

SENATE BILL REPORT

ESHB 2685

As Reported By Senate Committee On:
Ways & Means, February 21, 2006

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

Committee Activity: Ways & Means: 2/21/06. [DPA]

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

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

Staff: Erik Sund (786-7454)

Background: The Public Safety Employees' Retirement System (PSERS) was created by Chapter 242 of the Laws of 2004. PSERS, which will open to members on July 1, 2006, 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 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 PSERS is also available earlier and with reduced penalties. 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.

To be eligible for membership in PSERS, an individual must be employed by an eligible employer in a statutorily designated position. The PSERS employers are 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 titles 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 in the future will be enrolled in PSERS immediately. Current employees who are in PSERS eligible positions are now enrolled in

Plans 2 or 3 of the Public Employees' Retirement System (PERS 2 or 3). These employees will be given the option to transferring 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.

Summary of Amended Bill: The list of position titles 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:

- 1) 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;
- 2) in which the primary duty is to ensure the custody and security of incarcerated or probationary individuals as a corrections officer, probation officer or jailer;
- 3) that is classified as a limited authority Washington Peace officer; or
- 4) in which the primary responsibility is to service employees who are eligible for membership under one of the previously listed membership criteria.

The list of eligible employers is retained, with the Department of Natural Resources and the Department of Social and Health Services added to the list.

Amended Bill Compared to Original Bill: The original (engrossed substitute) bill did not add the Department of Natural Resources or the Department of Social and Health Services to the list of eligible PSERS employers.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: (From SB 6449) Adding the Department of Natural Resources and the Department of Social and Health Services to the list of eligible employers for PSERS is important. The employees who would be made eligible by this change face real dangers on the job and deserve to join PSERS. Counselors employed under the Juvenile Rehabilitation Administration should also be allowed to join PSERS.

Testimony Against: (From SB 6449) None.

Who Testified: (From SB 6449) PRO: Don Briscoe, International Federation of Professional and Technical Engineers; Bev Hermanson, Washington Federation of State Employees; Larry Raedel, Department of Natural Resources; Gordon Walgren, Washington State Fire Chiefs.