

# SHB 1718 – PSERS Expansion

## Issue

Some policy makers may believe older employees in certain occupations are exposed to an inappropriate amount of workplace risk. These policy makers may seek to expand the Public Safety Employees' Retirement System (PSERS) membership as a means of addressing this risk.

## Background

In 2012, the Legislature reduced early retirement benefits for newly hired teachers, school employees, and general public employees. The Legislature also required the SCPP to study high-risk job classifications for possible inclusion in PSERS.

The SCPP completed the [study](#) during the 2012 Interim. The study found a handful of occupations had higher rates of serious workplace injury. The committee made no formal policy recommendations as a result of the study.

The SCPP continued to study [PSERS membership](#) during the 2013 Interim; focusing on [Engrossed House Bill \(EHB\) 1923](#). EHB 1923 was a non-SCPP bill introduced during the 2013 Session that would have expanded PSERS for certain Department of Social and Health Services (DSHS) and corrections employees. The bill passed the House floor, but not the Legislature.

During the 2014 Interim, stakeholders approached the SCPP regarding discussions with the Governor's Office and the Department of Retirement Systems on a potential new proposal to expand PSERS membership. The SCPP held a [work session](#) in December on the proposal and heard testimony from stakeholders. The stakeholder proposal was introduced in the Legislature as a non-SCPP bill: House Bill 1718.

[Substitute House Bill \(SHB\) 1718](#) passed the House floor, but not the Legislature.

In 2015, the SCPP received an [update](#) on the status of SHB 1718 and the Executive Committee placed a public hearing for SHB 1718 on the December agenda.

## Highlights of Analysis

- ❖ There are options for addressing workplace risk both inside and outside of pension policy, and policymakers may differ on their preferred approach.
- ❖ Expanding PSERS may mitigate the impacts of some job risks for older employees. However, not all job risk can be eliminated.
- ❖ Expanding PSERS allows enhancing benefits without increasing costs to non-public safety employees or employers.

- ❖ Expanding PSERS to address risk has implications for affordability, contractual rights, and retention.

## **SHB 1718**

- ❖ Expands PSERS membership to include employees:
  - ◇ Who provide nursing care to offender and patient populations at Department of Corrections, local corrections departments, and Department of Veterans Affairs (DVA).
  - ◇ Whose primary responsibility is to provide nursing care to, or ensure the custody and safety of, offender, probationary, and patient populations and who are in a position that requires the completion of defensive tactics or de-escalation training, at one of the following DSHS institutions or centers:
    - 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.
  - ◇ Who supervise eligible members meeting the above criteria.
- ❖ Adds two new employers to the statutory list of PSERS employers, DSHS and DVA.
- ❖ Provides a transfer option for the Public Employees' Retirement System Plans 2/3 members who would now be eligible for PSERS membership under this bill.

## **Committee Activity**

The SCPP considered this issue at the November and December meetings. At the December meeting, the committee received public comment. A motion to endorse SHB 1718 for the 2016 Legislative Session failed during the December meeting.

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