

SENATE BILL REPORT

SB 6077

As of March 25, 2015

Title: An act relating to the forfeiture of the pension of a public employee convicted of a felony for misconduct associated with such person's service as a public employee.

Brief Description: Authorizing the forfeiture of the pension of a public employee convicted of a felony for misconduct associated with such person's service as a public employee.

Sponsors: Senators Bailey, Litzow, Benton, Baumgartner, Sheldon, Becker, Angel, Schoesler, Hewitt, Miloscia, Braun and Fain.

Brief History:

Committee Activity: Ways & Means: 3/24/15.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Steve Jones (786-7440)

Background: The state Department of Retirement Systems administers the following state retirement plans that provide retirement benefits to a variety of state and local government employees:

- the Public Employees' Retirement System;
- the Teachers' Retirement System;
- the Law Enforcement Officers' and Firefighters' Retirement System;
- the Washington State Patrol Retirement System;
- the Judicial Retirement System;
- the Judges' Retirement Fund;
- the School Employees' Retirement System;
- the Public Safety Employees' Retirement System; and
- the higher education annuity and retirement income plans.

Summary of Bill: If a felony crime is committed in the course of public employment by a public official or employee after the effective date of the act, the person's membership in a state retirement plan is terminated and any retirement benefit is forfeited. The member receives only the member's contribution as a lump sum, without interest. If warranted under the circumstances, a court may award some or all of the forfeited benefits to the member's spouse, former spouse, or dependents.

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.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: It is shocking that teachers have been convicted of drug or sex crimes involving children, and are sitting in prison while receiving taxpayer-funded pensions. More than \$2 million is being spent every year on these benefits. In the military, you lose your benefits for dishonorable service. This bill is prospective only, not retroactive. The innocent spouse and dependents are protected under this bill.

CON: This bill does not protect the victims of crime because the assets of the criminal could be depleted, making it more difficult for the victims to access these assets. This bill is contrary to the strong public policy of the Sentencing Reform Act because it treats persons differently based on the source of the person's income. The property rights of the innocent spouse are not adequately protected.

OTHER: There are several potential ambiguities and conflicts with existing garnishment and criminal statutes. These issues need closer examination by the Joint Select Committee on Public Pension Policy and the LEOFF Plan 2 Retirement Board.

Persons Testifying: PRO: Senator Bailey, prime sponsor; Scott Roberts, Freedom Foundation.

CON: Rebecca Johnson, WA Coalition of Sexual Assault Programs; Bob Cooper, WA Defender Assn.

OTHER: Steve Nelson, LEOFF Plan 2 Retirement Board.

Persons Signed in to Testify But Not Testifying: No one.