

2 **SB 6376** - H COMM AMD **Adopted March 5, 2002**
3 By Committee on Appropriations

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "**Sec. 1.** RCW 41.40.795 and 2000 c 247 s 304 are each amended to
8 read as follows:

9 (1) As used in this section, unless the context clearly requires
10 otherwise:

11 (a) "Transfer period" means the time during which a member of one
12 of the groups of plan 2 members identified in subsection (2) of this
13 section may choose to irrevocably transfer from plan 2 to plan 3.

14 (b) "Transfer basis" means the accumulated contributions present in
15 a member's savings fund on March 1, 2002, less fifty percent of any
16 contributions made pursuant to RCW 41.50.165(2), which is the basis for
17 calculation of the plan 2 to plan 3 additional transfer payment.

18 (c) "Additional transfer payment date" means June 1, 2003, the date
19 of the additional transfer payment made according to subsection (6) of
20 this section.

21 (2) Every plan 2 member employed by an employer in an eligible
22 position has the option during their transfer period to make an
23 irrevocable transfer to plan 3 according to the following schedule:

24 (a) For those members employed by state agencies and institutes of
25 higher education the transfer period means the period between March 1,
26 2002, and September 1, 2002.

27 (b) For those members employed by other organizations the transfer
28 period means the period between September 1, 2002, and June 1, 2003.

29 (c) For those members employed by more than one employer within the
30 retirement system, and whose transfer period is different between one
31 employer and another, the member's transfer period is the last period
32 that is available from any of that member's employers within the
33 retirement system.

34 (3) All service credit in plan 2 shall be transferred to the
35 defined benefit portion of plan 3.

1 (4)(a) Anyone who first became a state or higher education member
2 of plan 2 before March 1, 2002, or a local government member of plan 2
3 before September 1, 2002, who wishes to transfer to plan 3 after their
4 transfer period may transfer during the month of January in any
5 following year, provided that the member earns service credit for that
6 month.

7 (b) Anyone who chose to become a state or higher education member
8 of plan 2 on or after March 1, 2002, or a local government member of
9 plan 2 on or after September 1, 2002, is prohibited from transferring
10 to plan 3 under (a) of this subsection.

11 (5) The accumulated contributions in plan 2, less fifty percent of
12 any contributions made pursuant to RCW 41.50.165(2) shall be
13 transferred to the member's account in the defined contribution portion
14 established in chapter 41.34 RCW, pursuant to procedures developed by
15 the department and subject to RCW 41.34.090. Contributions made
16 pursuant to RCW 41.50.165(2) that are not transferred to the member's
17 account shall be transferred to the fund created in RCW 41.50.075(3),
18 except that interest earned on all such contributions shall be
19 transferred to the member's account.

20 (6) (~~Anyone who requests to transfer under this section during~~
21 ~~their transfer period, and establishes~~) Those members employed by
22 state agencies and institutions of higher education who request to
23 transfer under this section during their transfer period and establish
24 service credit for June 2002, and those members employed by other
25 organizations and who establish service credit for either June 2002 or
26 February 2003, shall have their member account:

27 (a) If a member's transfer period is that described in subsection
28 (2)(a) of this section, increased by one hundred ten percent of the
29 transfer basis;

30 (b) If a member's transfer period is that described in subsection
31 (2)(b) of this section, increased by one hundred eleven percent of the
32 transfer basis; and

33 (c) Deposited into the member's individual account on the
34 additional transfer payment date.

35 (7) If a member who requests to transfer dies before June 1, 2003,
36 the additional payment provided by this section shall be paid to the
37 member's estate, or the person or persons, trust, or organization the
38 member nominated by written designation duly executed and filed with
39 the department.

1 (8) Anyone previously retired from plan 2 is prohibited from
2 transferring to plan 3.

3 (9) The legislature reserves the right to discontinue the right to
4 transfer under this section and to modify and to discontinue the right
5 to an additional payment under this section for any plan 2 members who
6 have not previously transferred to plan 3."

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10 On page 1, line 2 of the title, after "plan 3;" strike the
11 remainder of the title and insert "and amending RCW 41.40.795."

EFFECT: State and higher education employees who transfer from PERS 2 to PERS 3 must establish service credit for June 2002 to qualify for the transfer payment associated with transferring to PERS 3. Employees of other organizations who are PERS employers must establish service credit for either June 2002 or February 2003 to qualify for the transfer payment associated with transferring to PERS 3. Eliminates implementation cost of the bill for the Department of Personnel, and reduces the Department of Retirement Systems' fiscal note from \$236,000 to \$96,000.

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