

# SENATE BILL REPORT

## SB 5096

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As Passed Senate, February 18, 2003

**Title:** An act relating to allowing members of the teachers' retirement system plan 1 to use extended school years for calculation of their earnable compensation.

**Brief Description:** Allowing members of the teachers' retirement system plan 1 to use extended school years for calculation of their earnable compensation.

**Sponsors:** Senators Regala, Winsley, Carlson, Spanel, Jacobsen, Fraser, B. Sheldon, Kohl-Welles and Rasmussen; by request of Joint Committee on Pension Policy.

**Brief History:**

**Committee Activity:** Ways & Means: 1/28/03, 2/3/03 [DP].

Passed Senate: 2/18/03, 49-0.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Rossi, Chair; Hewitt, Vice Chair; Zarelli, Vice Chair; Brown, Doumit, Fairley, Fraser, Hale, Honeyford, Johnson, Parlette, Poulsen, Regala, Sheahan, B. Sheldon and Winsley.

**Staff:** Erik Sund (786-7454)

**Background:** The retirement benefit paid to members of the Teachers' Retirement System (TRS) Plan 1 is calculated by multiplying their years of service by 1 percent of their average earnable compensation in their two highest-paid consecutive fiscal years. Some teachers work in schools that operate on alternative calendars running into July. Members retiring at the end of one of these extended school years may receive a reduced benefit relative to what they would receive if working on a regular school calendar because their last weeks of employment occur after the end of the fiscal year. Their average earnable compensation in this case would be reduced by the difference between their compensation in July of the year that they retire and the July two years prior.

**Summary of Bill:** Members of TRS Plan 1 are allowed to use their two highest-paid consecutive school years rather than their two highest paid fiscal years for the purpose of determining their average final compensation.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This bill would correct the current inequitable treatment of TRS 1 members working in an extended school year system.

**Testimony Against:** None.

**Testified:** John Kvamme, Washington Association of School Administrators, Association of Washington School Principals (pro).