

2013 Interim Work History*

**No SCPP Meeting Scheduled for August*

Click on the underlined meeting month to go to its meeting materials page.

July

Election of Officers
 2013 Legislative Session Highlights
 DRS Report on LEOFF 1 Investigation
 LEOFF 2 Board Update
 DRS CEM Benchmarking Update
 OSA Update
 2013 OSA/SCPP Statutory Work

September

State Actuary's Recommendations on Long-Term Economic Assumptions
 Retire-Rehire Corrections
 TRS 3 Member Rate Flexibility
 PSERS Study Update

October

Preliminary 2014 Meeting Dates
 LEOFF 2 Board Update
 Recommendation to PFC on Long-Term Economic Assumptions
 TRS Plan 3 Qualification (Member Rate Flexibility)
 PSERS Membership
 Educational Session: GASB and Moody's Pension Reporting Changes

November

OST Update on Impacts from GASB & Moody's
 WSIB Update
 Update on Pension Funding Council
 Educational Session: Plan Design
 PSERS Membership: HR Practices for Managing Job Risk
 PSERS Membership: EHB 1923

December

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2013 SCPP Interim Recommendations*

Issues Considered With Recommendation

Retire-Rehire Correction

[HB 1226](#)

Restore the prior policy for specific PERS return-to-work rules as follows:

[SB 5633](#)

- ❖ Reapply the 867-hour option to PERS retirees who return-to-work in positions covered by other DRS-administered retirement systems.
- ❖ State that the return-to-work rules only apply to retirees hired into eligible positions.

TRS 3 Member Rate Flexibility

[Bill Draft](#)

Remove the member rate flexibility provision from statute for PERS 3, TRS 3, and SERS 3.

Recommendation to the Pension Funding Council

[Letter](#)

Adopt the State Actuary's recommended long-term investment return assumption of 7.5 percent by extending the current phase-in.

**For more details visit the [Recommendations](#) page of the SCPP website, which contains additional links to meeting materials during the 2013 Interim.*

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Highlighted Pension Bills Impacting State Administered Retirement Systems

Bills That Passed The Legislature						
Brief Title	Bill	Requested by / Sponsor	Brief Description ¹	Cost (In Millions)	Immediate Rate Impact? ²	Status as of July 11, 2013
Volunteer firefighters & reserve officers duty death benefits	<u>SHB 1180</u>	Scott	Increases death benefits for volunteer firefighters and reserve officers.	\$0.00	No	Gov. Signed, C 100 L 13
Mandatory retirement for district judges	<u>SB 5046</u> <u>HB 1266</u>	Padden Rodney	Modifies the mandatory retirement provision for district judges, allowing a judge to serve the remainder of their term upon attaining age 75.	Ind.	No	Gov. Signed, C 22 L 13
Bills That Did Not Pass The Legislature						
Volunteer fire department chaplain membership	<u>HB 1120</u>	Van De Wege	Grants volunteer fire department and law enforcement chaplains membership in the volunteer firefighters' and reserve officers' retirement system.	Ind.	No	Heard in H APPS
PERS/Retire-Rehire	<u>HB 1226</u> <u>SB 5633</u>	Ormsby Conway SCPP	Addresses the restrictions on collecting a pension in PERS for retirees returning to work in an ineligible position or a position covered by another state retirement system.	Immaterial	No	HB passed APPS SB Passed WM

Key: * = Administrative Impact for OSA
Ind. = Indeterminate

Cost = 25-Year Total Employer Cost
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 2013-15 Biennium.

