

SENATE BILL REPORT

SB 6248

As of January 27, 2004

Title: An act relating to public employees' retirement system, plan 1 and teachers' retirement system, plan 1 age and retirement requirements for receipt of the annual increase amount.

Brief Description: Providing annual increases in retirement allowances.

Sponsors: Senators Winsley, Fraser, Regala, Carlson and Keiser; by request of Select Committee on Pension Policy.

Brief History:

Committee Activity: Ways & Means: 1/21/04.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Erik Sund (786-7454)

Background: Retired members of the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) must have been retired for at least one year and be at least 66 years of age by July 1 in order to qualify for the cost of living adjustment (COLA) made to retirement allowances in that year.

Summary of Bill: The age requirements for COLA eligibility in PERS 1 and TRS 1 are changed so that a member must have been retired for at least one year by July 1 and reach age 66 by December 31 in order to be eligible for the adjustment given during that year.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2004.

Testimony For: This bill is important because many members of PERS 1 and TRS 1 retire in their fifties and under current law must wait ten or more years before receiving a cost-of-living adjustment to their retirement allowance.

Testimony Against: This bill is simply too difficult for counties to afford at this time.

Testified: Gene Forrester, Washington Senior Citizens' Lobby (pro); Ed Gonion, Washington State School Retirees' Association (pro); Bev Hermanson, Washington Federation of State Employees (pro); John Kvamme, Washington Association of School Administrators and Association of Washington School Principals (pro); Jan Leth, Washington Education Association (pro); Leslie Main, Washington State School Retirees' Association (pro); Randy Parr, Washington Education Association (pro); Cassandra de la Rosa, Retired Public Employees Council (pro); J. Pat Thompson, Washington State Council of County and City

Employees (pro); Bill Vogler, Washington Association of Washington State Association of Counties (con).