

# SENATE BILL REPORT

## SB 5837

---

As Passed Senate, March 12, 1999

**Title:** An act relating to membership in the public employees' retirement system for the chief administrative officer of a public utility district, port district, or a county.

**Brief Description:** Allowing the chief administrative officer of a public utility district, port district, or county to join the retirement system.

**Sponsors:** Senators Bauer, Long, Winsley, Jacobsen, Fraser, Roach, Rossi, Rasmussen and Oke.

**Brief History:**

**Committee Activity:** Ways & Means: 3/3/99, 3/4/99 [DP].  
Passed Senate, 3/12/99, 46-0.

---

### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fairley, Fraser, Honeyford, Kline, Kohl-Welles, Long, McDonald, Rasmussen, Roach, Rossi, B. Sheldon, Snyder, Spanel, West, Winsley, Wojahn and Zarelli.

**Staff:** Pete Cutler (786-7454)

**Background:** Most full-time public employees employed by an employer under the Public Employees' Retirement System (PERS) are required to be members of PERS. Exemptions from membership are provided in a limited number of cases. Optional membership is allowed for elected officials, gubernatorial appointments, and city managers.

**Summary of Bill:** Membership in PERS is made optional for the chief administrative officers of public utility districts (PUD), the chief administrative officers of a port district, and the chief administrative officers of counties. Such employees have the option of applying for membership in PERS within 30 days of appointment to such positions. Employees who opt for membership after the 30 days may become members by paying the actuarial value of the service from the date of their appointment to the date of acceptance of membership.

Employees serving in such positions as of the effective date of this act have until December 31, 1999, to notify the director of the Department of Retirement Systems of their desire to withdraw from membership in PERS. A member who withdraws from membership receives a refund of the member's accumulated contributions.

**Appropriation:** None.

**Fiscal Note:** Requested on March 1, 1999.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Persons are often hired into these chief administrative officer positions from outside Washington State and often do not stay long enough to earn a PERS retirement allowance.

**Testimony Against:** None.

**Testified:** Bill Vogler, Washington State Association of Counties; Lew McMurrin, Washington PUD Association; Pat Jones, Washington Public Ports Association.

**House Amendment(s):** The amendment clarifies that a chief administrative officer who withdraws from PERS membership shall receive a refund of the member's accumulated contributions upon termination of employment, rather than when the member withdraws from PERS. This is consistent with the requirements of the federal tax code.