Brief Title	Bill	Requested by / Sponsor	Brief Description ¹	Cost (In Millions)	Immediate Rate Impact? ²	Status as of July 11, 2013
School administrators early retirement eligibility	HB 1610	Hunt	Modifies provisions relating to the calculation of service credit for school administrators for earlier access to certain subsidized alternate early retirement eligibility.	Ind.	No	HB not heard in House
	SB 5512	Conway				SB not heard in Senate
Rule of 85	HB 1665	Hunt	Provides retirement benefits at earlier ages in the plans 2 and 3 of PERS, TRS, and SERS.	Not Available	Not Available	Not heard
Plan 3 5-year vesting	HB 1666	Reykdal	Provides for vesting after five years of service in the defined benefit portion of PERS, SERS, and TRS plan 3.	Not Available	Not Available	HB not heard in House
	SB 5652	Roach				SB not heard in Senate
Retire-rehire (gain sharing ERF)	HB 1667	Moscoso	Revises postretirement employment provisions by removing the prohibition on postretirement employment for retirees under the 2008 early retirement factors (ERFs).	Not Available	Not Available	HB not heard in House
	SB 5651	McAuliffe				SB not heard in Senate
Average salary/pension purposes	HB 1820	Bergquist	Addresses the average salary, for the pension purposes of state and local government employees, as certified by their employer.	Not Available	Not Available	Not heard
Natural resource investigators/ LEOFF 2	HB 1849	Klippert	Merges the enforcement agencies of the Department of Natural Resources with the Department of Fish & Wildlife. The eligible DNR personnel are declared Fish & Wildlife Officers and enter into LEOFF membership	Not Available	Not Available	Not heard

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Definition of salary in WSPRS	HB 1904	Hope	Addresses police services for projects involving state highway routes and public safety services with regard to agreements between the WSP, DOT, and other government agencies.	Not Available	Not Available	HB not heard in House
	SB 5832	Brown				SB not heard in Senate
School employee service workers benefit multiplier	HB 1913	Ormsby	Increases the multiplier used to calculate retirement benefits for certain classified school employees employed as service workers	Ind.	No	HB heard in H APPS
	SB 5827	Chase				SB not heard in Senate
School employee service workers ERFs	HB 1914	Ormsby	Reinstates repealed early retirement benefits for certain classified school employees employed as service workers.	\$21.4	No	HB not heard in House
	SB 5830	Chase				SB not heard in Senate
PSERS Expansion/ Corrections, DSHS*	EHB 1923	Ormsby	Expands membership in PSERS for employees at city and county corrections departments, public corrections entities, the department of corrections, and the department of social and health services who provide direct care to, or ensure the custody and safety of, offender and patient populations. Requires OSA to study the change in covered employers and members of PSERS between the plan's inception and current law.	\$92.4	Yes	HB passed House floor
	SB 5781	Hobbs				SB not heard in Senate
PSERS Expansion/ Trades people at PUDs	HB 1929	Ormsby	Expands membership in PSERS for qualified trades people at public utility districts.	Ind.	No	Heard in H APPS
Unlimited retire-rehire	HB 1933	Ormsby	Removes postretirement employment restrictions in PERS and TRS.	Not Available	Not Available	Not heard in House

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Brief Title	Bill	Requested by / Sponsor	Brief Description ¹	Cost (In Millions)	Immediate Rate Impact? ²	Status as of July 11, 2013
Unlimited retire-rehire	<u>HB 1933</u>	Ormsby	Removes postretirement employment restrictions in PERS and TRS.	Not Available	Not Available	Not heard in House
State retirement systems missed contribution*	<u>SHB 2018</u>	Hunter	Addresses additional contribution rates for contributions made after the date the service is rendered for individual employers of the state retirement systems.	Ind.	No	Passed House floor
County Auditor retire-rehire	<u>SB 5383</u>	Benton	Removes a restriction on collecting a pension in PERS for retirees returning to work in an elections division of a county auditor's office.	Immaterial	No	Heard in Senate WM
Excess Compensation	<u>SB 5392</u>	Bailey	Limits the impact of excess compensation on state retirement system contribution rates.	Ind.	No	Passed Senate WM
Optional defined contribution plan	<u>ESSB 5851</u>	Bailey	Creates a defined contribution retirement plan option for newly hired public employees.	(\$436.2)	No	Passed Senate floor
PSERS Expansion/ Trades people at PUDs	<u>SB 5853</u>	Conway	Expands membership in PSERS for qualified trades people at qualified public utility districts.	Ind.	No	Not heard in Senate
Mandatory defined contribution plan	<u>SB 5856</u>	Tom	Creates a mandatory defined contribution retirement plan for public employees first hired on or after July 1, 2014 and for all current members who are under age 45 as of July 1, 2014.	Ind.	No	Heard in Senate WM

