

SENATE BILL REPORT

SSB 5174

As Amended by House, April 4, 2007

Title: An act relating to corrections in the public retirement systems.

Brief Description: Making corrections in the public retirement systems.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Pridemore and Schoesler; by request of Select Committee on Pension Policy).

Brief History:

Committee Activity: Ways & Means: 1/18/07, 1/30/07 [DPS].

Passed Senate: 3/06/07, 48-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5174 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Erik Sund (786-7454)

Background: The Public Employees', Teachers', School Employees', and Public Safety Employees' Retirement Systems (PERS, TRS, SERS, and PSERS) provide pension benefits for a variety of state and local government employees.

The vesting requirements in Plan 3 of PERS, TRS, and SERS were modified by Chapter 33, Laws of 2006.

An enhanced benefit program for judges and justices was created by Chapter 189, Laws of 2006.

Summary of Substitute Bill: Erroneously omitted references to PSERS and SERS are added to a number of related statutes. The sections governing gain-sharing benefits in Plan 3 of PERS, TRS, and SERS are updated to reflect the new vesting requirements. TRS Plan 1 contribution rates are specified for judges who opt into the enhanced benefit program.

The 2000 Legislative Act that suspended employer and member contributions of plan 1 of the Law Enforcement Officers' and Fire Fighters' (LEOFF) retirement system is affirmed.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.

House Amendment(s): Members of Plan 1 of the Teachers' Retirement System (TRS 1) who have between ten and 20 years of service and who are employed by the Public School Employees (PSE) of Washington may enroll in Plan 1 of the Public Employees' Retirement System (PERS 1). The amount of service credit that a member must earn in Plan 2 or Plan 3 of the Teachers' Retirement System (TRS 2 or TRS 3) before becoming eligible to purchase service credit for time spent teaching in another state is reduced from five years to two years.