

HOUSE BILL REPORT

HB 2333

As Reported By House Committee On:

Appropriations

Title: An act relating to judicial retirement.

Brief Description: Revising provisions relating to judicial retirement.

Sponsors: Representatives Delvin, Appelwick and Costa; by request of Administrator for the Courts.

Brief History:

Committee Activity:

Appropriations: 1/22/96, 1/30/96 [DP].

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 31 members: Representatives Huff, Chairman; Clements, Vice Chairman; Pelesky, Vice Chairman; H. Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Beeksma; Brumsickle; Carlson; Chappell; Cooke; Crouse; Dellwo; Dyer; Foreman; Grant; Hargrove; Hickel; Jacobsen; Kessler; Lambert; Linville; McMorris; Poulsen; Reams; Rust; Sehlin; Sheahan; Silver; Talcott and Wolfe.

Staff: Elissa Benson (786-7191).

Background: There are three different retirement systems for judges. Membership in the various systems depends on when a member became a judge.

Judges Retirement Fund«membership closed after August 8, 1971
Judicial Retirement Fund«membership closed after June 30, 1988
Public Employees Retirement System Plans I and II and Judicial Retirement Account

The Judicial Retirement Account (JRA) was established in 1988 for appointed or elected judges who are members of PERS II through their service as judges. JRA provides a supplemental retirement benefit to judges who are members of PERS I or PERS II. JRA is a defined contribution plan. Contributions to JRA are split evenly between the employee and the employer. Unlike the other public retirement systems,

which are administered by Department of Retirement Systems (DRS), JRA is administered by the Office of the Administrator for the Courts.

Under current law, when a member dies, the balance of accumulated employee contributions is refunded to a designated beneficiary, who must have an insurable interest in the member's life. An "insurable interest" requires a close blood or legal relationship or a lawful and substantial economic interest.

In 1995, the Legislature passed the Department of Retirement Systems' agency request legislation that eliminated the insurable interest- criteria for the retirement systems under DRS administration. Elimination of the insurable interest- criteria provides additional flexibility in paying members' named beneficiaries. JRA is administered by the Office of the Administrator for the Courts, not DRS, so this change did not apply to JRA.

Summary of Bill: HB 2333 eliminates the insurable interest criteria. This change allows the Office of the Administrator of the Courts to pay the balance of the member's accumulated contributions to a person or persons, a member's estate, trust, or an organization as designated by the member and filed with the Office of the Administrator of the Courts.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The Office of the Administrator for the Courts supports the change, as it makes a consistent policy across all state retirement systems.

Testimony Against: None.

Testified: Chuck Foster, Office of the Administrator for the Courts.