

---

SENATE BILL 5994

---

State of Washington

56th Legislature

1999 Regular Session

By Senator Fraser

Read first time 02/18/1999. Referred to Committee on Ways & Means.

1 AN ACT Relating to state pension policy and funding; amending RCW  
2 41.45.020, 41.45.030, 41.40.650, 41.26.450, 41.45.061, 41.45.061,  
3 44.44.010, 44.44.030, 44.44.040, and 44.44.060; reenacting and amending  
4 RCW 41.45.020 and 41.45.060; adding new sections to chapter 43.33A RCW;  
5 adding new sections to chapter 41.50 RCW; adding a new section to  
6 chapter 43.41 RCW; adding a new section to chapter 44.04 RCW; adding a  
7 new section to chapter 43.09 RCW; adding a new chapter to Title 43 RCW;  
8 creating a new section; recodifying RCW 44.44.010, 44.44.030, and  
9 44.44.040; repealing RCW 41.45.100, 41.45.110, 41.45.120, 41.52.010,  
10 41.52.020, 41.52.030, 41.52.040, 41.52.050, 41.52.060, and 41.52.070;  
11 making an appropriation; providing an effective date; providing an  
12 expiration date; and declaring an emergency.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

14 NEW SECTION. **Sec. 1.** It is the intent of the legislature to  
15 articulate the fiduciary responsibilities of the trustees and others  
16 who oversee the public retirement systems. The legislature also  
17 intends to promote effective monitoring of public retirement systems by  
18 requiring regular and significant disclosure of the financial and

1 actuarial status of the systems to participants and their beneficiaries  
2 and to the public.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.33A RCW  
4 to read as follows:

5 (1) The state retirement funds established by RCW 41.50.075,  
6 43.43.130, 2.10.080, and 2.12.050, and the state deferred compensation  
7 accounts established by RCW 41.50.780, shall be held in trust by the  
8 state investment board, as set forth under RCW 43.33A.030.

9 (2) The state investment board shall discharge duties with respect  
10 to the retirement funds and the state deferred compensation accounts:

11 (a) Solely in the interest of the participants and beneficiaries;

12 (b) For the exclusive purpose of providing benefits to participants  
13 and beneficiaries and paying reasonable expenses of administering the  
14 system;

15 (c) With the care, skill, and caution under the circumstances then  
16 prevailing which a prudent person acting in a like capacity and  
17 familiar with those matters would use in the conduct of an activity of  
18 like character and purpose;

19 (d) Impartially, taking into account any differing interests of  
20 participants and beneficiaries;

21 (e) Incurring only costs that are appropriate and reasonable; and

22 (f) In accordance with a good faith interpretation of this chapter  
23 and the law governing the retirement and deferred compensation programs  
24 and systems.

25 NEW SECTION. **Sec. 3.** (1)(a) The state pension oversight board is  
26 created and consists of the following members:

27 (i) Four active members of the state retirement system appointed by  
28 the governor for staggered three-year terms with initial appointments  
29 of one, two, and three years;

30 (ii) Three retired members of the state retirement system appointed  
31 by the governor for staggered three-year terms with initial  
32 appointments of one, two, and three years, with no two members from the  
33 same system;

34 (iii) The director of the department of retirement systems, the  
35 director of financial management, and the executive director of the  
36 state investment board; and

1 (iv) Four members of the legislature, with one member each  
2 representing the two largest caucuses in the senate and house of  
3 representatives, appointed by the president of the senate and the  
4 speaker of the house of representatives.

5 (b) The board shall establish policies and procedures for its  
6 internal management.

7 (2) The board shall provide open and balanced review of state  
8 pension policy issues, establish state retirement system contribution  
9 rates and the long-term assumptions used in developing those rates, and  
10 provide oversight and set priorities for the office of the state  
11 actuary.

12 (a) The board shall set pension contribution rates as set forth in  
13 chapter 41.45 RCW.

14 (b) The board shall advise and recommend proposed changes in  
15 pension policy and legislation to the legislature.

16 (c) The board shall advise the department of retirement systems on  
17 the preparation of the summary level and consolidated annual financial  
18 report.

19 (d) The board shall appoint or remove the state actuary.

