

CERTIFICATION OF ENROLLMENT

SENATE BILL 6321

Chapter 95, Laws of 2014

63rd Legislature
2014 Regular Session

PUBLIC EMPLOYEES--RETIREMENT--CONTRIBUTION RATE OPTIONS

EFFECTIVE DATE: 06/12/14

Passed by the Senate February 13, 2014
YEAS 49 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House March 7, 2014
YEAS 95 NAYS 3

FRANK CHOPP

Speaker of the House of Representatives

Approved March 27, 2014, 10:54 a.m.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 6321** as passed by the Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

March 27, 2014

**Secretary of State
State of Washington**

SENATE BILL 6321

Passed Legislature - 2014 Regular Session

State of Washington 63rd Legislature 2014 Regular Session

By Senators Bailey and Conway; by request of Select Committee on Pension Policy

Read first time 01/21/14. Referred to Committee on Ways & Means.

1 AN ACT Relating to removing the statutory provision that allows
2 members of plan 3 of the public employees' retirement system, school
3 employees' retirement system, and teachers' retirement system to select
4 a new contribution rate option each year; and amending RCW 41.34.040.

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

6 **Sec. 1.** RCW 41.34.040 and 2010 1st sp.s. c 7 s 32 are each amended
7 to read as follows:

8 (1) A member shall contribute from his or her compensation
9 according to one of the following rate structures in addition to the
10 mandatory minimum five percent:

| | | |
|----|------------------|-------------------|
| 11 | Option A | Contribution Rate |
| 12 | All Ages | 0.0% fixed |
| 13 | Option B | |
| 14 | Up to Age 35 | 0.0% |
| 15 | Age 35 to 44 | 1.0% |
| 16 | Age 45 and above | 2.5% |

| | | |
|----|------------------|-------|
| 1 | Option C | |
| 2 | Up to Age 35 | 1.0% |
| 3 | Age 35 to 44 | 2.5% |
| 4 | Age 45 and above | 3.5% |
| 5 | Option D | |
| 6 | All Ages | 2.0% |
| 7 | Option E | |
| 8 | All Ages | 5.0% |
| 9 | Option F | |
| 10 | All Ages | 10.0% |

11 (2) The department shall have the right to offer contribution rate
12 options in addition to those listed in subsection (1) of this section,
13 provided that no significant additional administrative costs are
14 created. All options offered by the department shall conform to the
15 requirements stated in subsections (3) and (5) of this section.

16 (3)(a) For members of the teachers' retirement system entering plan
17 3 under RCW 41.32.835 or members of the school employees' retirement
18 system entering plan 3 under RCW 41.35.610, within ninety days of
19 becoming a member he or she has an option to choose one of the above
20 contribution rate structures. If the member does not select an option
21 within the ninety-day period, he or she shall be assigned option A.

22 (b) For members of the public employees' retirement system entering
23 plan 3 under RCW 41.40.785, within the ninety days described in RCW
24 41.40.785 an employee who irrevocably chooses plan 3 shall select one
25 of the above contribution rate structures. If the member does not
26 select an option within the ninety-day period, he or she shall be
27 assigned option A.

28 (c) For members of the teachers' retirement system transferring to
29 plan 3 under RCW 41.32.817, members of the school employees' retirement
30 system transferring to plan 3 under RCW 41.35.510, or members of the
31 public employees' retirement system transferring to plan 3 under RCW
32 41.40.795, upon election to plan 3 he or she must choose one of the
33 above contribution rate structures.

34 (d) Within ninety days of the date that an employee changes
35 employers, he or she has an option to choose one of the above
36 contribution rate structures. If the member does not select an option
37 within this ninety-day period, he or she shall be assigned option A.

1 (4) Each year, through January of 2015, members of plan 3 of the
2 teachers' retirement system may change their contribution rate option
3 by notifying their employer in writing during the month of January.
4 After January of 2015, a member of plan 3 of the teachers' retirement
5 system may only change their contribution rate option under subsection
6 (3)(d) of this section. The termination of this annual contribution
7 rate change option in January 2015 is required to meet the plan
8 qualification requirements in section 401(a) of the internal revenue
9 code. Consistent with plan qualification requirements in the internal
10 revenue code, this annual contribution rate change has never been
11 available to plan 3 members of the public employees' retirement system
12 and the school employees' retirement system.

13 (5) Contributions shall begin the first day of the pay cycle in
14 which the rate option is made, or the first day of the pay cycle in
15 which the end of the ninety-day period occurs.

Passed by the Senate February 13, 2014.

Passed by the House March 7, 2014.

Approved by the Governor March 27, 2014.

Filed in Office of Secretary of State March 27, 2014.