
SENATE JOINT RESOLUTION 8214

State of Washington

62nd Legislature

2011 Regular Session

By Senators Pridemore, Schoesler, Murray, Zarelli, Conway, and Hewitt;
by request of State Treasurer

Read first time 02/08/11. Referred to Committee on Ways & Means.

1 BE IT RESOLVED, BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
2 STATE OF WASHINGTON, IN LEGISLATIVE SESSION ASSEMBLED:

3 THAT, At the next general election to be held in this state the
4 secretary of state shall submit to the qualified voters of the state
5 for their approval and ratification, or rejection, an amendment to the
6 Constitution of the state of Washington by adding a new article to read
7 as follows:

8 Article ..., section 1. To ensure more fiscal discipline in
9 budgeting and to improve intergenerational equity for taxpayers,
10 minimum standards shall apply to public pension plans administered by
11 the state of Washington. Retirement benefits provided under these
12 plans should, to the maximum extent possible, be funded over the
13 working lives of plan members so that employer costs are paid by the
14 taxpayers who receive the benefit of those members' service.

15 This article applies to any defined benefit component of a public
16 employee retirement plan administered by the state of Washington,
17 except, as of the effective date of this section, the judges retirement
18 fund, judicial retirement system, law enforcement officers' and

1 firefighters' retirement system plan 1, and the volunteer firefighters'
2 and reserve officers' relief and pension fund.

3 Article ..., section 2. For each state-administered pension plan
4 that is open to new entrants, annual contributions paid into the plan
5 must be in amounts sufficient to fund at least eighty percent of the
6 expected long-term annual cost of benefits under the plan, calculated
7 as normal cost under the entry age normal actuarial cost method. These
8 annual contributions shall remain in effect so long as the present
9 value of fully projected benefits exceeds the actuarial value of assets
10 for that plan as of the most recently published actuarial rate-setting
11 valuation.

12 Article ..., section 3. Beginning July 1, 2015, annual employer
13 contributions made to plan 1 of the public employees' retirement system
14 must be in amounts totaling no less than 5.25 percent of the salaries
15 of all active members of the public employees' retirement system,
16 public safety employees' retirement system, school employees'
17 retirement system, and any newly created retirement plan for public
18 employees that were previously covered under the public employees'
19 retirement system.

20 Beginning September 1, 2015, annual employer contributions made to
21 plan 1 of the teachers' retirement system must be in amounts totaling
22 no less than 8.00 percent of the salaries of all active members of the
23 teachers' retirement system, and any newly created retirement plan for
24 teachers that were previously covered under the teachers' retirement
25 system.

26 These annual employer contributions shall be used for the sole
27 purpose of amortizing the unfunded actuarial accrued liability of the
28 plan, and they exclude any amounts required to fund new benefit
29 improvements that become law after the effective date of this section.
30 These annual employer contributions shall remain in effect until the
31 actuarial value of assets in the plan equals at least one hundred
32 percent of the actuarial accrued liability.

33 Article ..., section 4. The legislature shall adopt policies to
34 reasonably ensure that once the unfunded actuarial accrued liability in
35 a closed plan is fully funded, it will not reemerge. In addition, the
36 legislature shall adopt policies that reasonably prevent the emergence

1 of an unfunded actuarial accrued liability in any open plan, or in any
2 plan that is closed to new entrants after the effective date of this
3 section.

4 Article . . . , section 5. Legislative changes to actuarial methods
5 or economic assumptions that result in lower expected long-term annual
6 pension costs take effect two years following the date of enactment or
7 at the beginning of the next fiscal biennium, whichever is later.

8 BE IT FURTHER RESOLVED, That this amendment is a single amendment
9 within the meaning of Article XXIII, section 1 of the state
10 Constitution.

11 The legislature finds that the changes contained in this amendment
12 constitute a single integrated plan for managing risks in funding
13 pensions for members and beneficiaries of the state-administered
14 pension plans. If this amendment is held to be separate amendments,
15 this joint resolution is void in its entirety and is of no further
16 force and effect.

17 BE IT FURTHER RESOLVED, That the secretary of state shall cause
18 notice of the foregoing constitutional amendment to be published at
19 least four times during the four weeks next preceding the election in
20 every legal newspaper in the state.

21 BE IT FURTHER RESOLVED, That, pursuant to RCW 29A.36.020, the
22 statement of subject and concise description for the ballot title shall
23 read: The legislature has passed a constitutional amendment on
24 requiring fiscal discipline in funding public pensions. This amendment
25 will lower costs for taxpayers and increase financial security by
26 requiring government to use actuarial principles to fund public
27 pensions, thus maximizing investment returns to pay for its unavoidable
28 contractual obligations. Should this constitutional amendment be:

29 Approved

30 Rejected

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