

FINAL BILL REPORT

HB 2333

C 42 L 96
Synopsis as Enacted

Brief Description: Revising provisions relating to judicial retirement.

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

House Committee on Appropriations
Senate Committee on Ways & Means

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.

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: The insurable interest criteria is eliminated from the JRA. This change allows the Office of the Administrator of the Courts to pay the balance of a deceased

member's accumulated contributions to any person or persons, trust, or organization, as designated by the member and filed with the Office of the Administrator of the Courts.

Votes on Final Passage:

| | | |
|--------|----|---|
| House | 95 | 0 |
| Senate | 49 | 0 |

Effective: June 6, 1996