

HOUSE BILL REPORT

ESB 5159

As Reported by House Committee On: Ways & Means

Title: An act relating to transferring service credit and contributions into the Washington state patrol retirement system by members who served as commercial vehicle enforcement officers and communications officers and then became commissioned troopers in the Washington state patrol.

Brief Description: Authorizing the transfer of service credit and contributions into the Washington state patrol retirement system by members who served as commercial vehicle enforcement officers and communications officers and then became commissioned troopers in the Washington state patrol.

Sponsors: Senators Schoesler, Conway, Fain, Holmquist Newbry, Carrell, Murray, Becker, Haugen, Hobbs, Pridemore, Rockefeller, Roach, McAuliffe and Kilmer; by request of Select Committee on Pension Policy.

Brief History:

Committee Activity:

Ways & Means: 2/24/12 [DP].

Brief Summary of Engrossed Bill

- Permits active members of the Washington State Patrol Retirement System (WSPRS) who were previously either (1) Commercial Vehicle Enforcement Officers and that became commissioned officers on or before July 16, 2000, or (2) Communications Officers who became commissioned officers, to transfer service credits earned in the Public Employees' Retirement System Plan 2 (PERS) to WSPRS.
- Requires an employee transferring credits to pay the difference between the employee and employer contributions that were paid to PERS and that would have been paid to WSPRS, and any other amount, to ensure that the funding status of WSPRS does not change due to the transfer.

HOUSE COMMITTEE ON WAYS & MEANS

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass. Signed by 27 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle, Chandler, Cody, Dickerson, Haigh, Haler, Hinkle, Hudgins, Hunt, Kagi, Kenney, Ormsby, Parker, Pettigrew, Ross, Schmick, Seaquist, Springer, Sullivan and Wilcox.

Staff: David Pringle (786-7310).

Background:

General noncommissioned employees of the Washington State Patrol (WSP), such as Communications Officers, are part of the Public Employees Retirement System (PERS). Employees of the WSP whose jobs require either completion of a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job, or who function as limited authority Washington Peace Officers are eligible for the Public Safety Employees' Retirement System (PSERS). Fully commissioned employees, including WSP Troopers, are part of the WSP Retirement System (WSPRS). The WSPRS Plans 1 and 2 provide for retirement after 25 years of service at any age, and alternately at age 55 or older – significantly earlier than the unreduced retirement ages of members of the PERS first employed after 1977 (age 65), or PSERS (age 60).

Prior to 2000 Commercial Vehicle Enforcement Officers (CVEOs) were noncommissioned employees. In 2000, consistent with an agreement between the WSP and the employee representatives, the Legislature provided funding to convert 30 CVEO positions to fully commissioned officers. That number of CVEOs were then required by the WSP to enter training and become fully commissioned employees. The former CVEO members of PERS Plan 2 who became fully commissioned officers were provided the option to leave earlier service credit and contributions in PERS Plan 2 and receive benefits in both PERS Plan 2 and WSPRS, or to transfer their contributions and service credit earned as CVEOs to WSPRS. If the officer elected to transfer all service credit and contributions to WSPRS, the officer was required to pay the difference between employee and employer contributions made to PERS 2 and those which would have been paid to WSPRS, inclusive of interest.

The transfer opportunity did not affect employees who had been CVEOs and who became commissioned employees prior to 2000.

Washington State Patrol Communication Officers are considered noncommissioned employees. As such, retirement credits earned by Communication Officers are part of PERS Plan 2.

The state retirement laws contain provisions referred to as the "portability" or "dual member" provisions that permit individuals that choose to work in positions covered by different state retirement systems to combine years of service and average salary for most purposes of retirement eligibility, but the retirement ages of each plan still apply to the benefit receivable from each plan. The portability provisions permit combination of years of service and average salary from PERS Plan 2 and WSPRS.

Summary of Bill:

Active members of WSPRS who were CVEOs that became commissioned officers on or before July 16, 2000, or Communications Officers who became commissioned officers, are allowed to transfer service credits earned as a Communications Officer or a CVEO in PERS Plan 2 to WSPRS. If the employee chooses to transfer credits to the WSPRS, they must pay the difference between the employee and employer contributions that would have been paid to WSPRS, and any other amount, to ensure that the funding status of WSPRS does not change due to the transfer.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is simply a piece of request legislation from the Select Committee on Pension Policy for a small number of state patrolmen that served as radio operators and weighmasters before they went through the academy, and it allows them to purchase service credit.

(Opposed) None.

Persons Testifying: Senator Schoesler, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.