

HOUSE BILL REPORT

ESHB 2685

As Amended by the Senate

Title: An act relating to general provisions in the public safety employees' retirement system.

Brief Description: Making changes to general provisions in the public safety employees' retirement system.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Fromhold, Conway, Lovick, Quall, Simpson, Ormsby and Moeller; by request of Select Committee on Pension Policy).

Brief History:

Committee Activity:

Appropriations: 1/30/06, 2/4/06 [DPS].

Floor Activity:

Passed House: 2/11/06, 97-0.

Senate Amended.

Passed Senate: 3/3/06, 47-0.

Brief Summary of Engrossed Substitute Bill

- Replaces the list of job classes in effect January 1, 2004, that are eligible for participation in the Public Safety Employees' Retirement System (PSERS) with a set of membership criteria.
- Sets criteria for eligible positions, including the requiring of training by the Criminal Justice Training Commission, the authority to carry a firearm, the duty to ensure the custody and security of incarcerated individuals, the receipt of a commission as a Limited Authority Peace Officer, or the primary responsibility to supervise the PSERS employees.
- Adds reference to the PSERS in laws related to membership in a second state retirement plan and to the taxation of survivor benefits.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 30 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Chandler, Clements, Cody,

Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Pearson, Priest, Schual-Berke, P. Sullivan, Talcott and Walsh.

Staff: David Pringle (786-7310).

Background:

The Public Safety Employees' Retirement System (PSERS) was created by Chapter 242 of the Laws of 2004. The PSERS will open to members on July 1, 2006, and will provide retirement benefits for state and local government employees who work in positions with law enforcement duties but are not eligible for membership in the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF).

Members of the PSERS with at least 20 years of service will be eligible for full retirement benefits from age 60, five years earlier than the regular retirement age in PERS Plans 2 and 3. Early retirement in the PSERS is also available earlier and with reduced penalties. The PSERS members with 20 years of service can retire from age 53 with a 3 percent reduction in benefits per year of early retirement rather than a full actuarial reduction.

Membership in the PSERS is restricted by an individual's employer, and by specific job classes in effect as of January 1, 2004. The PSERS employers are defined as including the Department of Corrections, the Parks and Recreation Commission, the Gambling Commission, the State Patrol, the Liquor Control Board, county corrections departments, and the corrections departments of municipalities not classified as First Class Cities under Chapter 41.28 RCW. Eligible job classes include Park Ranger, Liquor Enforcement Officer, Gambling Special Agent, Commercial Vehicle Enforcement Officer, and a range of correctional positions.

New employees hired into eligible positions after July 1, 2006 will be enrolled in the PSERS immediately. Current employees who are in the PSERS eligible positions and are now enrolled in Plans 2 or 3 of the Public Employees' Retirement System (PERS 2 or 3) will be given the option to transfer into PSERS on July 1, 2006, on a prospective basis. Members choosing to transfer into PSERS from PERS will become dual members and will be eligible to receive benefits from each plan under the state's portability laws. Members of PERS Plan 1, who are able to retire at any age with 30 years of service, are not eligible to transfer to PSERS.

Limited authority Washington Peace Officers are full-time, fully-compensated officers of limited authority law enforcement agencies. These officers are empowered to enforce the laws within the limited subject areas for which the agency is responsible. Limited authority law enforcement agencies include the Departments of Natural Resources, Social and Health Services, and Corrections, the Gambling Commission, the Lottery Commission, the Parks and Recreation Commission, the Utilities and Transportation Commission, and the Liquor Control Board.

Summary of Engrossed Substitute Bill:

The list of job classes in the statutes governing eligibility requirements for the Public Safety Employees' Retirement System (PSERS) is replaced with a duty-based set of membership criteria. To be eligible for membership, employees must work full-time and hold a position: that requires completion of a certified criminal justice training course and which has the authority to arrest, investigate crimes, enforce the law, and carry a firearm; in which the primary duty is to ensure the custody and security of incarcerated individuals as a probation officer, corrections officer or jailer; that is a limited authority Washington Peace Officer; or in which the primary responsibility is to supervise employees who are eligible for membership under one of the previously listed membership criteria.

References to the PSERS system are added to provisions related to joining a second retirement plan, and to the retirement systems for which retirement benefits paid to beneficiaries of members who die in the line of duty are paid consistent with the federal Fallen Hero Survivor Benefits Fairness Act exempting them from federal income tax. Issues relating to PSERS employees are added to the responsibilities of the Select Committee on Pension Policy's public safety subcommittee.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment adds the Department of Natural Resources and the Department of Social and Health Services to the list of eligible employers for PSERS. The effect of the amendment is to make about 10 Natural Resources Investigators and about 330 Juvenile Rehabilitation Security Officers and supervisors eligible for PSERS when the plan becomes effective July 1, 2006.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: (In support) The bill provides additional clarity, and the previous job class method does not provide the detail that local governments need. "Police support officers" is one example of how the job class method was very unclear. Move away from the classes to descriptions.

(Concerns) We represent a number of employees that might be excluded by the new language, were included in the PSERS plan as it was created in 2004, Juvenile Detention workers who are employed by the court. This just came to our attention.

Testimony Against: (Opposed) We want probation officers to remain in PSERS, and this bill appears to remove them. We are seeing more violent youth being in contact with court personnel all the time. These youth are big, strong, angry, and impulsive. These workers need the protection provided by the better PSERS retirement benefits.

Persons Testifying: (In support) Jim Justin, Association of Washington Cities.

(Concerns) Owen Lynch, Teamsters Union.

(Opposed) Ned Delmore, Washington Association of Juvenile Court Administration.

Persons Signed In To Testify But Not Testifying: None.