
SENATE BILL 5015

State of Washington

54th Legislature

1995 Regular Session

By Senators Gaspard, McDonald and Schow; by request of Office of the Forecast Council

Read first time 01/09/95. Referred to Committee on Ways & Means.

1 AN ACT Relating to economic assumptions for state retirement
2 systems; amending RCW 41.45.030 and 41.45.060; repealing RCW 41.45.040
3 and 41.45.0601; and declaring an emergency.

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

5 **Sec. 1.** RCW 41.45.030 and 1993 c 519 s 17 are each amended to read
6 as follows:

7 (1) Beginning September 1, (~~(1989)~~) 1995, and every (~~(six)~~) two
8 years thereafter, the state actuary shall submit to the council
9 information regarding the experience and financial condition of each
10 state retirement system. The council shall review this and such other
11 information as it may require.

12 (2) By December 31, 1995, and every two years thereafter, the
13 council, by affirmative vote of five council members, shall (~~(review~~
14 ~~the information submitted by the state actuary and shall)~~) adopt the
15 following long-term economic assumptions:

16 (a) Growth in system membership;

17 (b) Growth in salaries, exclusive of merit or longevity increases;

18 (c) Growth in inflation; and

19 (d) Investment rate of return.

1 (3) The assumptions adopted by the council shall be used by the
2 state actuary in conducting ((valuation)) all actuarial studies of the
3 state retirement systems.

4 ~~((3) The council may utilize information provided by the state~~
5 ~~actuary and such other information as it may request.))~~

6 **Sec. 2.** RCW 41.45.060 and 1993 c 519 s 19 are each amended to read
7 as follows:

8 ~~(1) ((For the period of September 1, 1993, through August 31, 1995,~~
9 ~~the basic state contribution rate for the law enforcement officers' and~~
10 ~~fire fighters' retirement system, and the basic employer contribution~~
11 ~~rates for the public employees' retirement system, the teachers'~~
12 ~~retirement system, and the Washington state patrol retirement system~~
13 ~~shall be as determined in the 1991 valuations prepared by the office of~~
14 ~~the state actuary.)) The state actuary shall provide actuarial~~
15 valuation results based on the assumptions adopted under RCW 41.45.030.

16 ~~(2) Not later than September 30, ((1994)) 1996, and every two years~~
17 ~~thereafter((+~~

18 ~~(a))), consistent with the assumptions adopted under RCW 41.45.030,~~
19 ~~the council shall adopt ((the contributions to be used in the ensuing~~
20 ~~biennial period for the systems specified in subsection (1) of this~~
21 ~~section.~~

22 ~~(b))) both: (a) A basic state contribution rate for the law~~
23 ~~enforcement officers' and fire fighters' retirement system; and (b)~~
24 ~~basic employer contribution rates for the public employees' retirement~~
25 ~~system plan I, the teachers' retirement system plan I, and the~~
26 ~~Washington state patrol retirement system to be used in the ensuing~~
27 ~~biennial period.~~

28 ~~(3) The employer and state contribution rates adopted by the~~
29 ~~council shall be the level percentages of pay that are needed:~~

30 ~~(a) To fully amortize the total costs of the public employees'~~
31 ~~retirement system plan I, the teachers' retirement system plan I, the~~
32 ~~law enforcement officers' and fire fighters' retirement system plan I,~~
33 ~~and the unfunded liability of the Washington state patrol retirement~~
34 ~~system not later than June 30, 2024; and~~

35 ~~(b) To also continue to fully fund the public employees' retirement~~
36 ~~system plan II, the teachers' retirement system plan II, and the law~~
37 ~~enforcement officers' and fire fighters' retirement system plan II in~~
38 ~~accordance with RCW 41.40.650, 41.32.775, and 41.26.450, respectively.~~

1 (4) The council shall immediately notify the directors of the
2 office of financial management and department of retirement systems of
3 the state and employer contribution rates adopted (~~(under (a) of this~~
4 ~~subsection))~~).

5 (~~(e)~~) (5) The director of the department of retirement systems
6 shall collect those rates adopted by the council (~~(under this~~
7 ~~chapter))~~).

8 NEW SECTION. Sec. 3. The following acts or parts of acts are each
9 repealed:

10 (1) RCW 41.45.040 and 1993 c 519 s 18 & 1989 c 273 s 4; and

11 (2) RCW 41.45.0601 and 1993 c 519 s 20 & 1992 c 239 s 1.

12 NEW SECTION. Sec. 4. This act is necessary for the immediate
13 preservation of the public peace, health, or safety, or support of the
14 state government and its existing public institutions, and shall take
15 effect immediately.

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