

2 SSB 5180 - S AMD - 465
3 By Senators Loveland, Fraser and Long

4 ADOPTED 4/21/99

5 On page 153, after line 13, insert the following:

6 "NEW SECTION. **Sec. 721. FOR THE DEPARTMENT OF RETIREMENT**
7 **SYSTEMS--PENSION ADVISORY COMMITTEE**

8 Department of Retirement Systems Expense Account
9 Appropriation \$ 181,000

10 The appropriation in this section is subject to the following
11 conditions and limitations:

12 (1) The state pension advisory committee is created in the
13 department of retirement systems for the period July 1, 1999, through
14 June 30, 2001. The committee membership shall consist of: (a) Four
15 active members of the state retirement systems, to be appointed by the
16 governor; (b) three retired members of the state retirement systems,
17 appointed by the governor; (c) three local government employer
18 representatives, to be appointed by the governor; (d) the director of
19 the department of retirement systems; and (e) the director of the
20 office of financial management. The governor shall appoint one of the
21 committee members to be committee chair.

22 (2) Within the level of funding provided in this section, the state
23 pension advisory committee shall review changes in state pension
24 benefits which have been enacted since 1990 and may make
25 recommendations to the joint committee on pension policy regarding:
26 (a) Major pension system priorities and goals for the next five to ten
27 years; (b) proposals for promoting equity between state pension
28 systems; and (c) a prioritized list of proposed pension system changes.

29 In developing its recommendations the committee shall take into
30 consideration constraints on the state's and local government's fiscal
31 capacity, the changing nature of the work force and employment
32 patterns, issues of cost-shifting between employees groups, and
33 disproportionalities between how much employees in different age groups
34 would pay in increased contributions for a benefit increase compared to
35 the value of the benefit increase.

1 The committee shall also advise the department of retirement
2 systems regarding the content and design of the department's annual
3 report on the state retirement systems.

4 The committee shall report its recommendations, if any, to the
5 joint committee on pension policy no later than June 1, 2000.

6 (3) Committee staff support shall be provided by one professional
7 position employed by the department of retirement systems from the
8 funding provided in this section.

9 (4) In conducting its review the pension advisory committee shall,
10 to the greatest extent feasible, make use of fiscal notes, studies, and
11 other analysis which has already been completed by the office of the
12 state actuary. The committee may also expend not more than \$60,000 for
13 actuarial services to assist with: (a) Committee education, including
14 a review of tax-deferred savings options available to public employees;
15 (b) the development of recommendations as provided in subsection (2) of
16 this section; and (c) the review and evaluation of fiscal notes and
17 analysis done by the office of the state actuary. The contract for
18 actuarial services shall be entered into by the department of
19 retirement systems for the committee."

20 Renumber the remaining sections consecutively and correct any
21 internal references accordingly.

EFFECT: Provides funding for a pension advisory committee for the
1999-2001 biennium.

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