
SUBSTITUTE HOUSE BILL 1998

State of Washington

62nd Legislature

2011 Regular Session

By House Ways & Means (originally sponsored by Representatives Bailey and Seaquist)

READ FIRST TIME 02/25/11.

1 AN ACT Relating to actuarial services for the state's public
2 employee retirement systems; reenacting and amending RCW 44.44.040;
3 adding a new section to chapter 41.45 RCW; and providing an effective
4 date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.45 RCW
7 to read as follows:

8 At least once in each six-year period, the state actuary shall
9 conduct an actuarial study of financial risks to the state retirement
10 systems. As part of the study, the state actuary shall model the long-
11 term effects on financial risks that occur when short-term experience
12 deviates from the long-term assumptions used in the systematic
13 actuarial funding for pensions. The results shall be filed with the
14 department, the office of financial management, the ways and means and
15 transportation committees of the legislature, the select committee on
16 pension policy, and the pension funding council.

17 **Sec. 2.** RCW 44.44.040 and 2003 c 295 s 4 and 2003 c 92 s 2 are
18 each reenacted and amended to read as follows:

1 The office of the state actuary shall have the following powers and
2 duties:

3 (1) Perform all actuarial services for the department of retirement
4 systems, including all studies required by law.

5 (2) Advise the legislature and the governor regarding ~~((pension))~~
6 financial risks to the state retirement systems, benefit provisions,
7 ~~((and))~~ funding policies, and investment policies of the state
8 investment board.

9 (3) Consult with the legislature and the governor concerning
10 determination of actuarial assumptions ~~((used by the department of~~
11 ~~retirement systems))~~.

12 (4) Prepare a report, to be known as the actuarial fiscal note, on
13 each pension bill introduced in the legislature which briefly explains
14 the financial impact of the bill ~~((The actuarial fiscal note))~~ and
15 shall include: (a) The ~~((statutorily required contribution))~~ increases
16 in employer and member contribution rates that result from the
17 increased benefits or changes in expected pension costs; (b) the
18 associated cost of the increased benefits or changes in expected
19 pension costs for the biennium, the subsequent biennium, and the
20 following twenty-five years; ~~((b) the biennial cost of the increased~~
21 ~~benefits if these exceed the required contribution;))~~ and (c) any
22 change in the present value of fully projected benefits and the
23 unfunded actuarial accrued ~~((benefits. An actuarial fiscal note shall~~
24 ~~also be prepared for all amendments which are offered in committee or~~
25 ~~on the floor of the house of representatives or the senate to any~~
26 ~~pension bill. However, a majority of the members present may suspend~~
27 ~~the requirement for an actuarial fiscal note for amendments offered on~~
28 ~~the floor of the house of representatives or the senate))~~ liability.

29 (5) Provide such actuarial services to the legislature as may be
30 requested from time to time.

31 (6) Provide staff and assistance to the committee established under
32 RCW 41.04.276.

33 (7) Provide actuarial assistance to the law enforcement officers'
34 and firefighters' plan 2 retirement board as provided in chapter 2,
35 Laws of 2003. Reimbursement for services shall be made to the state
36 actuary under RCW 39.34.130 and section 5(5), chapter 2, Laws of 2003.

1 NEW SECTION. **Sec. 3.** This act takes effect August 1, 2011.

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