

1 **ESSB 6108** - H AMD TO H APP COMM AMD (H-5320.5/98) **1097 FAILED 3-04-**
2 **98**

3 By Representative

4 On page 190, after line 8, insert the following:

5 **Sec. 905.** RCW 41.45.060 and 1995 c 239 309 are each
6 amended to read as follows:

7 (1) The state actuary shall provide actuarial valuation
8 results based on the assumptions adopted under RCW 41.45.030.

9 (2) Not later than September 30, 1996, and every two years
10 thereafter, consistent with the assumptions adopted under RCW
11 41.45.030, the council shall adopt both: (a) A basic state
12 contribution rate for the law enforcement officers' and fire
13 fighters' retirement system; and (b) basic employer contribution
14 rates for the public employees' retirement system plan I, the
15 teachers' retirement system plan I, and the Washington state patrol
16 retirement system to be used in the ensuing biennial period.

17 (3) The employer and state contribution rates adopted by the
18 council shall be the level percentages of pay that are needed:

19 (a) To fully amortize the total costs of the public employees'
20 retirement system plan I, the teachers' retirement system plan I,
21 the law enforcement officers' and fire fighters' retirement system
22 plan I, and the unfunded liability of the Washington state patrol
23 retirement system not later than June 30, 2024; and

24 (b) To also continue to fully fund the public employees'
25 retirement system plan II, the teachers' retirement system plans II
26 and III, and the law enforcement officers' and fire fighters'
27 retirement system plan II in accordance with RCW 41.40.650,
28 41.26.450, and this section.

29 (4) In adopting the rates for the for the 1999-2001 biennium,
30 the council shall exclude from the rate calculation the following
31 amounts:

32 (a) For the public employees' retirement system plan II rate:
33 one-half of the value of the net assets held in trust for pension
34 benefits in for public employees' retirement system plan II
35 members, multiplied by the amount which the compound average of

1 investment returns on those assets over the previous four state
2 fiscal years exceeds ten percent;

3 (b) For the teachers' retirement system plan II rate: one-
4 half of the value of the net assets held in trust for pension
5 benefits for teachers' retirement system plan II members multiplied
6 by the amount which the compound average of investment returns on
7 those assets over the previous four state fiscal years exceeds ten
8 percent;

9 (c) For the law enforcement officers' and fire fighters
10 retirement system plan I rate: one-half of the value of the net
11 assets held in trust for pension benefits for law enforcement
12 officers' and fire fighters' retirement system plan I members
13 multiplied by the amount which the compound average of investment
14 returns on those assets over the previous four state fiscal years
15 exceeds ten percent;

16 (d) For the law enforcement officers' and fire fighters
17 retirement system plan II rate: one-half of the value of the net
18 assets held in trust for pension benefits for law enforcement
19 officers' and fire fighters' retirement system plan II members
20 multiplied by the amount which the compound average of investment
21 returns on those assets over the previous four state fiscal years
22 exceeds ten percent; and

23 (e) For the Washington state patrol retirement system rate:
24 one-half of the value of the net assets held in trust for pension
25 benefits for Washington state patrol retirement system members
26 multiplied by the amount which the compound average of investment
27 returns on those assets over the previous four state fiscal years
28 exceeds ten percent.

29 (5) The aggregate actuarial cost method shall be used to
30 calculate a combined plan II and III employer contribution rate.

31 ~~((+5))~~ (6) The council shall immediately notify the directors
32 of the office of financial management and department of retirement
33 systems of the state and employer contribution rates adopted.

34 ~~((+6))~~ (7) The director of the department of retirement
35 systems shall collect those rates adopted by the council.-

36 Renumber remaining sections consecutively.

EFFECT: The amendment excludes certain amounts in the pension trust funds from the calculation of the contribution rates for the 1999-2001 biennium. With this amendment, the following pension contributions will be higher next biennium than they would be without the amendment: the state contributions to LEOFF Plan I; the state, local government and employee contributions to LEOFF Plan II; the state contributions to the Washington State Patrol retirement system; and the employer (state and local governments) and employee contributions to PERS Plan II and TRS Plan II.