S-4558.2

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SENATE BILL 6315**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 68th Legislature 2024 Regular Session**

**By** Senators Robinson, Conway, Hasegawa, Hunt, Kuderer, MacEwen, Muzzall, Pedersen, Randall, and Valdez

AN ACT Relating to benefits available to retirees of the state's retirement systems; amending RCW 41.32.4992, 41.40.1987, and 41.05.085; and adding a new section to chapter 41.05 RCW.

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

**Sec.**  RCW 41.32.4992 and 2023 c 397 s 3 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 $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 $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 $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) Beneficiaries who are receiving a monthly benefit from the teachers' retirement system plan 1 on July 1, 2023, shall receive, effective July 1, 2024, an increase to their monthly benefit of three percent multiplied by the beneficiaries' monthly benefit, not to exceed $125.00.

(6) 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 2023 c 397 s 4 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 $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 $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 $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) Beneficiaries who are receiving a monthly benefit from the public employees' retirement system plan 1 on July 1, 2023, shall receive, effective July 1, 2024, an increase to their monthly benefit of three percent multiplied by the beneficiaries' monthly benefit, not to exceed $125.00.

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

NEW SECTION. **Sec.**  A new section is added to chapter 41.05 RCW to read as follows:

Any self-insured medical plan offered as of January 1, 2025, by the public employees' benefits board to the persons described in RCW 41.05.080(1) shall apply any savings incurred when the plan is the secondary payer, after coordination of coverage with medicare, to reduce the plan's overall medical claims costs and will not record savings as a benefit reserve for the covered person to pay any allowable expenses not otherwise paid by the plan.

**Sec.**  RCW 41.05.085 and 2018 c 260 s 16 are each amended to read as follows:

(1) ((~~Beginning with the appropriations act for the 2005-2007 biennium, the~~)) The legislature shall establish as part of both the state employees' and the school and educational service district employees' insurance benefit allocation the portion of the allocation to be used to provide a ((~~prescription drug~~)) subsidy to reduce the ((~~health care~~)) medical and prescription drug insurance premium((~~s~~)) charged to retired or disabled school district and educational service district employees, or retired state employees, who are eligible for parts A and B of medicare. ((~~The legislature may also establish a separate health care subsidy to reduce insurance premiums charged to individuals who select a medicare supplemental insurance policy option established in RCW 41.05.195.~~))

(2) The amount of any premium reduction shall be established by the public employees' benefits board. The amount established shall not result in a premium reduction of more than fifty percent, except as provided in subsection (3) of this section. The public employees' benefits board may also determine the amount of any subsidy to be available to spouses and dependents.

(3) The amount of the premium reduction in subsection (2) of this section may exceed fifty percent, if the director, in consultation with the office of financial management, determines that it is necessary in order to meet eligibility requirements to participate in the federal employer incentive program as provided in RCW 41.05.068.

**--- END ---**