



# Select Committee on Pension Policy

## 2014 Legislative Session Highlights

Devon Nichols, Policy Analyst

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Office of the State Actuary  
*"Securing tomorrow's pensions today."*

### Today's Presentation

- Session overview
- Bill highlights
  - SCPP recommended bills
  - Bills passed Legislature
  - LEOFF 2 bills
  - Elected official bills
  - Other bills of interest
- Additional detail included in meeting materials

Select Committee on Pension Policy



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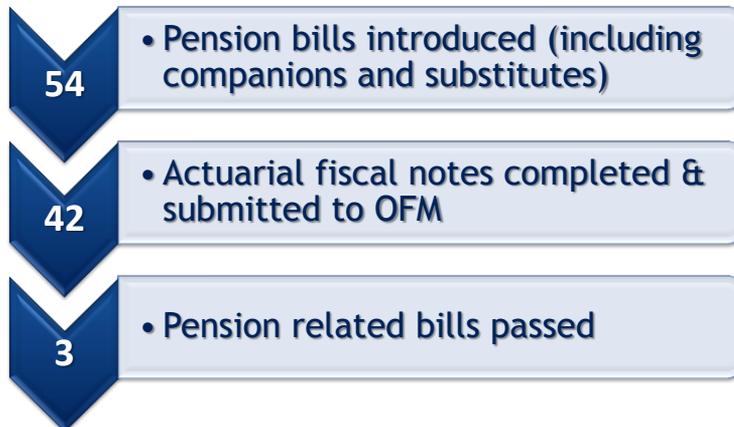
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## Session Overview

- Regular 60-day session
- Light year for pension issues
- Few pension bills passed; no immediate rate impacts



## Pension Bill Metrics



## One SCPP Recommended Bill Passed Legislature

- **SB 6321 (HB 2408)** TRS Plan 3 qualification/Plans 3 rate selection
- Removes provision allowing PERS, SERS, and TRS Plans 3 to select a new contribution rate option annually
  - Requested by DRS
  - Required by IRS for plan qualification



## SCPP Recommended DRS Retire-Rehire Bill Did Not Pass

- **HB 1226/SB 5633** – Addresses restriction on collecting a pension benefit in PERS for retirees returning to work
  - Changes to retire-rehire laws in 2011 created inconsistencies between plans
  - This bill removes inconsistencies and adds clarity regarding retire-rehire laws for PERS
- SB passed Senate floor, HB not heard
- Identical PERS/Retire-Rehire bill (HB 2407) passed House floor and Senate Ways & Means Committee



## LEOFF 2 Board Sponsored Bills Passed The Legislature

- **HB 2456** – Definition of fire fighter
  - Corrects an expiration date of the definition of fire fighter
  - LEOFF 2 Board request legislation
- **SB 6201** – LEOFF life annuity benefit
  - Authorizes LEOFF 2 members to purchase an optional annuity from the LEOFF 2 trust fund
  - LEOFF 2 Board request legislation



## LEOFF 2 Board Request Legislation Introduced To Address Career Change, Did Not Pass

- **HB 2479/SB 6397** – LEOFF 2 Career Change
  - 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
  - Both HB and SB passed Senate Ways & Means
  - LEOFF 2 Board request legislation



## New Pension Ideas Introduced For Elected Officials, Did Not Pass

- **SSB 6305** – Defined contribution for elected officials
  - Establishes the Washington Elected Official Retirement Savings Plan for certain state and local elected officials
  - Passed Senate Ways & Means
- **SSB 6459** – Elected official retirement benefit calculation
  - Differentiates elected official service from non-elected official service for the purpose of calculating a retirement benefit in PERS Plans 2/3
  - Passed Senate Ways & Means



## Other Pension Bills Introduced, Did Not Pass

- **HB 2735** – Military service early retirement
  - Lowers retirement age and improves early retirement benefits for PERS 2/3 members with military service
  - Not heard
- **SHB 2018** – State retirement systems missed contribution
  - Requires additional contribution rates for contributions made after the date service is rendered for individual employers of the state retirement systems
  - Passed Senate Ways & Means Committee



## Two Non-Pension Bills Of Interest

- **SHB 2474/SB 6294 – Save Toward a Retirement Today Plan (STaRT Plan)**
  - Creates a STaRT program, which provides a way for small business owners and their employees to save for retirement
  - HB passed House, SB Heard in Senate Financial Institutions, Housing & Insurance
- **HB 2736 – Deferred compensation program**
  - Requires all employers that participate in the state retirement system to make the deferred compensation program available to their employees
  - Heard in House Appropriations



## Summary

- Light year for pension issues
- New ideas introduced, but not passed
- Few pension bills passed the Legislature this session
  - No immediate rate impacts

