

HOUSE BILL REPORT

HB 1099

As Passed Legislature

Title: An act relating to transferring prior service in the law enforcement officers' and fire fighters' pension system plan I.

Brief Description: Transferring law enforcement officers' and fire fighters' retirement system plan I service.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Cooke, Ogden, Sehlin, Carlson, Wolfe, H. Sommers, Dyer, Cairnes, Murray and Mason; by request of Joint Committee on Pension Policy).

Brief History:

Committee Activity:

Appropriations: 2/4/97, 2/19/97 [DP].

Floor Activity:

Passed House: 2/28/97, 95-0.

Passed Legislature.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 31 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Benson; Carlson; Chopp; Cody; Cooke; Crouse; Dyer; Grant; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; Mastin; McMorris; Parlette; Poulsen; Regala; D. Schmidt; Sehlin; Sheahan; Talcott and Tokuda.

Staff: Elissa Benson (786-7191).

Background: The state's general portability provisions of Chapter 41.54 RCW give dual members (members with service in more than one state retirement system) value in specific ways when they change public sector jobs:

- Allow members to combine service in more than one system to qualify for certain benefits they might not otherwise qualify for if eligibility is based solely on service in one system.

- Allow members to use their highest compensation when calculating certain benefits in all systems.
- Allow some members to restore service credit in their prior system once they establish dual membership.

LEOFF I is not covered by the state's general portability provisions. If a former LEOFF I member receives a pension from LEOFF I and from another state retirement system, then each pension will be based on the service credit and salary earned in each system separately.

Summary of Bill: Former LEOFF I members who are now active members of PERS, TRS or WSPRS will be given the option to transfer their prior LEOFF I service credit to their current retirement system and plan. Members who have withdrawn contributions from LEOFF I will be given an opportunity to restore prior to transfer. All ties with LEOFF I will be severed, including post-retirement medical benefits, upon transfer.

If the individual seeking transfer is in an eligible TRS, PERS or WSPRS position as of July 1, 1997, the individual must file the decision to transfer in writing with the Department of Retirement Systems (DRS) no later than July 1, 1998. If the individual is not in an eligible position as of July 1, 1998, they must file their decision to transfer with the DRS no later than one year from the date they are employed in an eligible position.

Member contributions are transferred to member's current retirement system and plan. An additional transfer will be made from LEOFF I to offset all increased costs in the member's current system and plan due to the transfer.

Transferred service credit will not count toward eligibility for PERS I or WSP military service credit. After the transfer window closes, the member must pay the full cost of the increased benefit if he or she elects to transfer.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The bill provides certain former members of LEOFF I who are active members of another system the option to transfer their LEOFF I credit to their current system. LEOFF I is not covered by the portability statutes; however, the Joint Committee on Pension Policy concluded that this solution addressed the problem most economically.

Testimony Against: None.

Testified: Representative Cooke, prime sponsor.