

FINAL BILL REPORT

SB 5881

C 247 L 24
Synopsis as Enacted

Brief Description: Concerning membership in the public employees' retirement system for certain part-time bus drivers employed full-time by the federal government.

Sponsors: Senators MacEwen, Conway and Robinson; by request of Select Committee on Pension Policy.

Senate Committee on Ways & Means
House Committee on Appropriations

Background: When a public employee meets eligibility requirements for a public pension system the employee earns service credit. To be eligible in PERS an employee must work 70 hours or more for five months within one year, over two consecutive years. In addition to eligibility, an employee must meet service credit requirements to vest and earn a pension benefit. Generally, to vest in PERS plan 2 an employee must earn five years of service credit in the plan 2 and ten years in plan 3. Service credit is earned in PERS plans 2 and 3 as follows:

- 1.0 service credit when compensated hours are equal to 90 or more;
- 0.5 service credit for 70 and up to 90 compensated hours; or
- 0.25 service credits for less than 70 compensated hours.

Both the employee and employer must contribute a percentage of the employee's salary into the system. Currently the contributions rates for PERS plan 2 are 6.36 percent for employees and 9.53 percent for employers. If the employee leaves service without vesting and earning a pension benefit the employee may withdraw their contributions. The employers contributions stay in the system.

At the request of Kitsap Transit during the 2023 interim, the Select Committee on Pension Policy studied an exemption of Puget Sound Naval Shipyard bus operators that work full-time for the Department of Defense and part-time for Kitsap Transit in a vanpool-like capacity, transporting themselves and other federal employees to and from their primary employer.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Summary: An employee of a public transportation benefit area hired on or after the effective date of this act as a part-time bus driver serving naval shipyards, and who is simultaneously employed on a full-time basis with an employer of the federal government and is making contributions to the federal employees' retirement system, is not covered by PERS.

Votes on Final Passage:

Senate 49 0

House 96 0

Effective: June 6, 2024