

SENATE BILL REPORT

HB 1709

As Passed Senate, April 12, 2017

Title: An act relating to transferring public employees' retirement system service credit to the public safety employees' retirement system due to differing definitions of full-time.

Brief Description: Authorizing the transfer of public employees' retirement system service credit to the public safety employees' retirement system due to differing definitions of full-time.

Sponsors: Representatives Chandler, Ormsby and Stanford; by request of Select Committee on Pension Policy.

Brief History: Passed House: 3/01/17, 98-0.

Committee Activity: Ways & Means: 3/30/17 [DP].

Floor Activity:

Passed Senate: 4/12/17, 49-0.

Brief Summary of Bill

- Allows certain employees that thought they were eligible for the Public Safety Employees' Retirement System (PSERS) to transfer credit earned in the Public Employees' Retirement System (PERS) to the PSERS.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Fain, Hasegawa, Keiser, Miloscia, Padden, Pedersen, Rivers, Schoesler and Warnick.

Staff: Amanda Cecil (786-7460)

Background: The Public Safety Employees' Retirement System (PSERS) was established July 1, 2006. Certain job classes employed by specified employers that were covered by the Public Employees' Retirement System (PERS) and that had been identified as having law

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enforcement responsibilities and powers were moved to the PSERS. PSERS has a normal retirement age of 60 with 10 years of service as compared to PERS Plans 2 and 3 with normal retirement ages of 65.

The specific job classes that were moved to PSERS include city corrections officers; jailers; police support officers; custody officers and bailiffs; county corrections officers; probation officers and probation counselors; state correctional officers; correctional sergeants and community corrections officers; liquor enforcement officers; park rangers; commercial vehicle enforcement officers; and gambling special agents. PSERS employers are defined as the Department of Corrections, the Department of Natural Resources, the State Parks and Recreation Commission, the Gambling Commission, the Washington State Patrol, the Liquor and Cannabis Board, county corrections departments, and the corrections departments of municipalities not classified as first class cities. In addition to being one of the listed positions with a listed employer, to be eligible for PSERS membership an employee must work full-time.

In 2016, the Department of Retirement Systems (DRS) identified that some employees that had been reported by their employers as members of PSERS did not meet the full-time requirement. This was due to differences in the definition used by the DRS of at least 160 hours per month, while some local contracts defined full-time at a lower threshold.

Summary of Bill: Employees that met the requirements of membership in PSERS with the exception of the full time requirement between July 1, 2006, and January 1, 2017, may transfer their PERS service credit to the PSERS if they worked under an employment contract that defined full-time employment as at least 140 hours per month. In order to be eligible, the employee must also have been incorrectly reported by their employer in PSERS.

Both the employee transferring service and the employer must respectively pay the difference in the contributions that would have been paid between PERS and PSERS. An employee transferring credit must continue to have their service reported in PSERS as long as they stay with their current employer and continue to work under an employment contract that defines full time as at least 140 hours per month.

The provision applies retroactively to July 1, 2006.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: No public hearing was held.

Persons Testifying: N/A.

Persons Signed In To Testify But Not Testifying: N/A.