20 (3) The board shall from time to time make written recommendations  
21 to the legislature concerning deficiencies, conflicts, or obsolete  
22 provisions in, and need for reorganization or revision of, the statutes  
23 governing pension policy, and shall prepare for submission to the  
24 legislature, legislation for the correction or removal of those  
25 deficiencies, conflicts, or obsolete provisions, or to otherwise  
26 improve the form or substance of any portion of the statute law of this  
27 state as the public interest or the administration of pension policy  
28 may require.

29 (4) The board shall discharge its duties:

30 (a) Solely in the interest of the participants and beneficiaries;

31 (b) Impartially, taking into account any differing interests of  
32 participants and beneficiaries; and

33 (c) In accordance with a good faith interpretation of the law  
34 governing the retirement systems.

35 **Sec. 4.** RCW 41.45.020 and 1998 c 283 s 1 are each amended to read  
36 as follows:

37 As used in this chapter, the following terms have the meanings  
38 indicated unless the context clearly requires otherwise.

1 (1) (~~"Council"~~) "Board" means the state pension (~~((funding~~  
2 ~~council~~)) oversight board created in (~~((RCW 41.45.100))~~) section 3 of  
3 this act.

4 (2) "Department" means the department of retirement systems.

5 (3) "Law enforcement officers' and fire fighters' retirement system  
6 plan 1" and "law enforcement officers' and fire fighters' retirement  
7 system plan 2" mean the benefits and funding provisions under chapter  
8 41.26 RCW.

9 (4) "Public employees' retirement system plan 1" and "public  
10 employees' retirement system plan 2" mean the benefits and funding  
11 provisions under chapter 41.40 RCW.

12 (5) "Teachers' retirement system plan 1," "teachers' retirement  
13 system plan 2," and "teachers' retirement system plan 3" mean the  
14 benefits and funding provisions under chapter 41.32 RCW.

15 (6) "Washington state patrol retirement system" means the  
16 retirement benefits provided under chapter 43.43 RCW.

17 (7) "Unfunded liability" means the unfunded actuarial accrued  
18 liability of a retirement system.

19 (8) "Actuary" or "state actuary" means the state actuary employed  
20 under chapter 44.44 RCW.

21 (9) "State retirement systems" means the retirement systems listed  
22 in RCW 41.50.030.

23 (~~((10) "Work group" means the pension funding work group created in~~  
24 ~~RCW 41.45.120.)~~)

25 **Sec. 5.** RCW 41.45.020 and 1998 c 341 s 402 and 1998 c 283 s 1 are  
26 each reenacted and amended to read as follows:

27 As used in this chapter, the following terms have the meanings  
28 indicated unless the context clearly requires otherwise.

29 (1) (~~"Council"~~) "Board" means the state pension (~~((funding~~  
30 ~~council~~)) oversight board created in (~~((RCW 41.45.100))~~) section 3 of  
31 this act.

32 (2) "Department" means the department of retirement systems.

33 (3) "Law enforcement officers' and fire fighters' retirement system  
34 plan 1" and "law enforcement officers' and fire fighters' retirement  
35 system plan 2" mean the benefits and funding provisions under chapter  
36 41.26 RCW.

1 (4) "Public employees' retirement system plan 1" and "public  
2 employees' retirement system plan 2" mean the benefits and funding  
3 provisions under chapter 41.40 RCW.

4 (5) "Teachers' retirement system plan 1," "teachers' retirement  
5 system plan 2," and "teachers' retirement system plan 3" mean the  
6 benefits and funding provisions under chapter 41.32 RCW.

7 (6) "School employees' retirement system plan 2" and "school  
8 employees' retirement system plan 3" mean the benefits and funding  
9 provisions under chapter 41.35 RCW.

10 (7) "Washington state patrol retirement system" means the  
11 retirement benefits provided under chapter 43.43 RCW.

12 (8) "Unfunded liability" means the unfunded actuarial accrued  
13 liability of a retirement system.

14 (9) "Actuary" or "state actuary" means the state actuary employed  
15 under chapter 44.44 RCW.

16 (10) "State retirement systems" means the retirement systems listed  
17 in RCW 41.50.030.

18 (~~(11) ("Work group" means the pension funding work group created in  
19 RCW 41.45.120.~~

20 ~~(12))~~) "Classified employee" means a member of the Washington  
21 school employees' retirement system plan 2 or plan 3 as defined in RCW  
22 41.35.010.

