

2 SHB 1268 - S AMD

3 By Senators Gaspard and von Reichbauer

4 Adopted 4/16/91 - Voice Vote

5 On page 13, after line 11, insert the following:

6 "Sec. 5. RCW 41.32.260 and 1974 ex.s. c 199 s 2 are each amended  
7 to read as follows:

8 (1)(a) Any member whose public school service is interrupted by  
9 active service to (~~the United States as a member of its military,~~  
10 ~~naval or air service, or to~~) the state of Washington, as a member of  
11 the legislature, may upon becoming reemployed in the public schools,  
12 receive credit for such service upon presenting satisfactory proof, and  
13 contributing to the annuity fund, either in a lump sum or installments,  
14 such amounts as shall be determined by the (~~board of trustees:~~  
15 ~~PROVIDED (1), That no such military service credit in excess of five~~  
16 ~~years shall be established or reestablished after July 1, 1961, unless~~  
17 ~~the service was actually rendered during time of war: PROVIDED FURTHER~~  
18 ~~(2), That~~) director.

19 (b) A member of the retirement system who is a member of the state  
20 legislature or a state official eligible for the combined pension and  
21 annuity provided by RCW 41.32.497, or 41.32.498, as now or hereafter  
22 amended shall have deductions taken from his or her salary in the  
23 amount of seven and one-half percent of earnable compensation and that  
24 service credit shall be established with the retirement system while  
25 such deductions are reported to the retirement system, unless he or she  
26 has by reason of his or her employment become a contributing member of  
27 another public retirement system in the state of Washington(~~(:—AND~~  
28 ~~PROVIDED FURTHER (3), That~~)).

1       (c) Such elected official who has retired or otherwise terminated  
2 his or her public school service may then elect to terminate his or her  
3 membership in the retirement system and receive retirement benefits  
4 while continuing to serve as an elected official(~~(:—AND, PROVIDED~~  
5 ~~FURTHER (4), That)~~).

6       (d) A member of the retirement system who had previous service as  
7 an elected or appointed official, for which he or she did not  
8 contribute to the retirement system, may receive credit for such  
9 legislative service unless he or she has received credit for that  
10 service in another state retirement system, upon making contributions  
11 in such amounts as shall be determined by the board of trustees.

12       (2)(a) Any member whose public school service is interrupted by  
13 active service to the United States as a member of its military, naval,  
14 or air service, may upon becoming reemployed in the public schools,  
15 receive credit for such service upon presenting satisfactory proof:  
16 PROVIDED, That no such military service credit in excess of five years  
17 shall be established or reestablished after July 1, 1961, unless the  
18 service was actually rendered during time of war.

19       (b) After completing twenty-five years of creditable service, any  
20 member may have the member's service in the armed forces credited to  
21 the member if the service was prior to membership, but in no instance  
22 shall such military service in excess of five years be credited. This  
23 subsection (2)(b) does not apply to any individual who is not a veteran  
24 within the meaning of RCW 41.04.005. Military service shall not be  
25 credited to any member who is receiving full military retirement  
26 benefits pursuant to Title 10 of the United States Code."

27       Renumber the remaining sections consecutively and correct any  
28 internal references accordingly.

1 **SHB 1268** - S AMD  
2 By Senators Wojahn, Rasmussen and Roach

3 Adopted 4/16/91 - Voice Vote

4 On page 33, line 1, strike all of subsection (6) and insert the  
5 following:

6 "(6)(a) "Surviving spouse" for persons who establish membership in  
7 the retirement system on or before September 30, 1977, means the  
8 surviving widow or widower of a member(~~(. The word shall not include~~  
9 the divorced spouse of a member)) or an ex-spouse who has been provided  
10 benefits under any court decree of dissolution or legal separation or  
11 in any court order or court approved property settlement agreement  
12 incident to any court decree of dissolution or legal separation. In  
13 order to qualify as a surviving spouse under this subsection: (i) A  
14 person shall have been married to the member for at least one year  
15 prior to the member's retirement or separation from service if a vested  
16 member; (ii) the decree or court order must be currently effective; and  
17 (iii) the decree or court order must have been entered after the  
18 member's retirement and prior to December 31, 1979. If two or more  
19 persons are eligible as surviving spouses under this subsection,  
20 benefits shall be divided between the surviving spouses based on the  
21 percentage of total service credit the member accrued during each  
22 marriage. This definition shall apply retroactively.

23 (b) "Surviving spouse" for persons who establish membership in the  
24 retirement system on or after October 1, 1977, means the surviving  
25 widow or widower of a member and does not include the divorced spouse  
26 of a member."

27 **SHB 1268** - S Amd  
28 By Senators Rasmussen and Saling

29 Adopted 4/16/91 - Voice Vote

30 On page 46, after line 18, insert the following:

1       **"Sec. 18.** RCW 41.32.575 and 1989 c 272 s 3 are each amended to  
2 read as follows:

3       (1) Beginning July 1, (~~(1989)~~) 1991, and every year thereafter, the  
4 department shall determine the following information for each retired  
5 member or beneficiary who is over the age of sixty-five:

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

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

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

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

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

22       (2) Beginning with the July payment, the retiree's (~~((age-sixty-~~  
23 ~~five))~~) benefit age retirement allowance shall be adjusted to be equal  
24 to the retiree's target benefit. In no event, however, shall the  
25 adjusted allowance:

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

28       (b) Differ from the previous year's allowance by more than three  
29 percent; or

30       (c) Be paid before the retiree is age sixty-six.

