

2 **SSB 6306** - H AMD TO APP COMM AMD (H-5285.5/98) **1068**

3 By Representative Conway

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5 On page 45, beginning on line 8 of the amendment, strike all of
6 section 404 and insert the following:

7 "Sec. 404. RCW 41.45.060 and 1995 c 239 s 309 are each amended to
8 read as follows:

9 (1) The state actuary shall provide actuarial valuation results
10 based on the assumptions adopted under RCW 41.45.030.

11 (2) Not later than September 30, 1996, and every two years
12 thereafter, consistent with the assumptions adopted under RCW
13 41.45.030, the council shall adopt (~~both~~):

14 (a) A basic state contribution rate for the law enforcement
15 officers' and fire fighters' retirement system; (~~and~~)

16 (b) Basic employer contribution rates for the public employees'
17 retirement system plan I, the teachers' retirement system plan I, and
18 the Washington state patrol retirement system to be used in the ensuing
19 biennial period; and

20 (c) A basic employer contribution rate for the school employees'
21 retirement system for funding the public employees' retirement system
22 plan I.

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

25 (a) To fully amortize the total costs of the public employees'
26 retirement system plan I, the teachers' retirement system plan I, the
27 law enforcement officers' and fire fighters' retirement system plan I,
28 and the unfunded liability of the Washington state patrol retirement
29 system not later than June 30, 2024; and

30 (b) To also continue to fully fund the public employees' retirement
31 system plan II, the teachers' retirement system plans II and III, the
32 school employees' retirement system plans II and III, and the law
33 enforcement officers' and fire fighters' retirement system plan II in
34 accordance with RCW 41.40.650, 41.26.450, and this section.

35 (4) The aggregate actuarial cost method shall be used to calculate
36 a combined plan II and III employer contribution rate.

1 (5) 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.

4 (6) The director of the department of retirement systems shall
5 collect those rates adopted by the council.

6 (7) The council shall adopt rates for the 1999-2001 biennium which
7 take into account distribution of the plan II gain-sharing amount as
8 defined in section 714 of this act."

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12 On page 84, after line 26 of the amendment, insert the following:

13 NEW SECTION. Sec. 714. (1) On or before July 1, 1998, the office
14 of the state actuary shall calculate the plan II gain-sharing amount.

15 (2) The plan II gain-sharing amount shall be calculated as follows:

16 (a) One-half of the value of the net assets held in trust for
17 pension benefits for plan II members in the teachers' retirement system
18 combined plan II and plan III fund, the public employees' retirement
19 system plan II fund, and the law enforcement officers' and fire
20 fighters' retirement system plan II fund at the close of the previous
21 state fiscal year;

22 (b) Multiplied by the amount which the geometric average of the
23 rate of investment returns on those assets over the previous four state
24 fiscal years exceeds ten percent.

25 NEW SECTION. Sec. 715. The joint committee on pension policy is
26 directed to study the issue of distributing the plan II gain-sharing
27 amount to plan II members in the form of defined benefit increases or
28 payments to member accounts and report back to the legislature in
29 January 1999."

30 Renumber the remaining sections consecutively and correct any
31 internal references accordingly.

32 On page 84, line 28 of the amendment, after "through" strike "713"
33 and insert "715"

1 On page 84, line 33 of the amendment, after "through" strike "713"
2 and insert "715"

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