23 (~~(13))~~) (12) "Teacher" means a member of the teachers' retirement  
24 system as defined in RCW 41.32.010(15).

25 **Sec. 6.** RCW 41.45.030 and 1995 c 233 s 1 are each amended to read  
26 as follows:

27 (1) Beginning September 1, 1995, and every two years thereafter,  
28 the state actuary shall submit to the (~~(council))~~ board information  
29 regarding the experience and financial condition of each state  
30 retirement system. The (~~(council))~~ board shall review this and such  
31 other information as it may require.

32 (2) By December 31, 1995, and every two years thereafter, the  
33 (~~(council))~~ board, by affirmative vote of (~~(five councilmembers))~~ ten  
34 board members, shall adopt the following long-term economic  
35 assumptions:

36 (a) Growth in system membership;

37 (b) Growth in salaries, exclusive of merit or longevity increases;

38 (c) Growth in inflation; and

1 (d) Investment rate of return.

2 The ~~((council))~~ board shall work with the department of retirement  
3 systems, the state actuary, and the executive director of the state  
4 investment board, and shall consider long-term historical averages, in  
5 developing the economic assumptions.

6 (3) The assumptions adopted by the ~~((council))~~ board shall be used  
7 by the state actuary in conducting all actuarial studies of the state  
8 retirement systems.

9 **Sec. 7.** RCW 41.45.060 and 1998 c 341 s 404, 1998 c 340 s 11, and  
10 1998 c 283 s 6 are each reenacted and amended to read as follows:

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

13 (2) Not later than September 30, ~~((1998))~~ 2000 and every two years  
14 thereafter, consistent with the assumptions adopted ~~((under RCW~~  
15 ~~41.45.030))~~ by the board, the ~~((council))~~ board, by an affirmative vote  
16 of ten board members, shall adopt changes to:

17 (a) A basic state contribution rate for the law enforcement  
18 officers' and fire fighters' retirement system; ~~((and))~~

19 (b) Basic employer contribution rates for the public employees'  
20 retirement system plan 1, the teachers' retirement system plan 1, and  
21 the Washington state patrol retirement system to be used in the ensuing  
22 biennial period; and

23 (c) A basic employer contribution rate for the school employees'  
24 retirement system for funding the public employees' retirement system  
25 plan 1.

26 (3) The employer and state contribution rates adopted by the  
27 ~~((council))~~ board shall be the level percentages of pay that are  
28 needed:

29 (a) To fully amortize the total costs of the public employees'  
30 retirement system plan 1, the teachers' retirement system plan 1, the  
31 law enforcement officers' and fire fighters' retirement system plan 1,  
32 and the unfunded liability of the Washington state patrol retirement  
33 system not later than June 30, 2024, except as provided in subsection  
34 (5) of this section; and

35 (b) To also continue to fully fund the public employees' retirement  
36 system plan 2, the teachers' retirement system plans 2 and 3, the  
37 school employees' retirement system plans 2 and 3, and the law

1 enforcement officers' and fire fighters' retirement system plan 2 in  
2 accordance with RCW 41.40.650, 41.26.450, and this section.

3 (4) The aggregate actuarial cost method shall be used to calculate  
4 a combined plan 2 and 3 employer contribution rate.

5 (5) An amount equal to the amount of extraordinary investment gains  
6 as defined in RCW 41.31.020 shall be used to shorten the amortization  
7 period for the public employees' retirement system plan 1 and the  
8 teachers' retirement system plan 1.

9 (6) The (~~council~~) board shall immediately notify the directors of  
10 the office of financial management and department of retirement systems  
11 of the state and employer contribution rates adopted.

12 (7) The director of the department of retirement systems shall  
13 collect those rates adopted by the (~~council~~) board.

14 NEW SECTION. Sec. 8. The following acts or parts of acts are each  
15 repealed:

16 (1) RCW 41.45.100 (Pension funding council--Created) and 1998 c 283  
17 s 2;

18 (2) RCW 41.45.110 (Pension funding council--Audits required) and  
19 1998 c 283 s 3; and

20 (3) RCW 41.45.120 (Pension funding work group) and 1998 c 283 s 4.

