
SENATE BILL 6046

State of Washington

61st Legislature

2009 Regular Session

By Senator Zarelli

Read first time 02/18/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to preserving the fully funded status of certain
2 closed plans within the state retirement systems; amending RCW
3 43.33A.110; and adding a new section to chapter 41.45 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.45 RCW
6 to read as follows:

7 (1) In actuarial valuation reports for plan 1 of the public
8 employees' retirement system, plan 1 of the teachers' retirement
9 system, and plan 1 of the law enforcement officers' and firefighters'
10 retirement system, the state actuary shall report the funded status of
11 each plan on a market value basis, using the ratio of the market value
12 of assets to the market value of liabilities. The state actuary shall
13 measure the market value of liabilities as if all of the plan's
14 projected obligations were settled on the valuation date.

15 (2) When the state actuary determines that any plan listed in
16 subsection (1) of this section has become fully funded on a market
17 value basis, he or she shall:

18 (a) Notify the state investment board; and

1 (b) Make recommendations to the council regarding any new methods
2 or assumptions for the plan. Any changes adopted by the council shall
3 be subject to revision by the legislature.

4 **Sec. 2.** RCW 43.33A.110 and 1994 c 154 s 310 are each amended to
5 read as follows:

6 The state investment board may make appropriate rules and
7 regulations for the performance of its duties. The board shall
8 establish investment policies and procedures designed exclusively to
9 maximize return at a prudent level of risk. However, in the case of
10 the department of labor and industries' accident, medical aid, and
11 reserve funds, the board shall establish investment policies and
12 procedures designed to attempt to limit fluctuations in industrial
13 insurance premiums and, subject to this purpose, to maximize return at
14 a prudent level of risk; and when any plan listed in section 1 of this
15 act becomes fully funded on a market value basis as determined by the
16 state actuary, the board shall establish investment policies and
17 procedures designed to preserve the fully funded status of the plan
18 and, subject to this purpose, to maximize return at a prudent level of
19 risk. The board shall adopt rules to ensure that its members perform
20 their functions in compliance with chapter 42.52 RCW. Rules adopted by
21 the board shall be adopted pursuant to chapter 34.05 RCW.

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