

Highlighted Pension Bills Impacting State Administered Retirement Systems

Brief Title	Bill	Requested by / Sponsor	Brief Description ¹	Cost (\$ in millions)	Immediate Rate Impact? ²	Status as of April 27 ³
<i>Bills That Passed The Legislature</i>						
Definition of State Employee	<u>EHB 2771</u> <u>SB 6584</u>	Pettigrew/Fraser	Clarifies definition of state employee for pension purposes.	\$0.0	No	Gov signed, C 236 L 12
WSPRS Service Credit Transfer (CVEO&CO)+	<u>ESB 5159</u> <u>HB 1260</u>	SCPP Bailey/Schoesler	Allows certain troopers to transfer prior PERS 2 service as a Commercial Vehicle Enforcement or Communications Officer into WSPRS.	\$0.0	No	Gov signed, C 22 L 12
LEOFF 2 Service Credit Transfer (FWEO)	<u>SB 6134</u> <u>HB 2418</u>	Delvin/Hinkle	Allows the transfer to LEOFF of prior PERS service as a Fish and Wildlife Enforcement Officer to occur two years earlier than under current law.	\$0.4	No	Gov signed, C 248 L 12
Subsidized Early Retirement (PERS, TRS & SERS), Economic Assumptions, and SCPP Study	<u>2ESB 6378</u>	Zarelli	Revising subsidized early retirement for new hires in PERS, TRS, and SERS, lowering rate-of-return assumptions, and requiring the SCPP to study high risk job classes and early retirement factors.	Not Available	Not Available	Del to Gov

**Key: * = Administrative Impact for OSA + = Reintroduced from 2011 Session Cost = 25-Year Total Employer Cost
Ind. = Indeterminate Not Available = Actuarial Fiscal note not completed**

¹Description applies to the latest version of the bill.

²The cost of the bill is sufficient under current actuarial methods to result in an additional contribution rate being collected in the 2011-13 Biennium.

³Does not account for movement a bill may have made in the previous session.

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<i>Bills That Did Not Pass The Legislature</i>						
Mandatory Retirement for Judges (District)	<u>HB 2300</u>	Goodman	Modifies the mandatory retirement age for district judges.	Ind.	No	Not heard in House
LEOFF Merger	<u>HB 2350*</u>	Sullivan	Merges LEOFF 1 and 2; modifies plan governance and funding policy; sets contribution rates for 2011-13.	(\$76.5)	Yes	Not heard in House
Excess Compensation	<u>HB 2441</u>	Bailey	Expands the definition of excess compensation include reportable compensation exceeding one and one-half times a base salary amount.	Ind.	No	Passed House & Senate W&M
WSPRS Contribution Rate	<u>HB 2467</u> <u>SB 6219</u>	Clibborn/ Haugen	Establishes an ongoing member contribution rate for WSPRS at 7 percent, plus half the cost of any future benefit improvements.	(\$3.9)	Yes	HB not heard in House SB heard in Senate Transportation
Mandatory Retirement for Judges (JRS)+	<u>SB 5323</u>	Shin	Modifies the mandatory retirement age for judges.	Ind.	No	Heard in Senate Judiciary
Subsidized early retirement (PERS, TRS, & SERS) and SCPP Study	<u>HB 2825</u>	Hunter	Removes eligibility for 2008 early retirement factors for new hires, and requires the SCPP to study job classifications with high degrees of physical risk.	(\$421.6)		Heard in H W&M

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Plan 2/3 Overtime	<u>SB 6543*</u>	Tom	Excludes overtime (OT) from earnable compensation for most new hires; establishes an employer contribution rate on OT for current members.	Ind.	No	Heard in Senate W&M
LEOFF Merger	<u>SB 6563*</u>	Brown	Merges LEOFF 1 and 2; modifies plan governance and funding policy; sets contribution rates for 2011-13.	(\$76.5)	Yes	Heard in Senate W&M
TRS Retirement Incentive	<u>SB 6577</u>	Brown	Provides a health insurance subsidy as a retirement incentive for certain teachers.	\$27.6	No	Heard in Senate W&M
Mandatory Retirement for Judges (Constitutional Amendment)+	<u>SJR 8204</u> <u>HJR 4203</u>	Hargrove/ Moeller	Removes the mandatory retirement age for supreme and superior court judges from the state constitution.	\$0.0	No	SJR heard in Senate Judiciary HJR not heard in House