21 **Sec. 9.** RCW 41.40.650 and 1989 c 273 s 24 are each amended to read  
22 as follows:

23 The required contribution rates to the retirement system for both  
24 members and employers shall be established by the (~~director~~) state  
25 pension oversight board from time to time as may be necessary upon the  
26 advice of the state actuary. The state actuary shall use the aggregate  
27 actuarial cost method to calculate contribution rates. The employer  
28 contribution rate calculated under this section shall be used only for  
29 the purpose of determining the amount of employer contributions to be  
30 deposited in the plan 2 fund from the total employer contributions  
31 collected under RCW 41.40.048.

32 Contribution rates required to fund the costs of the retirement  
33 system shall always be equal for members and employers, except as  
34 herein provided. Effective January 1, 1987, however, no member or  
35 employer contributions are required for any calendar month in which the  
36 member is not granted service credit. Any adjustments in contribution

1 rates required from time to time for future costs shall likewise be  
2 shared equally by the members and employers.

3 Any increase in the contribution rate required as the result of a  
4 failure of an employer to make any contribution required by this  
5 section shall be borne in full by the employer not making the  
6 contribution.

7 The director shall notify all employers of any pending adjustment  
8 in the required contribution rate and such increase shall be announced  
9 at least thirty days prior to the effective date of the change.

10 Members contributions required by this section shall be deducted  
11 from the members compensation earnable each payroll period. The  
12 members contribution and the employers contribution shall be remitted  
13 directly to the department within fifteen days following the end of the  
14 calendar month during which the payroll period ends.

15 **Sec. 10.** RCW 41.26.450 and 1996 c 38 s 3 are each amended to read  
16 as follows:

17 (1) The required contribution rates to the plan 2 system for  
18 members, employers, and the state of Washington shall be established by  
19 the (~~director~~) state pension oversight board from time to time as may  
20 be necessary upon the advice of the state actuary. The state actuary  
21 shall use the aggregate actuarial cost method to calculate contribution  
22 rates.

23 (2) Except as provided in subsection (3) of this section, the  
24 member, the employer and the state shall each contribute the following  
25 shares of the cost of the retirement system:

26	Member	50%
27	Employer	30%
28	State	20%

29 (3) Port districts established under Title 53 RCW and institutions  
30 of higher education as defined in RCW 28B.10.016 shall contribute both  
31 the employer and state shares of the cost of the retirement system for  
32 any of their employees who are law enforcement officers. Institutions  
33 of higher education shall contribute both the employer and the state  
34 shares of the cost of the retirement system for any of their employees  
35 who are fire fighters.



1 (4) Effective January 1, 1987, however, no member or employer  
2 contributions are required for any calendar month in which the member  
3 is not granted service credit.

4 (5) Any adjustments in contribution rates required from time to  
5 time for future costs shall likewise be shared proportionally by the  
6 members, employers, and the state.

7 (6) Any increase in the contribution rate required as the result of  
8 a failure of the state or of an employer to make any contribution  
9 required by this section shall be borne in full by the state or by that  
10 employer not making the contribution.

11 (7) The director shall notify all employers of any pending  
12 adjustment in the required contribution rate and such increase shall be  
13 announced at least thirty days prior to the effective date of the  
14 change.

15 (8) Members' contributions required by this section shall be  
16 deducted from the members basic salary each payroll period. The  
17 members contribution and the employers contribution shall be remitted  
18 directly to the department within fifteen days following the end of the  
19 calendar month during which the payroll period ends. The state's  
20 contribution required by this section shall be transferred to the plan  
21 2 fund from the total contributions transferred by the state treasurer  
22 under RCW 41.45.060 and 41.45.070.

23 **Sec. 11.** RCW 41.45.061 and 1997 c 10 s 2 are each amended to read  
24 as follows:

25 (1) The required contribution rate for members of the plan 2  
26 teachers' retirement system shall be established by the board from time  
27 to time as may be necessary upon the advice of the state actuary.

