per month. With 30 years of service, the minimum benefit is \$981.30 per month. These minimum benefits increase by at least 3 percent per year. The actual benefit amount received may be less than the minimum allowance if the member selected an enhanced cost-of-living adjustment or survivor benefit option.

An alternative minimum benefit of \$1,000 per month was established in 2004 for members of PERS 1 and TRS 1 members who have at least 25 years of service credit and have been retired for at least 20 years. The \$1,000 minimum monthly benefit, which is also subject to reductions if the member selects the enhanced cost-of-living adjustment or survivor benefit options, is not increased annually.

**Summary:** The \$1,000 alternative minimum benefit in PERS 1 and TRS 1 is extended to members who have at least 20 years of service and who have been retired for at least 25 years. A 3 percent annual increase is added to the \$1,000 minimum benefit.

**Votes on Final Passage:**

Senate	45	0
House	95	0

**Effective:** July 1, 2006