

SENATE BILL REPORT

SB 5380

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 11, 1991

Brief Description: Providing an adjusted retirement allowance for certain retirees.

SPONSORS: Senators Saling, Bauer, Nelson, Moore, Rasmussen, Niemi, Bailey, Gaspard, West, Amondson, Owen, Talmadge, A. Smith, Snyder, McMullen, Wojahn, Vognild, Murray, Rinehart, Williams, L. Kreidler, Conner, Jesernig, Roach and L. Smith.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5380 be substituted therefor, and the substitute bill do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Gaspard, Johnson, L. Kreidler, Matson, Metcalf, Murray, Newhouse, Niemi, Rinehart, Saling, L. Smith, Talmadge, West, Williams, and Wojahn.

Staff: Denise Graham (786-7715)

Hearing Dates: March 7, 1991; March 11, 1991

BACKGROUND:

A retiree in Plan I of the Public Employees' Retirement System (PERS I) or the Teachers' Retirement System (TRS I) receives an annual cost-of-living adjustment (COLA) of up to 3 percent when purchasing power erodes to less than 60 percent of that at age 65.

A TRS I or PERS I member may retire at any age with 30 years of service, at age 55 with 25 years of service or at age 60 with five years of service.

SUMMARY:

Beginning July 1991, a TRS I or PERS I retiree who is at least 66 years of age receives an annual COLA of up to 3 percent when purchasing power erodes to less than 70 percent of that at retirement.

EFFECT OF PROPOSED SUBSTITUTE:

The proposed substitute instructs the State Actuary to adjust the 60 percent current law requirement up by 1 percent and the age 65 current law requirement down by one year, alternately, until the funds appropriated for this bill in the 1991-93 Omnibus Appropriations Act are exhausted.

A null and void clause is also added.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

We should pass this bill so people can live out their lives in dignity, not having to choose between medicine and food. Active public employees see retiree benefits as part of an economic enhancement package that also includes salaries and health care benefits, and support raising retirement benefits.

TESTIMONY AGAINST: None

TESTIFIED: Senator Saling (pro); Guz Schwartz, Retired Public Employees (pro); Lee Osmond, Retired Teachers' Association (pro); Mark Brown, Washington Federation of Public Employees (pro); Karen Davis, Washington Education Association (pro); Sam Kindle, Washington State Council of County and City Employees (pro); Bob Otterstad, Association of Washington State Patrol (pro)