

Select Committee On Pension Policy

Constituent Correspondence as of May 12, 2014

Received by			
OSA	From	To	Subject
4/2/14	Tom Pillow	Sen. Conway and SCPP	WSPRS Annuity Purchase Benefit
5/8/14	Marcie Frost, DRS	Rep. Ormsby, Sen. Bailey and SCPP	Retire-Rehire Legislation
5/14/14	Tom Pillow	Rep. Ormsby	WSPRS Deferred Retirement Option Plan



# WASHINGTON STATE PATROL TROOPERS ASSOCIATION

200 UNION AVE. SE STE. 200, OLYMPIA, WA 98501 (360) 704-7530 FAX (360) 704-7527

**RECEIVED**

March 28, 2014

APR - 2 2014

Office of  
The State Actuary

The Honorable Steve Conway, Chairman  
Select Committee on Pension Policy  
PO Box 40429  
Olympia, WA 98504-0429

Dear Senator Conway,

On behalf of the over 1100 members of the WA State Patrol Troopers Association I respectfully request consideration for the members of WSPRS to be included in the post-retirement investment opportunities that were granted to LEOFF 2 members with the passage Senate Bill 6201. Our members are very active in Deferred Compensation, many from the very beginning of their employment, and the ability to use that money to purchase an annuity at the time of retirement in the WSPRS fund would be of great benefit. While keeping us consistent and competitive with other police agencies within the state.

It is our request that the Select Committee on Pension Policy review this proposal in advance of the 2015 Legislative Session. Your consideration of the request will be greatly appreciated.

Sincerely,

A handwritten signature in blue ink that reads "Tom".

Tom Pillow  
President

CC: Matt Smith, WA State Actuary  
Rick Jensen, WSPTA Governmental Affairs  
Davor Gjurasic, WSPTA Governmental Affairs  
Bob Thurston, SCPP Member



STATE OF WASHINGTON  
DEPARTMENT OF RETIREMENT SYSTEMS

PO Box 48380 • Olympia WA 98504-8380 • (360) 664-7000 • Toll Free 1-800-547-6657

May 8, 2014

The Honorable Timm Ormsby  
Washington State Representative  
Chair, Select Committee on Pension Policy

The Honorable Barbara Bailey  
Washington State Senator  
Vice Chair, Select Committee on Pension Policy  
PO Box 40914  
Olympia, WA 98504-0914

Dear Representative Ormsby and Senator Bailey:

As you know, the Select Committee on Pension Policy (SCPP) has recommended bills to the Legislature for the last two interim periods that would fix the retiree return to work issue in the PERS statute. This issue arose from a drafting oversight in ESHB 1981 of the 2011 Legislature. Unfortunately, the bills did not pass.

The Department delayed implementing the unintended consequences of the language change in 2011 while waiting for the Legislature to correct the issue. However, we now need to move forward in implementing the impacts of the law as written.

In order to do this, the Department will develop and communicate reporting requirements for public employers on what new information they will need to provide on a monthly basis, and give those employers sufficient time to make the necessary modifications to their payroll and retirement reporting systems. The Department will also need to modify its internal information systems. This implementation process will require resources for many public employers and the Department in order to comply.

It is our hope and request that the SCPP again recommend legislation to the 2015 Legislature to fix this issue. If the bill is passed, it is possible, given the timing, that session would end early enough that employers and the Department would save the resource expenditures necessary to implement the change. I thank you for your consideration of this issue. I will be at the May meeting of the SCPP if members have any questions.

Sincerely,

Marcie L. Frost  
Director

cc: Members of the SCPP





## WASHINGTON STATE PATROL TROOPERS ASSOCIATION

200 UNION AVE. SE STE. 200, OLYMPIA, WA 98501 (360) 704-7530 FAX (360) 704-7527

May 14, 2014

The Honorable Timm Ormsby, Chairman  
Select Committee on Pension Policy  
PO Box 40600  
Olympia, WA 98504

Dear Representative Ormsby,

On behalf of the members of the WA State Patrol Troopers Association I would like to share a growing and serious problem that currently exists within the department. 500 officers are eligible to retire in the next 3 years, 108 by the end of 2014. 5.6 FTE's per month left the department from July 2013 through December 2013, this alarming as this is usually the time of year we have the slowest rate of attrition. The department's ability to retain experienced highly skilled officers has become critical.

Coupled with the fact that the recruitment of new officers has also become seriously problematic. Over the course of the last two years the department has been funded to 120 new positions, was only able to hire 69 and only 57 of those graduated from the training academy. The WSP struggles to compete and falls further behind the salaries of varied local police departments around the state and is currently 124<sup>th</sup> in entry level pay.

Recruitment of new trainees and the retention of experienced officers is a major problem. Retirement benefits are generally not a top priority to young applicants but pensions become a very important to the more senior officers. There is no simple answer to the retention problem but we would like to explore some incentives that would make staying on the job for the state of Washington a little more attractive.

We feel a carefully crafted Deferred Retirement Option Plan (DROP) would be a good step in the right direction. The Washington State Patrol Retirement System allows for Troopers to retire with 25 or more years. Senior Troopers could be retained using a DROP authorized in the IRS Code. A Trooper opting into DROP defers retirement past the date of eligibility, but begins to accrue retirement benefits. Those benefits are held in trust and earn interest on behalf of the Trooper. The accumulated benefits are then distributed when the Trooper surrenders his/her Commission.

We respectfully request that the Select Committee on Pension Policy review the benefits of a DROP for the WSPRS that would be a step forward in solving a critical retention problem. Your consideration will be greatly appreciated.

Sincerely,

A handwritten signature in blue ink that reads "Tom".

Tom Pillow, President

CC: Matt Smith, OSA  
Rick Jensen, WSPTA Governmental Affairs