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HOUSE BILL 1709

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State of Washington

65th Legislature

2017 Regular Session

By Representatives Chandler, Ormsby, and Stanford; by request of  
Select Committee on Pension Policy

Read first time 01/26/17. Referred to Committee on Appropriations.

1 AN ACT Relating to transferring public employees' retirement  
2 system service credit to the public safety employees' retirement  
3 system due to differing definitions of full-time; adding a new  
4 section to chapter 41.37 RCW; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** Since the establishment of the public  
7 safety employees' retirement system in 2006, some employees have been  
8 reported by employers as members of that retirement system even  
9 though they did not work what is normally considered full-time for  
10 the purposes of determining plan membership under RCW 41.37.010(19)  
11 due to written employment agreements that defined full-time  
12 differently. As a result, some employees who believed they were in  
13 the public safety employees' retirement system have been, or will be,  
14 moved into the public employees' retirement system that has different  
15 plan provisions and, generally, a later retirement date. The  
16 legislature intends that section 2 of this act only applies to those  
17 employees who believed they were in the public safety employees'  
18 retirement system and have been, or will be, moved into the public  
19 employees' retirement system, as described in this section.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 41.37  
2    RCW to read as follows:

3        (1) An employee may elect to have their public employees'  
4    retirement system service credit transferred to the public safety  
5    employees' retirement system if:

6        (a) They worked under a written employment contract prior to  
7    January 1, 2017, that defined full-time as less than one hundred  
8    sixty hours per month;

9        (b) Other than the full-time requirement under RCW 41.37.010(19),  
10    have met all membership requirements for the public safety employees'  
11    retirement system under RCW 41.37.010(19);

12        (c) Their employer incorrectly reported the employee's service in  
13    the public safety employees' retirement system instead of the public  
14    employees' retirement system; and

15        (d) All contributions required for past periods of service  
16    established under this subsection are paid to the department, as  
17    follows:

18        (i) A member who elects to transfer service credit under this  
19    subsection shall pay, for the applicable period of service, the  
20    difference between the contributions the employee paid to the public  
21    employees' retirement system and the contributions that would have  
22    been paid by the employee had the employee been a member of the  
23    public safety employees' retirement system.

24        (ii) Employer contributions shall be paid by the employer and  
25    calculated by the department equal to the difference between the  
26    contributions the employer paid to the public employees' retirement  
27    system and the contributions that would have been paid by the  
28    employer had the employee been a member of the public safety  
29    employees' retirement system.

30        (2) This section applies retroactively to July 1, 2006.

31        (3) All employees who elect to have their public employees'  
32    retirement system service credit transferred to the public safety  
33    employees' retirement system under this section shall continue to  
34    have their service credit reported in the public safety employees'  
35    retirement system so long as:

36        (a) They remain with their current employer in an otherwise  
37    public safety employees' retirement system eligible position; and

1           (b) Continue to work under a written employment contract that  
2 defines full-time as less than one hundred sixty hours per month, but  
3 at least one hundred forty hours per month.

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