

SHB 1985 - H AMD 840

By Representative Chambers

NOT ADOPTED 02/06/2024

1 Strike everything after the enacting clause and insert the
2 following:

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4 "NEW SECTION. **Sec. 1.** A new section is added to chapter 41.32
5 RCW to read as follows:

6 (1) Beginning July 1, 2024, and every year thereafter, the
7 department shall determine the following information for each plan 1
8 retired member or beneficiary whose retirement allowance has been in
9 effect for at least one year:

10 (a) The original dollar amount of the retirement allowance as of
11 June 30, 2024, or the effective date of retirement, whichever is
12 later;

13 (b) The index for the calendar year prior to July 1, 2022, or
14 the effective date of the retirement allowance, whichever is later,
15 to be known as "index A";

16 (c) The index for the calendar year prior to the date of
17 determination, to be known as "index B"; and

18 (d) The ratio obtained when index B is divided by index A.

19 (2) The value of the ratio obtained is the annual adjustment to
20 the original retirement allowance and must be applied beginning with
21 the July payment. In no event, however, may the annual adjustment:

22 (a) Produce a retirement allowance which is lower than the
23 original retirement allowance;

24 (b) Exceed three percent in the initial annual adjustment; or

25 (c) Differ from the previous year's annual adjustment by more
26 than three percent.

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1 (3) For the purposes of this section, "index" means, for any
2 calendar year, that year's average consumer price index, Seattle,
3 Washington area for urban wage earners and clerical workers, all
4 items, compiled by the bureau of labor statistics, United States
5 department of labor.

6

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.40
8 RCW to read as follows:

9 (1) Beginning July 1, 2023, and every year thereafter, the
10 department shall determine the following information for each plan
11 retired member or beneficiary whose retirement allowance has been in
12 effect for at least one year:

13 (a) The original dollar amount of the retirement allowance as of
14 June 30, 2023, or the effective date of retirement, whichever is
15 later;

16 (b) The index for the calendar year prior to July 1, 2022, or
17 the effective date of the retirement allowance, whichever is later,
18 to be known as "index A";

19 (c) The index for the calendar year prior to the date of
20 determination, to be known as "index B"; and

21 (d) The ratio obtained when index B is divided by index A.

22 (2) The value of the ratio obtained is the annual adjustment to
23 the original retirement allowance and must be applied beginning with
24 the July payment. In no event, however, may the annual adjustment:

25 (a) Produce a retirement allowance which is lower than the
26 original retirement allowance;

27 (b) Exceed three percent in the initial annual adjustment; or

28 (c) Differ from the previous year's annual adjustment by more
29 than three percent.

30 (3) For the purposes of this section, "index" means, for any
31 calendar year, that year's average consumer price index, Seattle,
32 Washington area for urban wage earners and clerical workers, all
33 items, compiled by the bureau of labor statistics, United States
34 department of labor."

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2 Correct the title.

EFFECT: Replaces the one-time increase to benefits of specified Public Employees' and Teachers' Retirement System Plan 1 beneficiaries of 3 percent up to a maximum of \$110 per month with an ongoing annual increase beginning July 1, 2024 of the Consumer Price Index (CPI) for Seattle, Washington, up to a maximum of 3 percent, with CPI amounts over 3 percent banked for future years.

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