

PROPOSED RESOLUTION 1

MINIMUM BENEFIT FOR PERS PLAN ONE RETIREES

The need/necessity for this resolution is that there is a common misunderstanding about the Minimum Benefit which keeps coming up in discussions about a need for an ongoing cost of living increase for PERS Plan 1 retirees. That is, a response that the minimum benefit takes care of keeping up with inflation for the lower paid retirees.

Whereas, there is a common belief that the Minimum Benefit fills the need to make up for the loss of value due to inflation of the retirement benefit especially and particularly for those whose earnings during employment were at the lower salary ranges, as well as those who for health or other reasons were required to retire at a very young age, which it does not; and

Whereas, this assumption or belief has been brought up when we have been working to obtain an on-going or permanent COLA for PERS One retirees, that the Minimum Benefit covers those whose need is greatest; and

Whereas, under RCW 41.40.1984, circa 2011, the Minimum Benefit was changed to a base of \$1,500 with a permanent 3% COLA with a stipulation that the retiree meet the requirement of being retired for 20 years and have service of 25 years or be retired 25 years with 20 years of service, and may result in retirees being very old before they are eligible for the minimum benefit; and

Whereas, in an earlier form, the Minimum Benefit applied to retirees at or over the age of 70; and

Whereas, the policy of RPEC continues to be to work for a permanent COLA for everyone in PERS Plan 1 and our motions to the SCPP have not resulted in their support.

Therefore be it resolved, that the Retired Public Employees Council of Washington make a concerted effort to inform/educate its leaders and members as well as the State Legislators of the inadequacy of the Minimum Benefit, in that you might be over 80 years of age before eligible;

Be it further resolved, that RPEC ask the Legislature to do a study and bring back recommendations for improving the Minimum Benefit.

Be it further resolved, that it be the goal of RPEC to make the Minimum Benefit an adequate benefit, retaining the 3% COLA and the present floor of about \$2,017, available to those at or over the age of 70, who had 25 years of service without a requirement for a certain number of years retired.

Submitted by Chapter 13 on June 9, 2022

Gail Spaeth, President

Committee Assignment: Legislative Committee

Committee Recommendation: **Concur as Amended**

Convention Action: **Passed**