

SENATE BILL REPORT

SHB 1270

AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 1, 1991

Brief Description: Reorganizing the statutes governing the state's retirement system.

SPONSORS: House Committee on Appropriations (originally sponsored by Representatives Spanel, Silver, Hine, Paris, May, P. Johnson, Winsley, Hochstatter, Nealey, Wynne, Edmondson, Bowman, D. Sommers, Betrozoff, Wood, Horn, Miller, Ballard, McLean and Basich).

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Johnson, L. Kreidler, Metcalf, Murray, Newhouse, Niemi, Owen, Saling, L. Smith, Talmadge, West, Williams, and Wojahn.

Staff: Denise Graham (786-7715)

Hearing Dates: March 28, 1991; April 1, 1991

BACKGROUND:

The Joint Committee on Pension Policy has undertaken reorganizing and updating the sections of the Revised Code of Washington (RCW) that deal with the six retirement systems administered and funded by the state. The six retirement systems are the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF), Washington State Patrol Retirement System (WSPRS), Judicial Retirement System (JRS) and the Judges' Retirement Fund (Judges).

When these retirement systems were created, they were administered by independent boards of trustees which were responsible for the investment of the funds they held in trust. In 1976, the Department of Retirement Systems (DRS) was created centralizing the administration of the various retirement systems.

In 1977, a Plan II was created for PERS, TRS and LEOFF. This resulted in language and provisions in the RCW which are unique to Plan I, unique to Plan II, or applicable to both plans. Sections of the RCW applicable to Plan I and Plan II of a retirement system are frequently intertwined with one another.

SUMMARY:

Non-substantive changes are made to the RCW sections pertaining to PERS, TRS, LEOFF, WSPRS, JRS and Judges.

Two types of sections are repealed: (1) outdated sections where limited benefits were given in the past and no longer affect the present membership; and (2) duplicative sections where authority or responsibility is given to more than one agency.

References to the defunct retirement boards are updated to refer to DRS or the Director of DRS.

Sections pertaining to administration are moved from the retirement system statutes to the statutes of the Department of Retirement System or to some other executive agency.

The chapters of the RCW pertaining to LEOFF, PERS and TRS are each reorganized into three subchapters: (1) sections applicable to both Plan I and Plan II; (2) sections applicable to Plan I; and (3) sections applicable to Plan II.

Gender references in retirement statutes are neutralized.

The intent, as stated in the bill, is to make no substantive changes to the meaning, interpretation, court construction or constitutionality of any provision of any retirement system.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

This bill would organize and cleanup the retirement statutes so that everyone can find what they need much more easily.

TESTIMONY AGAINST: None

TESTIFIED: Representative Spanel, sponsor (pro); Gerald Allard, State Actuary; Chuck Langen, Office of the State Actuary