28 (2) The required rate shall be fixed at the rates in effect on July  
29 1, 1996, subject to the following:

30 (a) Beginning September 1, 1997, except as provided in (b) of this  
31 subsection, the employee contribution rate shall not exceed the  
32 employer plan 2 and 3 rates adopted under RCW 41.45.060 and 41.45.070  
33 for the teachers' retirement system;

34 (b) In addition, the employee contribution rate for plan 2 shall be  
35 increased by fifty percent of the contribution rate increase caused by  
36 any plan 2 benefit increase passed after July 1, 1996.

37 ~~((+2))~~ (3) The required plan 2 and 3 contribution rates for  
38 employers shall be adopted in the manner described in RCW 41.45.060.

1       **Sec. 12.** RCW 41.45.061 and 1998 c 341 s 405 are each amended to  
2 read as follows:

3       (1) The required contribution rate for members of the plan 2  
4 teachers' retirement system shall be established by the board from time  
5 to time as may be necessary upon the advice of the state actuary.

6       (2) The required rate shall be fixed at the rates in effect on July  
7 1, 1996, subject to the following:

8       (a) Beginning September 1, 1997, except as provided in (b) of this  
9 subsection, the employee contribution rate shall not exceed the  
10 employer plan 2 and 3 rates adopted under RCW 41.45.060 and 41.45.070  
11 for the teachers' retirement system;

12       (b) In addition, the employee contribution rate for plan 2 shall be  
13 increased by fifty percent of the contribution rate increase caused by  
14 any plan 2 benefit increase passed after July 1, 1996;

15       (c) In addition, the employee contribution rate for plan 2 shall  
16 not be increased as a result of any distributions pursuant to section  
17 309, chapter 341, Laws of 1998 and RCW 41.31A.020.

18       ~~((+2))~~ (3) The required contribution rate for members of the  
19 school employees' retirement system plan 2 shall be established by the  
20 board from time to time as may be necessary upon the advice of the  
21 state actuary.

22       (4) The required rate shall be fixed at the rates in effect on  
23 September 1, 2000, for members of the public employees' retirement  
24 system plan 2, subject to the following:

25       (a) Except as provided in (b) of this subsection, the member  
26 contribution rate shall not exceed the school employees' retirement  
27 system employer plan 2 and 3 contribution rate adopted under RCW  
28 41.45.060 and 41.45.070;

29       (b) The member contribution rate for the school employees'  
30 retirement system plan 2 shall be increased by fifty percent of the  
31 contribution rate increase caused by any plan 2 benefit increase passed  
32 after September 1, 2000.

33       ~~((+3))~~ (5) The employee contribution rate for plan 2 shall not be  
34 increased as a result of any distributions pursuant to RCW 41.31A.020  
35 and 41.31A.030.

36       ~~((+4))~~ (6) The required plan 2 and 3 contribution rates for  
37 employers shall be adopted in the manner described in RCW 41.45.060.

1        NEW SECTION.    **Sec. 13.**    RCW 44.44.010, 44.44.030, and 44.44.040 are  
2    recodified as a new chapter in Title 43 RCW.

3        **Sec. 14.**    RCW 44.44.010 and 1987 c 25 s 1 are each amended to read  
4    as follows:

5        (1) There is hereby created an office within the (~~legislative~~)  
6    executive branch to be known as the office of the state actuary.

7        (2) The executive head of the office shall be the state actuary who  
8    shall be qualified by education and experience in the field of  
9    actuarial science.

10       **Sec. 15.**    RCW 44.44.030 and 1987 c 25 s 2 are each amended to read  
11    as follows:

12       (1) The state actuary shall have the authority to select and employ  
13    such research, technical, clerical personnel, and consultants as (~~the~~  
14    ~~actuary deems~~) necessary, whose salaries shall be fixed by the actuary  
15    and approved by the (~~joint committee on pension policy~~) state pension  
16    oversight board, and who (~~shall be~~) are exempt from the provisions of  
17    the state civil service law, chapter 41.06 RCW.

18       (2) All actuarial valuations and experience studies performed by  
19    the office of the state actuary shall be signed by a member of the  
20    American academy of actuaries. If the state actuary is not such a  
21    member, the state actuary, after approval by the (~~committee~~) state  
22    pension oversight board, shall contract for a period not to exceed two  
23    years with a member of the American academy of actuaries to assist in  
24    developing actuarial valuations and experience studies.

