

# FINAL BILL REPORT

## SHB 2895

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Synopsis as Enacted

**Brief Description:** Allowing port employees to join more than one retirement plan subject to a labor agreement.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Kessler, Chase and Ogden).

**House Committee on Appropriations**  
**Senate Committee on Ways & Means**

### **Background:**

Before 1999, Public Employees' Retirement System (PERS) employers were prohibited from providing additional retirement plans (such as employer-sponsored 401K plans) to their employees. This excluded from PERS membership employees who were covered either by another state pension plan or by an independent employer-sponsored defined contribution plan.

Legislation enacted in 1999 authorized PERS employers to offer an employer-sponsored defined contribution plan qualified under Section 401 of the Internal Revenue Code. This legislation failed to amend a section affecting port employees, however, so that the prohibition on participation in employer-sponsored defined contribution plans still applies to port employees.

### **Summary:**

A port district may enter into an agreement authorizing specified deductions from employee salaries for the purposes of participation in a private pension plan. No port district funds may be contributed to plans that are subject to the agreement. The prohibition on PERS members who are port employees from participating in a private pension plan is removed. No private pension plan in operation prior to December 31, 2001, will be invalidated as a result of these changes. Participation in such a private pension plan will not exclude members from membership in PERS.

### **Votes on Final Passage:**

House 98 0

Senate 46 0

**Effective:** June 13, 2002