

HB 2391 - H AMD 870

By Representative Chase

WITHDRAWN 4/21/2007

1 On page 4, after line 3, insert the following:

2 "NEW SECTION. Sec. 2. A new section is added to Chapter 41.31A
3 RCW to read as follows:

4 (1) On January 1, 2010, and on January 1st of even-numbered
5 years thereafter, the member account of a member who retired prior
6 to January 1, 2007 pursuant to RCW 41.32.875, 41.35.680, or
7 41.40.820, shall be credited by the extraordinary investment gain
8 amount.

9 (2) The extraordinary investment gain amount shall be
10 calculated as follows:

11 (a) One-half of the sum of the value of the net assets held in
12 trust for pension benefits in the teachers' retirement system
13 combined plan 2 and 3 fund, the Washington school employees'
14 retirement system combined plan 2 and 3 fund, and the public
15 employees' retirement system combined plan 2 and 3 fund at the
16 close of the previous state fiscal year not including the amount
17 attributable to member accounts;

18 (b) Multiplied by the amount which the compound average of
19 investment returns on those assets over the previous four state
20 fiscal years exceeds ten percent;

21 (c) Multiplied by the proportion of:

22 (i) The sum of the service credit on August 31st of the
23 previous year of all persons eligible for the benefit provided in
24 subsection (1) of this section; to

25 (ii) The sum of the service credit on August 31st of the
26 previous year of:

27 (A) All persons eligible for the benefit provided in subsection
28 (1) of this section;

29 (B) Any person who earned service credit in the teachers'
30 retirement system plan 2 or 3, the Washington school employees'
31 retirement system plan 2 or 3, or the public employees' retirement

1 system plan 2 or 3 during the twelve-month period from September
2 1st to August 31st immediately preceding the distribution;

3 (C) Any person in receipt of a benefit pursuant to RCW
4 41.32.765, 41.35.420, or 41.40.630;

5 (D) Any person in receipt of a benefit pursuant to RCW
6 41.32.875, 41.35.680, or 41.40.820 on or after January 1, 2007;

7 (E) Any person with five or more years of service in the
8 teachers' retirement system plan 2, the Washington school
9 employees' retirement system plan 2, or the public employees'
10 retirement system plan 2; and

11 (F) Any plan 3 member who: completed ten service credit years;
12 or completed five service credit years, including twelve service
13 credit months after attaining age forty-four;

14 (d) Divided proportionally among persons eligible for the
15 benefit provided in subsection (1) of this section on the basis of
16 their service credit total on August 31st of the previous year.

17 (3) The legislature reserves the right to amend or repeal this
18 section in the future and no member or beneficiary has a
19 contractual right to receive this distribution not granted prior to
20 that time.

21 (4) This section is intended to take effect upon the repeal of
22 RCW 41.31A.020. If the repeal of RCW 41.31A.020 is held to be
23 invalid in a final determination of a court of law and the court
24 orders reinstatement of gain-sharing or other alternate benefits as
25 a remedy, then this section is shall be null and void as of the
26 date of such reinstatement, and any benefits paid to members under
27 this section prior to such reinstatement shall remain the property
28 of the members."

29 Renumber the remaining sections consecutively and correct the title

30 On page 18, beginning on line 19, strike all of subsection (4)
31 and renumber the remaining subsections consecutively, correct any
32 cross references accordingly, and correct the title

33 On page 19, after line 5, insert the following:

34 "**Sec. 14.** RCW 41.45.061 and 2004 c 242 s 40 are each amended
35 to read as follows:

1 (1) The required contribution rate for members of the plan 2
2 teachers' retirement system shall be fixed at the rates in effect
3 on July 1, 1996, subject to the following:

4 (a) Beginning September 1, 1997, except as provided in (b) of
5 this subsection, the employee contribution rate shall not exceed
6 the employer plan 2 and 3 rates adopted under RCW 41.45.060(~~(,~~
7 ~~*41.45.054,~~)) and 41.45.070 for the teachers' retirement system;

8 (b) In addition, the employee contribution rate for plan 2
9 shall be increased by fifty percent of the contribution rate
10 increase caused by any plan 2 benefit increase passed after July 1,
11 1996;

12 (c) In addition, the employee contribution rate for plan 2
13 shall not be increased as a result of either:

14 (i) Any distributions pursuant to section 309, chapter 341,
15 Laws of 1998 and RCW 41.31A.020; or

16 (ii) Any benefit increases pursuant to section 2, chapter
17 (this act), Laws of 2007.

18 (2) The required contribution rate for members of the school
19 employees' retirement system plan 2 shall equal the school
20 employees' retirement system employer plan 2 and 3 contribution
21 rate adopted under RCW 41.45.060(~~(,~~ ~~*41.45.054,~~)) and 41.45.070,
22 except as provided in subsection (3) of this section.

23 (3) The member contribution rate for the school employees'
24 retirement system plan 2 shall be increased by fifty percent of the
25 contribution rate increase caused by any plan 2 benefit increase
26 passed after September 1, 2000.

27 (4) The required contribution rate for members of the public
28 employees' retirement system plan 2 shall be set at the same rate
29 as the employer combined plan 2 and plan 3 rate.

30 (5) The required contribution rate for members of the law
31 enforcement officers' and fire fighters' retirement system plan 2
32 shall be set at fifty percent of the cost of the retirement system.

33 (6) The employee contribution rates for plan 2 under
34 subsections (3) and (4) of this section shall not include any
35 increase as a result of either:

36 (a) Any distributions pursuant to RCW 41.31A.020 and
37 41.31A.030; or

38 (b) Any benefit increases pursuant to section 2 of chapter
39 (this act), Laws of 2007.

1 (7) The required plan 2 and 3 contribution rates for employers
2 shall be adopted in the manner described in RCW 41.45.060(~~(7~~
3 ~~*41.45.054,~~) and 41.45.070.

4 (8) The required contribution rate for members of the public
5 safety employees' retirement system plan 2 shall be set at fifty
6 percent of the cost of the retirement system."

7 Renumber the remaining sections consecutively, correct any cross-
8 references accordingly, and correct the title.

9 On page 19, line 15, after "2007." insert "Section 2 of this
10 act takes effect January 2, 2008."

EFFECT: Provides that gain-sharing will continue after January
1, 2008 for members of Plan 3 of the Public Employees'
Retirement System, the School Employees' Retirement System, and
the Teachers Retirement System who retired prior to January 1,
2007 after earning at least five service credit years.