1        No adjustment shall be made if the benefit age retirement allowance  
2 is greater than three hundred percent of the poverty income level for  
3 a family of two as published annually by the United States department  
4 of health and human services.

5        (3) For members who retire after the benefit age (~~sixty-five~~),  
6 the (~~age sixty-five~~) benefit age retirement allowance shall be the  
7 initial retirement allowance received by the member.

8        (4) For beneficiaries of members who die prior to the benefit age  
9 (~~sixty-five~~): (a) The (~~age sixty-five~~) benefit age retirement  
10 allowance shall be the allowance received by the beneficiary on the  
11 date the member would have turned the benefit age (~~sixty-five~~); and  
12 (b) index A shall be the index for the calendar year prior to the year  
13 the member would have turned the benefit age (~~sixty-five~~).

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

18        (6) For the purposes of this section:

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

23        (b) "Retired member" or "retiree" means any member who has retired  
24 for service or because of duty or nonduty disability, or the surviving  
25 beneficiary of such a member.

26        (7) The benefit age and the applicable percentage shall be  
27 determined by the state actuary using the funds appropriated for this  
28 purpose in each biennial omnibus appropriations act until the target  
29 levels established in this subsection are achieved. The benefit age  
30 shall be initially set at sixty-five, and the applicable percent shall

1 be initially set at sixty percent. Each year, as available funds  
2 permit, the state actuary shall reduce the benefit age from age sixty-  
3 five to the age at retirement. After the benefit age has been adjusted  
4 to the age at retirement, the state actuary shall, as available funds  
5 permit, increase the applicable percentage on an incremental basis from  
6 sixty percent to seventy percent."

7 "Sec. 19. RCW 41.40.325 and 1989 c 272 s 2 are each amended to  
8 read as follows:

9 (1) Beginning July 1, (~~1989~~) 1991, and every year thereafter, the  
10 department shall determine the following information for each retired  
11 member or beneficiary who is over the age of sixty-five:

12 (a) The dollar amount of the retirement allowance received by the  
13 retiree at the benefit age (~~sixty-five~~), to be known for the purposes  
14 of this section as the "~~(age sixty-five)~~ benefit age retirement  
15 allowance";

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

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

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

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

28 (2) Beginning with the July payment, the retiree's (~~age sixty-~~  
29 ~~five~~) benefit age retirement allowance shall be adjusted to be equal

1 to the retiree's target benefit. In no event, however, shall the  
2 adjusted allowance:

3 (a) Be smaller than the retirement allowance received without the  
4 adjustment; ~~((nor))~~

5 (b) Differ from the previous year's allowance by more than three  
6 percent; or

7 (c) Be paid before the retiree is age sixty-six.

8 No adjustment shall be made if the benefit age retirement allowance  
9 is greater than three hundred percent of the poverty income level for  
10 a family of two as published annually by the United States department  
11 of health and human services.

12 (3) For members who retire after the benefit age ~~((sixty-five))~~,  
13 the ~~((age sixty-five))~~ initial retirement allowance shall be the  
14 initial retirement allowance received by the member.

15 (4) For beneficiaries of members who die prior to the benefit age  
16 ~~((sixty-five))~~: (a) The ~~((age sixty-five))~~ initial retirement  
17 allowance shall be the allowance received by the beneficiary on the  
18 date the member would have turned the benefit age ~~((sixty-five))~~; and  
19 (b) index A shall be the index for the calendar year prior to the year  
20 the member would have turned the benefit age ~~((sixty-five))~~.

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

25 (6) For the purposes of this section:

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

1 (b) "Retired member" or "retiree" means any member who has retired  
2 for service or because of duty or nonduty disability, or the surviving  
3 beneficiary of such a member.

4 (7) The benefit age and the applicable percentage shall be  
5 determined by the state actuary using the funds appropriated for this  
6 purpose in each biennial omnibus appropriations act until the target  
7 levels established in this subsection are achieved. The benefit age  
8 shall be initially set at sixty-five, and the applicable percent shall  
9 be initially set at sixty percent. Each year, as available funds  
10 permit, the state actuary shall reduce the benefit age from age sixty-  
11 five to the age at retirement. After the benefit age has been adjusted  
12 to the age at retirement, the state actuary shall, as available funds  
13 permit, increase the applicable percentage on an incremental basis from  
14 sixty percent to seventy percent."

15 Renumber remaining sections consecutively.

16 **SHB 1268** - S AMD

17 By Senators Gaspard and von Reichbauer

18 Adopted 4/16/91 - Voice Vote

19 On page 1, line 2 of the title, after "41.32.013," insert  
20 "41.32.260,"

21 SHB 1268 - S Amd

22 By Senators Rasmussen and Saling

23 Adopted 4/16/91 - Voice Vote

24 On page 1, line 2 of the title, after "41.32.013," insert "41.32.575,"

25 On page 1, line 3 of the title, after "41.40.235," insert "41.40.325,"

26