

HOUSE BILL REPORT

SHB 1109

As Passed House:
March 2, 2015

Title: An act relating to membership in the teachers' retirement system for certificated employees of the superintendent of public instruction.

Brief Description: Authorizing membership in the teachers' retirement system for certificated employees of the superintendent of public instruction.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Reykdal, Wilcox and Bergquist).

Brief History:

Committee Activity:

Appropriations: 1/29/15, 2/5/15 [DPS].

Floor Activity:

Passed House: 3/2/15, 72-25.

Brief Summary of Substitute Bill

- Adds persons qualified to teach and employed by the Office of the Superintendent of Public Instruction (OSPI) to the membership of the Teachers' Retirement System (TRS).
- Provides employees qualified to teach and employed by the OSPI before the effective date of the act the option of staying in the Public Employees' Retirement System, or moving to the TRS.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Cody, Condotta, Dent, Dunshee, Fagan, Haler, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Pettigrew, Sawyer, Schmick, Senn, Springer, Stokesbary, Sullivan, Tharinger, Van Werven and Walkinshaw.

Minority Report: Do not pass. Signed by 2 members: Representatives G. Hunt and Taylor.

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.

Staff: David Pringle (786-7310).

Background:

The Public Employees' Retirement System (PERS) provides retirement benefits for most regularly compensated employees in ongoing positions who work for state agencies and most other public employers in Washington. General service employees of participating employers are usually in the PERS unless included in one of the other state retirement system plans such as the Law Enforcement Officers' and Fire Fighters' Retirement System.

School district employees are generally divided into the Teachers' Retirement System (TRS) or the School Employees' Retirement System (SERS). The TRS covers employees who are certificated by the Superintendent of Public Instruction (SPI) to teach and are employed by a public school, educational service district, or the state in an instructional, administrative, or supervisory capacity. The SERS covers non-certificated school district employees unless they established membership in the PERS Plan 1 prior to closure of the plan in 1977.

The position of the SPI is specifically designated as an eligible position covered by the TRS, rather than the PERS.

Summary of Substitute Bill:

Persons employed by the Office of the Superintendent of Public Instruction (OSPI) and qualified to teach are added to the definition of "teacher" and participate in the Teachers' Retirement System, rather than the Public Employees' Retirement System.

Employees qualified to teach and employed by the OSPI prior to the effective date of the act have a choice during a window period between September 1, 2015, and December 31, 2015, of remaining in the PERS or transferring to the TRS. Employees that do not choose to transfer to the TRS remain in the PERS for the duration of his or her employment with the OSPI.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) There are a lot of public employees in my district. The OSPI regularly recruits out of school district for talented employees, and now those employees are forced to change retirement plans if they decide to work for the OSPI. An amendment to the bill could be adopted to narrow this to new OSPI employees, and reduce the initial cost of the change.

(Opposed) None.

Persons Testifying: Representative Reykdal, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.