
SUBSTITUTE SENATE BILL 5888

State of Washington

53rd Legislature

1993 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Gaspard, Rinehart, Bauer, Snyder and Anderson)

Read first time 04/09/93.

1 AN ACT Relating to improvement of retirement system benefits;
2 amending RCW 41.54.061, 41.54.040, 41.45.030, 41.45.040, 41.45.060, and
3 41.45.0601; adding a new section to chapter 41.32 RCW; adding a new
4 section to chapter 41.40 RCW; adding a new section to chapter 41.50
5 RCW; creating new sections; and declaring an emergency.

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

7 **PART I - COST-OF-LIVING ADJUSTMENT EXTENSION**

8 NEW SECTION. **Sec. 1.** The benefit adjustment granted by sections
9 711(1) and 712(1), chapter 232, Laws of 1992 (uncodified) being
10 received by plan I beneficiaries as of June 30, 1993, unless otherwise
11 improper, shall be continued through June 30, 1995.

12 **PART II - NEW TEMPORARY COST-OF-LIVING ADJUSTMENT**

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.32 RCW
14 under the subchapter heading "Plan I" to read as follows:

15 (1) Effective July 1, 1993, through June 30, 1995, the monthly
16 benefit of each plan I beneficiary under this chapter is increased

1 three dollars per month per year of creditable service established by
2 the member, reflecting any actuarial reduction made or survivor option
3 taken, if the beneficiary:

4 (a) Is not receiving a minimum benefit under RCW 41.32.487 or cost-
5 of-living adjustment under RCW 41.32.575; and

6 (b) Is at least age seventy; and

7 (c) Was receiving benefits as of July 1, 1988; and

8 (d) Is not a recipient of the temporary disability under RCW
9 41.32.540.

10 (2) Any fraction of a year is counted in the computation of this
11 adjustment.

12 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.40 RCW
13 under the subchapter heading "Plan I" to read as follows:

14 (1) Effective July 1, 1993, through June 30, 1995, the monthly
15 benefit of each plan I beneficiary under this chapter is increased
16 three dollars per month per year of creditable service established by
17 the member, reflecting any actuarial reduction made or survivor option
18 taken, if the beneficiary:

19 (a) Is not receiving a minimum benefit under RCW 41.40.198 or cost-
20 of-living adjustment under RCW 41.40.325; and

21 (b) Is at least age seventy; and

22 (c) Was receiving benefits as of July 1, 1988.

23 (2) Any fraction of a year is counted in the computation of this
24 adjustment.

25 **PART III - CITIES' PORTABILITY**

26 **Sec. 4.** RCW 41.54.061 and 1990 c 192 s 3 are each amended to read
27 as follows:

28 (1) The cities of Seattle, Spokane, and Tacoma shall each have the
29 option of making an irrevocable election to have its employee
30 retirement system included in the coverage of this chapter by adopting
31 a resolution transmitting it to the director and the joint committee on
32 pension policy prior to December (~~(1, 1990)~~) 31, 1993.

33 The resolution shall indicate the city's desire to be covered by
34 this chapter and its willingness to pay for the additional cost it may
35 incur as a result of the benefits provided by this chapter.

1 (2) This chapter shall become effective on January 1, ~~((1991))~~
2 1994, for each city which adopts a resolution pursuant to subsection
3 (1) of this section. ~~((However, if all three cities adopt such~~
4 ~~resolutions prior to June 1, 1990, the provisions of this chapter shall~~
5 ~~become effective for those systems on July 1, 1990.))~~

6 **Sec. 5.** RCW 41.54.040 and 1990 c 192 s 5 are each amended to read
7 as follows:

8 (1) ~~((Except where subsection (4) of this section applies,))~~ The
9 retirement allowances calculated under RCW 41.54.030 shall be paid
10 separately by each respective current and prior system. Any deductions
11 from such separate payments shall be according to the provisions of the
12 respective systems.

13 (2) Postretirement adjustments, if any, shall be applied by the
14 respective systems based on the payments made under subsection (1) of
15 this section.

16 (3) If a dual member dies in service in any system, the surviving
17 spouse shall receive the same benefit from each system that would have
18 been received if the member were active in the system at the time of
19 death based on service actually established in that system. However,
20 this subsection does not make a surviving spouse eligible for the
21 survivor benefits provided in RCW 43.43.270.