25       **Sec. 16.**    RCW 44.44.040 and 1987 c 25 s 3 are each amended to read  
26    as follows:

27       The office of the state actuary (~~shall have~~) has the following  
28    powers and duties:

29       (1) Perform (~~all~~) actuarial services for the department of  
30    retirement systems, including all studies required by law.  
31    Reimbursement for such services shall be made to the state actuary  
32    pursuant to the provisions of RCW 39.34.130 as now or hereafter  
33    amended.

34       (2) Advise the legislature and the governor regarding pension  
35    benefit provisions, and funding policies and investment policies of the  
36    state investment board.

1 (3) Consult with the (~~legislature and the governor~~) state pension  
2 oversight board concerning determination of actuarial assumptions used  
3 by the department of retirement systems.

4 (4) Prepare a report, to be known as the actuarial fiscal note, on  
5 each pension bill introduced in the legislature which briefly explains  
6 the financial impact of the bill. The actuarial fiscal note shall  
7 include: (a) The statutorily required contribution for the biennium  
8 and the following twenty-five years; (b) the biennial cost of the  
9 increased benefits if these exceed the required contribution; and (c)  
10 any change in the present value of the unfunded accrued benefits. An  
11 actuarial fiscal note shall also be prepared for all amendments which  
12 are offered in committee or on the floor of the house of  
13 representatives or the senate to any pension bill. However, a majority  
14 of the members present may suspend the requirement for an actuarial  
15 fiscal note for amendments offered on the floor of the house of  
16 representatives or the senate.

17 (~~(5) Provide such actuarial services to the legislature as may be~~  
18 ~~requested from time to time.~~

19 (~~(6) Provide staff and assistance to the committee established under~~  
20 ~~RCW 46.44.050.)~~)

21 **Sec. 17.** RCW 44.44.060 and 1987 c 25 s 5 are each amended to read  
22 as follows:

23 The joint committee on pension policy shall have the following  
24 powers and duties:

25 (1) Study pension issues, develop pension policies for public  
26 employees in state retirement systems, and make recommendations to the  
27 legislature;

28 (2) Study the financial condition of the state pension systems,  
29 develop funding policies, and make recommendations to the legislature;  
30 and

31 (3) (~~Appoint or remove the state actuary by a two thirds vote of~~  
32 ~~the committee.~~) Employ staff and assistance as necessary.

33 NEW SECTION. **Sec. 18.** A new section is added to chapter 41.50 RCW  
34 to read as follows:

35 The director of retirement systems may retain actuarial services to  
36 support the administration of the state retirement systems and deferred  
37 compensation plan through private contract or departmental employment.

1        NEW SECTION.    **Sec. 19.**    A new section is added to chapter 43.33A  
2 RCW to read as follows:

3        The state investment board may retain actuarial services through  
4 private contract or office employment.

5        NEW SECTION.    **Sec. 20.**    A new section is added to chapter 43.41 RCW  
6 to read as follows:

7        The director of financial management may retain actuarial services  
8 through private contract or office employment.

9        NEW SECTION.    **Sec. 21.**    A new section is added to chapter 44.04 RCW  
10 to read as follows:

11        The legislature may hire actuarial services through private  
12 contract or employment as joint committee staff, under chapter 44.44  
13 RCW.

14        NEW SECTION.    **Sec. 22.**    A new section is added to chapter 43.09 RCW  
15 to read as follows:

16        The state auditor shall conduct actuarial audits of valuations used  
17 to administer the state's pension systems every two years beginning in  
18 the year 2000.

19        NEW SECTION.    **Sec. 23.**    The existing governance structure of the  
20 public employees' retirement systems that distributes responsibilities  
21 for administering the systems in both the legislative and executive  
22 branches over at least eight entities places significant responsibility  
23 on all parties to establish structured systems of communication and  
24 organization, so that members and beneficiaries are satisfied that  
25 their interests are being properly protected.    The legislature  
26 recognizes that the state auditor has recommended that an annual  
27 consolidated report on the public employees' retirement systems be  
28 issued.    Current reports from the department of retirement systems, the  
29 state investment board, and the office of the state actuary contain  
30 redundant and, in certain respects, confusing information.    While  
31 serving their individual purposes quite well, the current reports do  
32 not address the need for a user-friendly report that would empower  
33 interested parties in assessing accountability.

