

HB 2391 - H AMD 869

By Representative Chase

WITHDRAWN 4/21/2007

1 On page 9, after line 10, insert the following:

2 "NEW SECTION. **Sec. 6.** A new section is added to chapter 41.34
3 RCW to read as follows:

4 (1) On July 1 of 2008, and each year thereafter, the member
5 account of each member or retiree of the public employees'
6 retirement system plan 3, the school employees' retirement system
7 plan 3, or the teachers' retirement system plan 3 who first became
8 employed by an employer before July 1, 2007, shall be credited with
9 an employer contribution equal to ten dollars for each year of
10 service credit earned.

11 (2) The amount credited to each school employees' retirement
12 system plan 3 account in subsection (1) of this section shall be
13 transferred from the school employees' retirement system plan 2 and
14 3 fund.

15 (3) The additional contributions to member accounts in this
16 section were intended by the legislature as replacement benefits
17 for gain-sharing. Until there is legal certainty with respect to
18 the repeal of chapter 41.31A RCW, the right to receive these
19 additional contribution amounts is noncontractual, and the
20 legislature reserves the right to amend or repeal this section.
21 Legal certainty includes, but is not limited to, the expiration of
22 any: Applicable limitations on actions; and periods of time for
23 seeking appellate review, up to and including reconsideration by
24 the Washington supreme court and the supreme court of the United
25 States. Until that time, eligible members may still receive
26 additional contributions under this section, and upon each receipt
27 of a July 1 distribution under this section that distribution
28 becomes contractual for the recipient. If the repeal of chapter
29 41.31A is held to be invalid in a final determination of a court of
30 law, and the court orders reinstatement of gain-sharing or other

1 alternative benefits as a remedy, then the additional contributions
2 to member accounts under this section shall cease."

3 Renumber the remaining sections, correct any internal cross-
4 references accordingly, and correct the title

5 On page 18, after line 10, insert the following:

6 "**Sec. 12.** RCW 41.45.061 and 2004 c 242 s 40 are each amended
7 to read as follows:

8 (1) The required contribution rate for members of the plan 2
9 teachers' retirement system shall be fixed at the rates in effect
10 on July 1, 1996, subject to the following:

11 (a) Beginning September 1, 1997, except as provided in (b) of
12 this subsection, the employee contribution rate shall not exceed
13 the employer plan 2 and 3 rates adopted under RCW 41.45.060,
14 *41.45.054, and 41.45.070 for the teachers' retirement system;

15 (b) In addition, the employee contribution rate for plan 2
16 shall be increased by fifty percent of the contribution rate
17 increase caused by any plan 2 benefit increase passed after July 1,
18 1996;

19 (c) In addition, the employee contribution rate for plan 2
20 shall not be increased as a result of any distributions pursuant to
21 section 309, chapter 341, Laws of 1998 and RCW 41.31A.020 or
22 section 6 of this act.

23 (2) The required contribution rate for members of the school
24 employees' retirement system plan 2 shall equal the school
25 employees' retirement system employer plan 2 and 3 contribution
26 rate adopted under RCW 41.45.060, *41.45.054, and 41.45.070, except
27 as provided in subsection (3) of this section.

28 (3) The member contribution rate for the school employees'
29 retirement system plan 2 shall be increased by fifty percent of the
30 contribution rate increase caused by any plan 2 benefit increase
31 passed after September 1, 2000.

32 (4) The required contribution rate for members of the public
33 employees' retirement system plan 2 shall be set at the same rate
34 as the employer combined plan 2 and plan 3 rate.

1 (5) The required contribution rate for members of the law
2 enforcement officers' and fire fighters' retirement system plan 2
3 shall be set at fifty percent of the cost of the retirement system.

4 (6) The employee contribution rates for plan 2 under
5 subsections (3) and (4) of this section shall not include any
6 increase as a result of any distributions pursuant to RCW
7 41.31A.020 (~~and~~), 41.31A.030, and section 6 of this act.

8 (7) The required plan 2 and 3 contribution rates for employers
9 shall be adopted in the manner described in RCW 41.45.060,
10 *41.45.054, and 41.45.070.

11 (8) The required contribution rate for members of the public
12 safety employees' retirement system plan 2 shall be set at fifty
13 percent of the cost of the retirement system."

14 Renumber the remaining sections, correct any internal cross-
15 references accordingly, and correct the title.

EFFECT: Provides that members and retirees of the Public Employees', School Employees', or Teachers' Retirement System Plans 3 that joined the plan before July 1, 2007 will receive a \$10 per year of service distribution from the Plan 2/3 retirement fund to their member account on July 1, 2008, and each year thereafter. In the event that the repeal of gain-sharing is invalidated by the courts, distributions of the \$10 per year of service benefits will cease, and prior to the expiration of periods of limitations on actions and appeals, the benefits are not a contractual right. These distributions shall not increase the employee contribution rates in the School Employees' Retirement System Plan 2.