

SENATE BILL REPORT

SHB 1595

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 19, 1993

**Brief Description:** Concerning elected officials as members of the public employee retirement system.

**SPONSORS:** House Committee on Appropriations (originally sponsored by Representatives Bray, Ballard, Peery, Ludwig, Locke, Finkbeiner and J. Kohl)

**HOUSE COMMITTEE ON APPROPRIATIONS**

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Bluechel, Gaspard, Hochstatter, Moyer, Owen, Pelz, Quigley, Sutherland, Williams, and Wojahn.

**Staff:** Denise Graham (786-7715)

**Hearing Dates:** March 18, 1993; March 19, 1993

**BACKGROUND:**

Elected officials have the option of applying for membership in the Public Employees' Retirement System (PERS) during their term of office. Some elected officials in PERS can retire and begin to receive a pension while remaining as an elected official. The member signs a statement agreeing to forgo any claim for service credit in PERS for future periods of time as an elected official.

However, the ability for PERS members to retire but continue serving in an elective office applies only to elected officials of towns or cities, and only to those whose compensation as an elected official is less than \$10,000 a year.

**SUMMARY:**

The ability for members of the Public Employees' Retirement System (PERS) who are in an elective office to retire but continue serving in the elective office is extended to any elected official, not just those from towns or cities. This ability is limited to those whose compensation as elected officials at the time of their retirement is less than \$15,000 annually -- rather than \$10,000 -- an amount that will be adjusted annually for inflation by the director of the Department of Retirement Systems.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

Currently, city council members are able to retire from PERS but continue in their elected positions. This bill would provide a measure of fairness by allowing all elected officials under a certain salary level to retire and continue in their elected positions.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Dave Arbaugh, Washington Public Utility Districts Association (pro); Bob Graves, Benton County PUD (pro); Joe Daniels, Washington State Association of Water/Wastewater Districts (pro)