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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, Lias, 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

Read first time 01/12/23. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing a benefit increase to certain  
2 retirees of the public employees' retirement system plan 1 and the  
3 teachers' retirement system plan 1; amending RCW 41.32.4992 and  
4 41.40.1987; creating new sections; providing an effective date; and  
5 declaring an emergency.

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

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

18 NEW SECTION. **Sec. 2.** During the 2023-2025 fiscal biennium, the  
19 select committee on pension policy will study and recommend an  
20 ongoing cost-of-living adjustment for beneficiaries of the public

1 employees' retirement system plan 1 and the teachers' retirement  
2 system plan 1. Any recommendation must consider employer contribution  
3 rate stability and coordinate the effective date of an ongoing cost-  
4 of-living adjustment with the reduction or elimination of the  
5 unfunded accrued actuarial liability.

6 **Sec. 3.** RCW 41.32.4992 and 2022 c 52 s 1 are each amended to  
7 read as follows:

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

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

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

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

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

30 **Sec. 4.** RCW 41.40.1987 and 2022 c 52 s 2 are each amended to  
31 read as follows:

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

37 (2) Beneficiaries who are receiving a monthly benefit from the  
38 public employees' retirement system plan 1 on July 1, 2019, shall

1 receive, effective July 1, 2020, an increase to their monthly benefit  
2 of three percent multiplied by the beneficiaries' monthly benefit,  
3 not to exceed (~~sixty-two dollars and fifty cents~~) \$62.50.

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

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

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

16 NEW SECTION. **Sec. 5.** This act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of  
18 the state government and its existing public institutions, and takes  
19 effect July 1, 2023.

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