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**SENATE BILL 5350**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Senators Conway, Hasegawa, Lovick, Robinson, Wagoner, Pedersen, Keiser, Randall, Van De Wege, Liias, Cleveland, Frame, Hawkins, Holy, Hunt, Kuderer, Lovelett, Mullet, Muzzall, Nguyen, Nobles, Saldaña, Shewmake, Stanford, Trudeau, Valdez, Warnick, C. Wilson, and L. Wilson; by request of Select Committee on Pension Policy

AN ACT Relating to providing a benefit increase to certain retirees of the public employees' retirement system plan 1 and the teachers' retirement system plan 1; amending RCW 41.32.4992 and 41.40.1987; creating new sections; providing an effective date; and declaring an emergency.

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

NEW SECTION. **Sec.**  The legislature finds that beneficiaries receiving a monthly benefit from the public employees' retirement system plan 1 and the teachers' retirement system plan 1 have experienced a loss of purchasing power due to rising inflation. Certain beneficiaries do not receive annual increases; providing a one-time cost-of-living adjustment helps address beneficiaries' loss of purchasing power. An ongoing cost-of-living adjustment would provide additional protection against further loss of purchasing power, however this policy may not be affordable until required employer contribution rates towards the unfunded accrued actuarial liability are reduced or no longer required.

NEW SECTION. **Sec.**  During the 2023-2025 fiscal biennium, the select committee on pension policy will study and recommend an ongoing cost-of-living adjustment for beneficiaries of the public employees' retirement system plan 1 and the teachers' retirement system plan 1. Any recommendation must consider employer contribution rate stability and coordinate the effective date of an ongoing cost-of-living adjustment with the reduction or elimination of the unfunded accrued actuarial liability.

**Sec.**  RCW 41.32.4992 and 2022 c 52 s 1 are each amended to read as follows:

(1) Beneficiaries who are receiving a monthly benefit from the teachers' retirement system plan 1 on July 1, 2017, shall receive, effective July 1, 2018, an increase to their monthly benefit of one and one-half percent multiplied by the beneficiaries' monthly benefit, not to exceed ((~~sixty-two dollars and fifty cents~~)) $62.50.

(2) Beneficiaries who are receiving a monthly benefit from the teachers' retirement system plan 1 on July 1, 2019, shall receive, effective July 1, 2020, an increase to their monthly benefit of three percent multiplied by the beneficiaries' monthly benefit, not to exceed ((~~sixty-two dollars and fifty cents~~)) $62.50.

(3) Beneficiaries who are receiving a monthly benefit from the teachers' retirement system plan 1 on July 1, 2021, shall receive, effective July 1, 2022, an increase to their monthly benefit of three percent multiplied by the beneficiaries' monthly benefit, not to exceed ((~~one hundred ten dollars and zero cents~~)) $110.00.

(4) Beneficiaries who are receiving a monthly benefit from the teachers' retirement system plan 1 on July 1, 2022, shall receive, effective July 1, 2023, an increase to their monthly benefit of three percent multiplied by the beneficiaries' monthly benefit, not to exceed $110.00.

(5) This section does not apply to those receiving benefits pursuant to RCW 41.32.489 or 41.32.540.

**Sec.**  RCW 41.40.1987 and 2022 c 52 s 2 are each amended to read as follows:

(1) Beneficiaries who are receiving a monthly benefit from the public employees' retirement system plan 1 on July 1, 2017, shall receive, effective July 1, 2018, an increase to their monthly benefit of one and one-half percent multiplied by the beneficiaries' monthly benefit, not to exceed ((~~sixty-two dollars and fifty cents~~)) $62.50.

(2) Beneficiaries who are receiving a monthly benefit from the public employees' retirement system plan 1 on July 1, 2019, shall receive, effective July 1, 2020, an increase to their monthly benefit of three percent multiplied by the beneficiaries' monthly benefit, not to exceed ((~~sixty-two dollars and fifty cents~~)) $62.50.

(3) Beneficiaries who are receiving a monthly benefit from the public employees' retirement system plan 1 on July 1, 2021, shall receive, effective July 1, 2022, an increase to their monthly benefit of three percent multiplied by the beneficiaries' monthly benefit, not to exceed ((~~one hundred ten dollars and zero cents~~)) $110.00.

(4) Beneficiaries who are receiving a monthly benefit from the public employees' retirement system plan 1 on July 1, 2022, shall receive, effective July 1, 2023, an increase to their monthly benefit of three percent multiplied by the beneficiaries' monthly benefit, not to exceed $110.00.

(5) This section does not apply to those receiving benefits pursuant to RCW 41.40.1984.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2023.

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