

SENATE BILL REPORT

HB 1213

As Reported By Senate Committee On:
Ways & Means, April 2, 2001

Title: An act relating to correcting statutes pertaining to the public employees' and school employees' retirement systems.

Brief Description: Correcting statutes pertaining to the public employees' and school employees' retirement systems.

Sponsors: By Representatives Delvin, Conway, H. Sommers, Lambert, Doumit and Hurst; by request of Joint Committee on Pension Policy.

Brief History:

Committee Activity: Ways & Means: 4/2/01 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Roach, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Winsley and Zarelli.

Staff: Pete Cutler (786-7454)

Background: Legislation to create a new School Employees Retirement System (SERS), plans 2 and 3 was enacted in 1998, with an effective date of September 2000. In the 2000 session, changes were made to SERS 2 and SERS 3. In that session, the Legislature also created a new Public Employees Retirement System (PERS), plan 3, with an effective date of March 2002.

After the 2000 session, the Office of the State Actuary, the Department of Retirement Systems, and the State Investment Board (SIB) identified certain technical drafting problems in the new SERS and PERS 3 bills.

Summary of Bill: Various statutes dealing with SERS and PERS are amended to correct drafting errors and omissions. Changes are as follows:

- (1) Inconsistencies created by the passage of two amendments in 2000 that set in statute SERS plan 2 employee contribution rates using different benchmarks are corrected. The correction sets employee contribution rates for SERS equal to the SERS employer rate in plans 2 and 3.
- (2) The inadvertent omission of PERS in the section dealing with the declaration of monthly unit values by the SIB for plan 3 members is corrected.

- (3) A disability definition that is used in the PERS plan 1 definitions section but is not used in SERS is removed.
- (4) A statute that limits the ability of a person to join a second state retirement plan after retiring from another state or city retirement system to apply to SERS is amended.
- (5) An obsolete provision dealing with PERS membership is decodified.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed, except for sections 1 and 2, which take effect March 1, 2002.

Testimony For: None.

Testimony Against: None.

Testified: No one.