
SENATE BILL 5352

State of Washington

52nd Legislature

1991 Regular Session

By Senators Saling, Bauer, Rasmussen, Moore, Nelson, Jesernig, Vognild, Madsen, Skratek, Metcalf, von Reichbauer, Gaspard, Wojahn, West, Stratton and Snyder.

Read first time January 29, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to cost-of-living allowance for certain retirees;
2 amending RCW 41.32.575 and 41.40.325; and declaring an emergency.

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

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

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

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

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

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

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

6 (e) The value obtained when the retiree's age sixty-five allowance
7 is multiplied by (~~sixty~~) seventy percent of the retiree's full
8 purchasing power ratio, to be known for the purposes of this section as
9 the "target benefit."

10 (2) Beginning with the July payment, the retiree's age sixty-five
11 allowance shall be adjusted to be equal to the retiree's target
12 benefit. In no event, however, shall the adjusted allowance:

13 (a) Be smaller than the retirement allowance received without the
14 adjustment; nor

15 (b) Differ from the previous year's allowance by more than three
16 percent.

17 (3) For members who retire after age sixty-five, the age sixty-five
18 allowance shall be the initial retirement allowance received by the
19 member.

20 (4) For beneficiaries of members who die prior to age sixty-five:

21 (a) The age sixty-five allowance shall be the allowance received by the
22 beneficiary on the date the member would have turned age sixty-five;
23 and (b) index A shall be the index for the calendar year prior to the
24 year the member would have turned age sixty-five.

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

29 (6) For the purposes of this section:

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

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

8 **Sec. 2.** RCW 41.40.325 and 1989 c 272 s 2 are each amended to read
9 as follows:

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

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

16 (b) The index for the calendar year prior to the year that the
17 retiree reached age sixty-five, to be known for purposes of this
18 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 allowance
25 is multiplied by (~~(sixty)~~) seventy percent of the retiree's full
26 purchasing power ratio, to be known for the purposes of this section as
27 the "target benefit."

1 (2) Beginning with the July payment, the retiree's age sixty-five
2 allowance shall be adjusted to be equal to the retiree's target
3 benefit. In no event, however, shall the adjusted allowance:

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

6 (b) Differ from the previous year's allowance by more than three
7 percent.

8 (3) For members who retire after age sixty-five, the age sixty-five
9 allowance shall be the initial retirement allowance received by the
10 member.

11 (4) For beneficiaries of members who die prior to age sixty-five:

12 (a) The age sixty-five allowance shall be the allowance received by the
13 beneficiary on the date the member would have turned age sixty-five;
14 and (b) index A shall be the index for the calendar year prior to the
15 year the member would have turned age sixty-five.

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

20 (6) For the purposes of this section:

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

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

28 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
29 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and shall take
2 effect immediately.