
Appropriations Committee

SB 5274

Brief Description: Defining salary for purposes of the Washington state patrol retirement system.

Sponsors: Senators Conway, Bailey, Schoesler and Hobbs; by request of Select Committee on Pension Policy.

Brief Summary of Bill

- Restores voluntary overtime or Department of Transportation project-related overtime earned after July 1, 2017, to the definition of salary in the Washington State Patrol Retirement System.

Hearing Date: 3/13/17

Staff: David Pringle (786-7310).

Background:

The Washington State Patrol Retirement System (WSPRS) covers all commissioned officers of the Washington State Patrol (WSP). Members of the WSPRS may retire at age 55 or after 25 years of service at any age. There are two tiers of benefits in WSPRS: Plan 1, which was closed on December 31, 2002, and Plan 2, which has covered all fully commissioned officers of the WSP that received their commissions after that date.

In 1999 the Joint Legislative Audit and Review Committee conducted a performance audit of the Washington State Patrol. Included within it was a review of overtime worked by WSP officers, and the impact of that overtime on WSPRS pensions. The study found that during fiscal years 1997 and 1998, the average current trooper and sergeant worked 121 hours of overtime per year. Twenty-three commissioned retirees who retired between July 1, 1996, and March 30, 1998, worked an estimated average of 172 hours of overtime per year during the last 24 months of employment prior to retirement, or 42 percent higher than the average.

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.

In 2001 the Legislature adopted Engrossed Senate Bill 5143, which both created WSPRS Plan 2 and made the following changes to members of WSPRS Plan 1: (1) increased the annual cost-of-living adjustment (COLA) benefits of retirees and survivors from a 2 percent per year simple increase to a 3 percent per year compounded Consumer Price Index-based increase; (2) changed the employee contribution rate from a fixed 7 percent of pay to the greater of 2 percent or one-half of the total contribution rate required by the plan (with the state paying the other half); and (3) excluded voluntary overtime or overtime worked for the Department of Transportation from the definition of salary.

Wage-related matters, including the distribution of overtime hours, are determined for WSPRS members in collective bargaining. The current collective bargaining agreement contains provisions detailing the distribution of voluntary overtime.

Among the changes made to Plan 2 was an increase in the period over which average final salary was calculated from the highest two consecutive years of service to the highest five consecutive years.

In 2007 the Legislature limited the WSPRS member contribution rate to the lesser of one-half the required rate or 7 percent, plus 50 percent of the contribution rate caused by any benefit improvements effective on or after July 1, 2007. Currently, the maximum WSPRS member contribution rate is 7.34 percent of pay.

Summary of Bill:

Voluntary overtime or Department of Transportation project-related overtime earned after July 1, 2017, is restored to the definition of salary in the Washington State Patrol Retirement System Plan 1, and is added to the Washington State Patrol Retirement System Plan 2.

Appropriation: None.

Fiscal Note: Available.

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