

SENATE BILL REPORT

HB 1321

As Reported By Senate Committee On:
Ways & Means, March 23, 2005

Title: An act relating to allowing members of the teachers' retirement system plan 1 who are employed less than full time as psychologists, social workers, nurses, physical therapists, occupational therapists, or speech language pathologists or audiologists to annualize their salaries when calculating their average final compensation.

Brief Description: Allowing members of the teachers' retirement system plan 1 who are employed less than full time as psychologists, social workers, nurses, physical therapists, occupational therapists, or speech language pathologists or audiologists to annualize their salaries when calculating their average final compensation.

Sponsors: Representatives Fromhold, Conway, Crouse, Simpson, Morrell, Upthegrove, Linville, Kenney and McDermott; by request of Select Committee on Pension Policy.

Brief History: Passed House: 3/07/05, 95-0.

Committee Activity: Ways & Means: 3/23/05 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Zarelli, Ranking Minority Member; Brandland, Fairley, Hewitt, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Erik Sund (786-7454)

Background: Retirement allowances in the Teachers' Retirement System (TRS) Plan 1 are calculated by multiplying a member's average final compensation (AFC) by 2 percent and then again by the number of years of service credit that the member has earned. AFC is the annual average of a member's greatest eligible earnings during any two consecutive years.

TRS 1 members who spend at least three-quarters of their time as classroom instructors, librarians, or counselors are allowed to annualize their salaries for the purpose of calculating their AFC. School counselors are classified as certified educational staff associates (ESA) and are the only kind of ESA allowed to annualize their salaries. Other kinds of ESAs include psychologists, social workers, nurses, physical therapists, speech language pathologists, and audiologists.

Without the ability to annualize salary, a part-time member of TRS 1 could receive a benefit based both upon a part-time salary, and on less than a full year of service for each school year worked. For example, a half-time ESA nurse earning both half the service credit and half the salary of a full-time ESA would receive one quarter of the retirement allowance of the full-time ESA.

Summary of Bill: All certified educational staff associates belonging to TRS 1 are allowed to annualize their salary for the purpose of calculating their average final compensation. This provision applies to currently active members only.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For (on companion Senate Bill 5324): This bill would improve the fairness of the retirement provisions for part-time ESAs belonging to TRS 1.

Testimony Against (on companion Senate Bill 5324): None.

Who Testified (on companion Senate Bill 5324): PRO: Randy Parr, Washington Education Association.