

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 April 15, 2014 ³
Definition Of Firefighter	HB 2456 SB 6325	LEOFF 2 Board Gregerson/Fain	Corrects an expiration date of the definition of firefighter.	\$0.0	No	Gov. Signed, C 145 L 14
LEOFF Life Annuity Benefit	SB 6201 HB 2577	LEOFF 2 Board Hasegawa/Van De Wege	Authorizes LEOFF Plan 2 members to purchase an optional actuarially equivalent life annuity benefit from the LEOFF Plan 2 trust fund.	\$0.0	No	Gov. Signed, C 91 L 14
TRS Plan 3 Qualification (Plans 3 Rate Selection)	SB 6321 HB 2408	SCPP Bailey/Ormsby	Removes the provision allowing PERS, SERS, and TRS Plan 3 members to select a new contribution rate option each year for their DC accounts.	\$0.0	No	Gov. Signed, C 95 L 14
Bills That Did Not Pass The Legislature						
PERS/Retire-Rehire†	SB 5633 HB 1226	SCPP Conway/Ormsby	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	SB Passed Senate Floor/HB Not Heard
PERS/Retire-Rehire	HB 2407	Ormsby	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	Passed Senate W&M

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

† = Bill Originated in 2013 Session
Not Available = Actuarial Fiscal note not completed

Cost = 25-Year Total Employer Cost

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.

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

⁴Estimate based on draft fiscal note.

Bills That Did Not Pass The Legislature						
Brief Title	Bill	Requested by / Sponsor	Brief Description ¹	Cost (In Millions)	Immediate Rate Impact? ²	Status as of April 15, 2014 ³
Defined Contribution for Elected Officials	SSB 6305	Braun	Establishes the Washington Elected Official Retirement Savings Plan for certain state and local elected officials.	Ind.	No	Passed Senate W&M
Elected Official Retirement Benefit Calculation	SSB 6459	Tom	Differentiates elected official service from non-elected official service for the purpose of calculating the AFC and compensation earnable for a member's retirement benefit in PERS Plans 2/3.	Ind.	No	Passed Senate W&M
LEOFF 2 Career Change	HB 2479 SB 6397	LEOFF 2 Board Green/Lias	Removes the ability for a LEOFF 2 retiree to receive retirement benefits if the retiree returns to work and is employed in a position that would normally have qualified for LEOFF 2.	Ind.	No	HB Passed Senate W&M/SB Passed Senate W&M
State Retirement Systems Missed Contribution†	SHB 2018	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 Senate W&M
Excluding Temporary City Employees from PERS	HB 2290	Pike	Limits eligibility for PERS members employed for fewer than nine months per year by cities with fewer than 30,000 residents.	Not Available	Not Available	Not Heard
Survivor Benefits/Domestic Partnerships	SHB 2485	Moeller	Provides an optional post-retirement survivor benefit for eligible spouses in PERS Plans 2 and 3.	\$0.0	No	Passed House APPS

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Military Service Early Retirement	HB 2735	Robinson	Reduces the retirement, early retirement, or alternate early retirement age applied to certain members of PERS by up to two years for any period that a member served in the uniformed service of the United States.	\$314.3 ⁴	Yes	Not Heard
Average Salary/Pension Purposes†	ESHB 1820	Bergquist	Extends the revised definition of AFC to include compensation forgone in the 2013-15 Biennium due to employer expenditure reduction efforts.	\$0.8	No	Passed House Floor

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Other Pension And Non-Pension Bills Of Interest¹

Bills That Did Not Pass The Legislature				
Brief Title	Bill	Requested by / Sponsor	Brief Description²	Status as of April 15, 2014³
Save Toward Retirement Plan	SHB 2474 SB 6294	Springer/Mullet	Creates a retirement savings plan, known as the Save Toward a Retirement Today (STaRT) program, which provides a simple and inexpensive way for small business owners and their employees to save for retirement.	HB passed House/SB Heard in Senate FIHI
Deferred Compensation Program	HB 2736	Sullivan	Requires all employers that participate in a state Retirement System to make the deferred compensation program available to their employees. Any municipal or subdivision employers that do not currently participate in a state retirement system are offered the opportunity to participate in the state deferred compensation program.	Heard in House APPS
Flat-Rate Income Tax	SB 6230	McAuliffe	Establishes a state income tax and makes benefits payable from the state retirement systems subject to the new tax.	Not Heard

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¹Includes bills with an indirect or negligible pension impact, bills impacting public retirement systems not administered by the state, and bills that may impact the operations of the SCPP or OSA.

²Description applies to the latest version of the bill.

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

Glossary

AFC: Average Final Compensation

APPS: Committee on Appropriations

COLA: Cost-of-Living Adjustment

DRS: Department of Retirement Systems

FIHI: Financial Institutions and Housing and Insurance Committee

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