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Other Pension And Non-Pension Bills of Interest ¹				
Brief Title	Bill	Requested by / Sponsor	Brief Description ²	Status as of April 27 ³
<i>Bills That Passed The Legislature</i>				
Investment of State Funds	<u>EHB 2620</u>	Treasurer/Hunter	Transfers investment authority from WSIB to OST for the Pension Funding Stabilization Account and the Judicial Retirement System Account.	Gov signed, C 187 L 12
Volunteer Fire Purchase of Service Credit+	<u>SB 5365</u>	Nelson	Allows members of VFFRPF to purchase service credit at full actuarial cost for certain periods of prior service.	Gov signed, C 239 L 12
Marriage and Domestic Partnerships	<u>ESSB 6239</u> <u>SHB 2516</u>	Governor Murray/Pederson	Modifies civil marriage and domestic partnership statutes.	Gov. Signed, C 3 L 12
Nonstate pension Plans+	<u>SB 5950</u>	Roach	Regulates nonstate pension plans offered by towns.	Gov signed, C 240 L 12
Pension Garnishment	<u>HB 1552</u>	Goodman	Prohibits garnishment of public pensions when in possession of the person or deposited in a bank account.	Gov signed, C 159, L 2012
Supplemental operating budget	<u>ESHB 2127</u>	Hunter	Making 2011-2013 fiscal biennium supplemental operating appropriations. Section 606 requires WSIPP to study benefits provided in public pension plans.	Del to Gov

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Other Pension And Non-Pension Bills of Interest ¹				
Brief Title	Bill	Requested by / Sponsor	Brief Description ²	Status as of April 27 ³
<i>Bills That Did Not Pass The Legislature</i>				
DNR enforcement authority	<u>HB 2472</u> <u>SB 6225</u>	Stanford/Kline	Makes the Dept. of Natural Resources a general authority law enforcement agency.	HB heard in House Pub. Safety SB not heard in Senate
Income Tax (Flat-Rate)	<u>HB 2486</u> <u>SB 6550</u>	Reykdal/Frockt	Establishes flat-rate state income tax and makes other changes to state taxes.	HB not heard in House SB not heard in Senate
City Disability Boards	<u>HB 2697</u> <u>SB 6459</u>	Ormsby/Conway	Allows police officers to serve in the place of firefighters on LEOFF 1 disability boards under certain circumstances.	HB passed House & Senate Gov. Ops. SB passed Gov. Ops.
SCPP Membership	<u>HB 2738*</u>	Bailey	Requires one member of the select committee on pension policy to be a plan administrator representing a HERP sponsor.	Passed House & heard in Senate W&M
Teacher Salary Bonus	<u>HB 2804</u>	OFM/Haigh	Reduces annual bonuses for teachers certified by the National Board for Professional Teaching Standards.	Heard in House W&M

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<i>Bills That Did Not Pass The Legislature</i>				
Income Tax (Graduated)	<u>SB 6495</u>	Chase	Establishes a graduated state income tax and makes other changes to state taxes.	Not heard in Senate
Income Tax (High Earners)	<u>SB 6548</u>	Kohl-Welles	Establishes a state income tax on "high income earners."	Not heard in Senate

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Glossary

PERS: Public Employees' Retirement System.

TRS: Teachers' Retirement System.

SERS: School Employees' Retirement System.

PSERS: Public Safety Employees' Retirement System.

LEOFF: Law Enforcement Officers' and Fire Fighters'.

WSPRS: Washington State Patrol Retirement System.

AFC: Average Final Compensation.

COLA: Cost-of-Living Adjustment.

DRS: Department of Retirement Systems.

HERP: Higher Education Retirement Plan.

HB: House Bill.

L&I: Department of Labor and Industries.

LCCP: Committee on Labor, Commerce, and Consumer Protection.

LWD: Committee on Labor and Workforce Development.

OSA: Office of the State Actuary.

OST: Office of the State Treasurer

SB: Senate Bill.

VFFRPF: Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund

W&M: Committee on Ways and Means.

WSIB: Washington State Investment Board