

HOUSE BILL REPORT

SB 5837

As Reported By House Committee On:

Appropriations

Title: An act relating to membership in the public employees' retirement system for the chief administrative officer of a public utility district, port district, or a county.

Brief Description: Allowing the chief administrative officer of a public utility district, port district, or county to join the retirement system.

Sponsors: Senators Bauer, Long, Winsley, Jacobsen, Fraser, Roach, Rossi, Rasmussen and Oke.

Brief History:

Committee Activity:

Appropriations: 3/29/99, 4/5/99 [DPA].

Brief Summary of Bill (As Amended by House Committee)

- Allows the chief administrative officers of public utility districts, counties, and port districts to opt out of membership in the Public Employees' Retirement System.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 32 members: Representatives Huff, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Alexander, Republican Vice Chair; Doumit, Democratic Vice Chair; D. Schmidt, Republican Vice Chair; Barlean; Benson; Boldt; Carlson; Clements; Cody; Crouse; Gombosky; Grant; Kagi; Keiser; Kenney; Kessler; Lambert; Linville; Lisk; Mastin; McIntire; McMorris; Mulliken; Parlette; Regala; Rockefeller; Ruderman; Sullivan; Tokuda and Wensman.

Staff: Denise Graham (786-7137).

Background:

Most full-time public employees employed by an employer under the Public Employees' Retirement System (PERS) are required to be members of PERS. Exemptions from membership are provided in a limited number of cases. Optional membership is allowed for elected officials, gubernatorial appointments, and city managers.

Summary of Amended Bill:

Membership in PERS is made optional for chief administrative officers of public utility districts, port districts, and counties. Such employees have the option of applying for membership in PERS within 30 days of appointment to such positions. Employees who opt for membership after the 30 days may become members by paying the actuarial value of the service from the date of their appointment to the date of acceptance of membership.

Employees serving in such positions as of the effective date of this act have until December 31, 1999, to notify the director of the Department of Retirement Systems of their desire to withdraw from membership in PERS. A member who withdraws from membership receives a refund of the member's accumulated contributions when the member leaves employment with the PERS employer.

Amended Bill Compared to Original Bill: The amended bill clarifies that member contributions will be refunded when the member leaves employment rather than when the member opts out of PERS membership.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This bill is almost identical to a bill already passed by the House except that it also provides chief administrative officers of ports the option of not being members of PERS. The flexibility provided by the bill would help attract high quality candidates for jobs.

Testimony Against: None.

Testified: Patrick Jones, Washington Public Ports Association.