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HOUSE BILL 2679

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State of Washington                      61st Legislature                      2010 Regular Session

By Representatives Bailey, Seaquist, and Anderson

Read first time 01/12/10. Referred to Committee on Ways & Means.

1            AN ACT Relating to delaying benefit increases until the creation of  
2 a state retirement system risk analysis system; and adding a new  
3 section to chapter 41.04 RCW.

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

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 41.04 RCW  
6 to read as follows:

7            (1) The legislature finds that the September 9, 2009, study of the  
8 financial health of the Washington state retirement system by the state  
9 actuary has revealed a substantial deterioration in the financial  
10 strength and stability of the state retirement system plans. The study  
11 identified many factors that combined to cause the health of the plans  
12 to deteriorate, including large investment losses, delayed and  
13 suspended contributions, and increased benefits.

14            (2)(a) Consistent with these findings, the legislature intends to  
15 prohibit any benefit increases in the Washington state retirement  
16 systems from being enacted until the development of a risk analysis  
17 system by the office of the state actuary. It is anticipated that a  
18 risk analysis system will be complete by December 31, 2012.

1           (b) This prohibition encompasses all of the state retirement  
2 systems administered by the department of retirement systems, including  
3 the public employees' retirement system, the public safety employees'  
4 retirement system, the law enforcement officers' and firefighters'  
5 retirement system, the school employees' retirement system, the  
6 teachers' retirement system, and the Washington state patrol retirement  
7 system.

8           (3) The select committee on pension policy may not recommend any  
9 increases in pension benefits to the retirement systems listed in  
10 subsection (2)(b) of this section until the earlier of December 31,  
11 2011, or the completion of the risk assessment by the office of the  
12 state actuary.

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