

SENATE BILL REPORT

EHB 2643

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 25, 1994

Brief Description: Cross-referencing pension statutes.

SPONSORS: Representatives Sommers and Silver; by request of Department of Retirement Systems

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Bluechel, Gaspard, Hargrove, Ludwig, McDonald, Moyer, Owen, Pelz, Snyder, Spanel, Sutherland, Talmadge, West and Wojahn.

Staff: Denise Graham (785-7715)

Hearing Dates: February 24, 1994, February 25, 1994

BACKGROUND:

Many statutes relating to compensation for teachers, law enforcement officers and fire fighters, public employees and judges are not cross-referenced to the statutes governing the retirement systems of these employees. The lack of clear cross-references raises the possibility of error.

Assault pay, temporary duty disability and leave-sharing pay are not payments for "personal services" as defined in retirement system statutes. Currently, these payments are included in a member's calculated earnable compensation. Statutes authorizing sick leave cash-outs for state and school district employees and certain vacation leave cash-outs for state employees in excess of 30 days are specifically excluded from the retirement benefit calculation. These definitions and exclusions are not currently cross-referenced to the retirement system statutes.

School district employees may count up to 45 days of sick leave as service solely for the purpose of qualifying for retirement. Teachers' Retirement System (TRS) members may use out-of-state teaching service in calculating eligibility to retire.

Current law states that a TRS Plan I member must have at least five years of public school service to receive a TRS retirement allowance. This conflicts with the portability law enacted in 1987 which allows employees to vest in a system with five years of combined service between all the systems included in the portability statutes.

The Attorney General has ruled that an RCW denying enrollment of a law officer or fire fighter in the Law Enforcement Officers' and Fire Fighters' (LEOFF) retirement plan for health reasons also prohibits enrollment in the Public Employees' Retirement System (PERS).

Current law protects LEOFF retirement benefits from assignment or garnishment. Prior to 1990, the provision clearly applied to both LEOFF Plans I and II. In a 1990 recodification, the anti-assignment subchapter was placed in the section of the statutes governing Plan I only.

Currently, PERS and TRS statutes define a retiree as an individual "in receipt" of a benefit check.

SUMMARY:

Statutes governing assault pay, temporary duty disability, leave sharing, sick leave and vacation leave cash-outs and the 45-day service rule are cross-referenced to Public Employees' Retirement System and Teachers' Retirement System statutes.

Members of TRS who have dual retirement system membership are exempt from the requirement that TRS members must have five years of service credit before he or she may receive a retirement allowance.

A law enforcement officer or fire fighter who has been denied LEOFF membership for health reasons is not prohibited from becoming a member of PERS.

The LEOFF anti-assignability statute is recodified so that it applies to both LEOFF Plan I and Plan II.

A retiree is defined as an individual who has been mailed a benefit check by the Department of Retirement Systems.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR: None

TESTIMONY AGAINST: None

TESTIFIED: No one