1        NEW SECTION.    **Sec. 24.**    A new section is added to chapter 41.50 RCW  
2 to read as follows:

3        The department of retirement systems is to produce a summary level  
4 and consolidated annual financial report with the focus of presenting  
5 information about the status of the various retirement plans to active  
6 and retired members, policy makers, and other interested parties.  
7 Information included in the report is to be provided by the office of  
8 the state actuary, the state investment board, and the department of  
9 retirement systems.    The department shall consult with the state  
10 investment board and the office of the state actuary during the  
11 preparation of this report.    The report shall be concise and  
12 understandable as determined by the users of this information.    The  
13 department shall meet with the department's advisory board in order to  
14 ensure the usability of the report.    In addition, the department shall  
15 give annual notice of report review and then accept and consider input  
16 on the style and substance of the report from interested parties.

17        NEW SECTION.    **Sec. 25.**    A new section is added to chapter 41.50 RCW  
18 to read as follows:

19        Beginning in 1999 and every four years thereafter, the department  
20 of retirement systems shall convene a task force comprised of  
21 representatives of the department of retirement systems, the office of  
22 the state actuary, the state investment board, the office of financial  
23 management, and the office of the state auditor, and the advisory  
24 committee to the department of retirement systems.    This task force  
25 shall review all the major reports prepared by state agencies  
26 concerning the state retirement systems and examine the best practices  
27 from other states.    The goals of the task force are to determine what  
28 information needs to be reported and to seek ways to:    Promote more  
29 effective monitoring of the public retirement systems, streamline  
30 reporting, become more efficient in the production and distribution of  
31 the information, minimize redundancies and confusion, and maximize the  
32 public's investment in these reports.    The task force shall report by  
33 the end of October in each year the task force is convened to the state  
34 pension oversight board with their recommendations for changing and  
35 consolidating these reports.    Any changes in current state law that may  
36 be required to accomplish these recommendations shall be noted.

1        NEW SECTION.    **Sec. 26.**    The sum of three hundred two thousand  
2 dollars, or as much thereof as may be necessary, is appropriated for  
3 the biennium ending June 30, 1999, from the department of retirement  
4 systems expense account to the department of retirement systems for the  
5 purposes of the annual report required in section 25 of this act.

6        NEW SECTION.    **Sec. 27.**    The following acts or parts of acts are  
7 each repealed:

8            (1)    RCW    41.52.010    (Created--Composition--Qualifications    and  
9 appointment of members) and 1980 c 87 s 16, 1969 c 10 s 2, & 1963 ex.s.  
10 c 17 s 1;

11            (2)    RCW 41.52.020 (Terms--Vacancies) and 1963 ex.s. c 17 s 2;

12            (3)    RCW 41.52.030 (Expenses--Officers--Personnel--Quorum) and 1967  
13 c 128 s 1 & 1963 ex.s. c 17 s 3;

14            (4)    RCW 41.52.040 (Powers and duties) and 1998 c 245 s 43, 1967 c  
15 128 s 2, & 1963 ex.s. c 17 s 4;

16            (5)    RCW 41.52.050 (Right of access to files and records of public  
17 pension systems--Minutes, reports, etc., to be forwarded to commission)  
18 and 1967 c 128 s 3;

19            (6)    RCW 41.52.060 (Examination of records--Subpoena of witnesses,  
20 fees) and 1967 c 128 s 4; and

21            (7)    RCW    41.52.070    (Appointment    of    investment    counsel--  
22 Qualifications--Duties) and 1998 c 245 s 44 & 1967 c 160 s 1.

23        NEW SECTION.    **Sec. 28.**    Sections 1 and 3 of this act are each added  
24 to the chapter created in section 13 of this act.

25        NEW SECTION.    **Sec. 29.**    Sections 4 and 11 of this act expire  
26 September 1, 2000.

27        NEW SECTION.    **Sec. 30.**    Sections 5 and 12 of this act take effect  
28 September 1, 2000.

29        NEW SECTION.    **Sec. 31.**    Sections 23 through 26 of this act are  
30 necessary for the immediate preservation of the public peace, health,  
31 or safety, or support of the state government and its existing public  
32 institutions, and take effect immediately.

1        NEW SECTION.    **Sec. 32.**    If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

--- END ---