

PSERS Membership

EHB 1923: PSERS Expansion For Certain Corrections And DSHS Employees

Bill Provisions

EHB 1923 has three main provisions:

- ❖ Expanding the Public Safety Employees' Retirement System (PSERS) statutory definition of employer.
- ❖ Defining membership for the Department of Social and Health Services (DSHS) and certain Corrections employees.
- ❖ Creating a new study for the Office of the State Actuary (OSA).

PSERS Employer Definition

Under this bill, DSHS is added to the statutory definition of a PSERS employer.

PSERS Member Eligibility And Transfer Options

The membership definition is expanded for DSHS employees and certain Corrections employees whose primary responsibility is to provide direct care to, or ensure the custody and safety of, offender and patient populations.

DSHS employees must also complete defensive tactics training or de-escalation training and be employed by one of the following institutions or centers to be eligible for PSERS:

- ❖ Juvenile Rehabilitation Administration.
- ❖ Mental health hospitals.
- ❖ Child Study and Treatment Center.
- ❖ Special Commitment Center.
- ❖ Institutions or residential sites that serve developmentally disabled patients or offenders.

Current DSHS and Corrections employees who are eligible for PSERS membership under this bill have the option of transferring from PERS Plan 2 or Plan 3 to PSERS. An optional transfer window of two months is given to eligible members under this bill. If an eligible member transfers they will then become dual members and their PSERS membership will be prospective from the date of their election to transfer. Existing members of the Public Employees' Retirement System (PERS) who have previously had the opportunity to transfer to PSERS but elected to continue PERS membership are

not eligible for transfer under this bill. All new hires who are eligible under this bill and hired after the effective date will become members of PSERS.

OSA Study

OSA, with the assistance of the Department of Retirement Systems (DRS), shall study changes in PSERS employers and membership since the plan's inception. OSA must also assess the policy objectives that drove the creation of PSERS and any changes that have been made since the creation of the plan. The report shall be submitted to the fiscal committees of the Legislature.

Fiscal Impact

See actuarial fiscal note for full details.

Impact on Contribution Rates (Effective 09/01/2013)		
2013-2015 State Budget	PERS	PSERS
Employee (Plan 2)	0.00%	0.50%
Total Employer	0.00%	0.50%

Budget Impacts			
(Dollars in Millions)	2013-2015	2015-2017	25-Year
General Fund-State	\$4.8	\$2.9	\$71.0
Local Government	\$0.9	(\$0.9)	(\$5.7)
Total Employer	\$7.4	\$2.1	\$92.4

Note: We use long-term assumptions to produce our short-term budget impacts. Therefore, our short-term budget impacts will likely vary from estimates produced from other short-term budget models.

Legislative Action

This bill passed the House floor (94 yeas; 3 nays), but received no action in the Senate.

Additional Materials

1. EHB 1923 Bill
2. EHB 1923 Actuarial Fiscal Note

Staff Contact

Devon Nichols
Policy Analyst
360.786.6145
devon.nichols@leg.wa.gov

O:\SCPP\2013\10-15-13_Full\6.PSERS_EHB_1923_Bill_Summary.docx