

CERTIFICATION OF ENROLLMENT

SENATE BILL 5350

Chapter 397, Laws of 2023

68th Legislature
2023 Regular Session

STATE RETIREMENT SYSTEMS—PERS 1 AND TRS 1—BENEFIT INCREASE

EFFECTIVE DATE: July 1, 2023

Passed by the Senate February 27,
2023

Yeas 48 Nays 0

DENNY HECK

President of the Senate

Passed by the House April 19, 2023

Yeas 98 Nays 0

Laurie Jinkins

**Speaker of the House of
Representatives**

Approved May 9, 2023 2:30 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5350** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

May 10, 2023

**Secretary of State
State of Washington**

SENATE BILL 5350

Passed Legislature - 2023 Regular Session

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.

Passed by the Senate February 27, 2023.
Passed by the House April 19, 2023.
Approved by the Governor May 9, 2023.
Filed in Office of Secretary of State May 10, 2023.

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