

SENATE BILL REPORT

SB 5224

As of February 10, 1997

Title: An act relating to receipt of the proportionate share of investment earnings by the pension funding account.

Brief Description: Authorizing the pension fund account to receive investment earnings.

Sponsors: Senators Bauer, Winsley, Franklin, Long, Fraser, Roach and Loveland; by request of Joint Committee on Pension Policy.

Brief History:

Committee Activity: Ways & Means: 2/5/97, 2/6/97.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Debrah Kime (786-7454)

Background: The pension funding account was created in 1994 with the transfer of \$25 million from the budget stabilization account. The purpose of the account is to provide funds for the continuing cost of state retirement benefits.

Investment earnings of the pension funding account are deposited in the general fund.

Summary of Bill: Investment earnings of the pension funding account are credited to the pension funding account.

Appropriation: None.

Fiscal Note: Requested on January 20, 1997.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: It is necessary to have a living fund— to fund future benefits and it is the right thing to do to have the related interest go into the pension funding account.

Testimony Against: None.

Testified: Devone Smith, WFSE (pro); Jan Leth, WEA (retired) (pro); Mark Gjurasic, WSRA (pro); Marjorie Trevarthen, WSRTA (pro); Lynn McKinnon, WPEA (pro); Barbara Landrock, WSRTA (pro); Gus Schwartz, RPEC (pro).