

***Appropriations Committee***

***HB 1976***

***Brief Description:*** *Allowing additional service credit for employees under the teachers' retirement system plan 1 who reach thirty years of service.*

***Sponsors:*** *Representatives Jackley, Cox, Quall, Esser, D. Schmidt, Darneille, O'Brien, Lantz, Gombosky, Eickmeyer, Bush, Ruderman, Simpson, Ogden, Santos, Keiser, Hurst and McIntire.*

***Brief Summary of Bill***

- *Allows members of the Teachers Retirement System plan 1 (TRS 1) to earn additional service credit above the 30-year cap, under certain conditions.*

***Hearing Date:*** *2/20/01*

***Staff:*** *Andrea Hardy (786-7349).*

***Background:***

*Benefits earned by members of the Teacher Retirement System plan 1 (TRS 1) are statutorily limited to 60 percent of their average final compensation. This limit is often called the "30-Year Cap" because the 2 percent per year benefit accrual formula reaches a maximum at 60 percent of average final compensation (which equates to thirty years of member service).*

***Summary of Bill:***

*TRS 1 members are permitted to earn service credit beyond 30 years, subject to three conditions: that the school board enter into a special one-year contract with the member; that the contract last for no more than one year (though it is renewable); and that the policy on additional service credit is agreed upon either in the district's collective bargaining agreement or by the board and the certificated employee's bargaining representative.*

***Appropriation: None.***

***Fiscal Note: Requested on February 16, 2001.***

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