22 (4) The department shall adopt rules under chapter 34.05 RCW to
23 ensure that where a dual member has service in a system established
24 under chapter 41.32, 41.40, 41.44, or 43.43 RCW and service under the
25 city employee retirement system for Seattle, Tacoma, or Spokane, the
26 ~~((entire))~~ additional cost incurred as a result of the dual member
27 receiving a benefit under this chapter shall be borne by the ~~((city))~~
28 retirement system ~~((that the person is a member of))~~ incurring the
29 additional cost.

30 **PART IV - RETIREMENT CONTRIBUTION RATES**

31 **Sec. 6.** RCW 41.45.030 and 1989 c 273 s 3 are each amended to read
32 as follows:

33 (1) ~~((The economic and revenue forecast council shall adopt the~~
34 ~~economic assumptions used by the state actuary in conducting valuation~~
35 ~~studies of the state retirement systems.~~

1 ~~(2))~~ Beginning September 1, 1989, and every six years thereafter,
2 the state actuary shall submit to the council information regarding the
3 experience and financial condition of each state retirement system.

4 (2) The council shall review the information submitted by the state
5 actuary and shall ~~((recommend any adjustments which may be needed to~~
6 ~~the state or employer contribution rates contained in RCW 41.45.060 and~~
7 ~~41.45.070 for the public employees' retirement system; the teachers'~~
8 ~~retirement system; the law enforcement officers' and fire fighters'~~
9 ~~retirement system; and the Washington state patrol retirement system))~~
10 adopt the economic assumptions used by the state actuary in conducting
11 valuation studies of the state retirement systems.

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

14 **Sec. 7.** RCW 41.45.040 and 1989 c 273 s 4 are each amended to read
15 as follows:

16 (1) The adoption of the economic assumptions and the
17 ~~((recommendation of changes in employer and state))~~ contribution rates
18 as provided in RCW 41.45.060 shall be by affirmative vote of at least
19 five members of the council.

20 (2) The employer and state contribution rates ~~((recommended))~~
21 adopted by the council shall be the level percentages of pay which are
22 needed:

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

28 (b) To also continue to fully fund the public employees' retirement
29 system plan II, the teachers' retirement system plan II, and the law
30 enforcement officers' and fire fighters' retirement system plan II in
31 accordance with the provisions of RCW 41.40.650, 41.32.775, and
32 41.26.450, respectively.

33 **Sec. 8.** RCW 41.45.060 and 1992 c 239 s 2 are each amended to read
34 as follows:

35 ~~((Beginning July))~~ (1) For the period of September 1, 1993, through
36 August 31, 1995, the basic state contribution rate for the law
37 enforcement officers' and fire fighters' retirement system, and the

1 basic employer contribution rates for the public employees' retirement
2 system, the teachers' retirement system, and the Washington state
3 patrol retirement system shall be as ((follows:

4 ~~(1) 7.47% for all members of the public employees' retirement~~
5 ~~system;~~

6 ~~(2) 12.60% for all members of the teachers' retirement system;~~

7 ~~(3) 16.44% for all members of the law enforcement officers' and~~
8 ~~fire fighters' retirement system; and~~

9 ~~(4) 15.53% for all members of the Washington state patrol~~
10 ~~retirement system)) determined in the 1991 valuations prepared by the~~
11 ~~office of the state actuary.~~

12 (2) Not later than September 30, 1994, and every two years
13 thereafter:

14 (a) The council shall adopt the contributions to be used in the
15 ensuing biennial period for the systems specified in subsection (1) of
16 this section.

17 (b) The council shall immediately notify the directors of the
18 office of financial management and department of retirement systems of
19 the state and employer contribution rates adopted under (a) of this
20 subsection.

21 (c) The director of the department of retirement systems shall
22 collect those rates adopted by the council under this chapter.

23 **Sec. 9.** RCW 41.45.0601 and 1992 c 239 s 1 are each amended to read
24 as follows:

25 Beginning September 1, 1992, through ((June 30)) August 31, 1993,
26 the basic state contribution rate for the law enforcement officers' and
27 fire fighters' retirement system, and the basic employer contribution
28 rates for the public employees' retirement system, the teachers'
29 retirement system, and the Washington state patrol retirement system
30 shall be as follows:

31 (1) 7.27% for all members of the public employees' retirement
32 system;

33 (2) 12.08% for all members of the teachers' retirement system;

34 (3) 12.99% for all members of the law enforcement officers' and
35 fire fighters' retirement system; and

36 (4) 17.16% for all members of the Washington state patrol
37 retirement system.