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Brief Title	Bill	Requested by / Sponsor	Brief Description ¹	Cost (In Millions)	Immediate Rate Impact? ²	Status as of July 11, 2013
Excess compensation/ LEOFF 1 benefits*	<u>SB 5916</u>	Bailey	Addresses the administration of public retirement plans by expanding the definition of excess compensation, creating a voluntary local government risk pool for LEOFF 1 retiree medical benefits, providing employers and employees a right to appeal any disability board determination to DRS, and requiring DRS to review compensation increases for LEOFF 1 retirees.	Ind.	No	Passed Senate WM

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Other Pension And Non-Pension Bills Of Interest¹

Bills That Passed The Legislature				
Brief Title	Bill	Requested by / Sponsor	Brief Description²	Status as of July 11, 2013
Disabled LEOFF Plan 2 members.	<u>SHB 1868</u>	Freeman	Provides access to health insurance for certain LEOFF 2 members who are catastrophically disabled in the line of duty.	Gov. Signed, C 287 L 13
	<u>SB 5698</u>	Eide		
Bills That Did Not Pass The Legislature				
Service credit for debt collectors	<u>HB 1123</u>	Hurst	Requires state agencies to use private collection agencies for debt collection services.	Heard in H Gov. Accountability & Oversight
Natural resource investigators	<u>ESHB 1399</u>	Stanford	Gives general law enforcement authority to natural resource investigators.	Passed House floor
PEBB employee benefits	<u>HB 1587</u>	Cody Keiser	Modifies state HCA provisions with regard to benefits for public employees.	HB Passed Senate HEA
	<u>SB 5542</u>	Health Care Authority/ LEOFF 2 Board		SB not head in Senate

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²Description applies to the latest version of the bill.

Brief Title	Bill	Requested by / Sponsor	Brief Description ²	Status as of July 11, 2013
Retirement/plan 2 members	HB 1668	Cody	Allows certain separated plan 2 members of the retirement systems to participate in insurance plans and contracts.	HB heard in H APPS
	SB 5650	Keiser		SB not heard in Senate
Local government retiree PEBB access	HB 1741	Cody	Requires a county, municipality, or political subdivision to make an application on behalf of a retiree who requests participation in an insurance or self-insurance program administered under the HCA.	HB not heard in House
	SB 5654	Fraser		SB not heard in Senate
State park rangers	SHB 1875	Moscoso	Makes the Parks & Recreation Commission a general authority Washington law enforcement agency.	Heard in H APPS Sub General Gov.
Liquor control board enforcement officers	SHB 1876	Moscoso	Makes the Liquor Control Board a general authority Washington law enforcement agency.	Heard in H APPS Sub General Gov.
Firefighters & reserve officers support volunteers	HB 1905	Riccelli	Allows support volunteers for the volunteer firefighters' and relief officers' relief pension system to receive relief benefits.	Not heard
Graduated income tax	SB 5166	Chase	Establishes a state income tax. Reduces the state sales tax.	Heard in Senate WM

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Glossary

AFC: Average Final Compensation.

APPS: Committee on Appropriations

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.

LEOFF: Law Enforcement Officers' and Fire Fighters'.

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

PERS: Public Employees' Retirement System.

PSERS: Public Safety Employees' Retirement System.

SB: Senate Bill.

SERS: School Employees' Retirement System.

TRS: Teachers' Retirement System.

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

W&M: Committee on Ways and Means.

WSIB: Washington State Investment Board

WSPRS: Washington State Patrol Retirement System.