

# FINAL BILL REPORT

## SB 5950

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C 240 L 12  
Synopsis as Enacted

**Brief Description:** Regulating nonstate pension plans offered by towns.

**Sponsors:** Senators Roach and Conway.

**Senate Committee on Ways & Means**

**House Committee on Ways & Means**

**Background:** An employee of a local government entity may be eligible for membership in one of a variety of retirement systems established in, or authorized by, state law. The Public Employees' Retirement System (PERS) provides benefits for regularly compensated public employees and officials of state agencies and subdivisions and most local government employees. Individuals employed as full-time, fully-compensated law enforcement officers and fire fighters are eligible for membership in the statewide Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF). Additionally, the cities of Seattle, Tacoma, and Spokane are authorized by statute to sponsor their own retirement systems. Some other cities, towns, and municipal corporations offer other retirement plans to their employees; however, towns have been prohibited by statute from establishing new pension plans since 1990. Defined contribution retirement plans established prior to that time are authorized, though towns are prohibited from making changes to those plans. Defined benefit plans sponsored by towns are not authorized.

**Summary:** Towns may participate in non-state defined benefit pension plans only where participation in the plan commenced prior to January 1, 1999, and where no material changes in the terms or conditions of the plan were made after June 7, 1999.

**Votes on Final Passage:**

Senate	47	0	
House	96	2	(House amended)
Senate	49	0	(Senate concurred)

**Effective:** June 7, 2012

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*