

HOUSE BILL ANALYSIS

SB 6534

Title: An act relating to the employee attendance incentive program.

Brief Description: Establishing eligibility for the employee attendance incentive program.

Sponsors: Senators Bauer, Winsley, Long, Franklin, Honeyford, Fairley, Haugen, Rasmussen, Jacobsen, McAuliffe, Goings, Patterson, Eide, Kohl-Welles, Stevens, B. Sheldon, Gardner and Spanel; by request of Joint Committee on Pension Policy.

Background: School districts may establish, through the collective bargaining process, an attendance incentive program for certificated and classified employees. Although program implementation is optional, certain statutory provisions must be met if such a program is established. Eligible employees may receive one day's compensation for each four full days of sick leave accrued in the previous year in excess of 60 days. Upon separation from employment due to retirement or death, an employee may also receive one day's compensation for each four full days of accrued sick leave. In lieu of cash remuneration for unused sick leave, a school district may provide eligible employees a benefit plan that provides reimbursement for retirees' medical expenses on a pre-tax basis.

Certificated school district employees are members of the Teachers' Retirement System (TRS) Plans 1, 2 and 3. Classified school district employees are members of the Public Employees' Retirement System (PERS) Plans 1 and 2. Beginning September 1, 2000, school district classified employees who are members of PERS Plan 2 will be transferred to the newly created School Employees' Retirement System (SERS) Plans 2. All newly hired classified employees will be members of SERS Plan 3, together with SERS Plan 2 members who elect to transfer to SERS Plan 3. Plans 1 and 2 are defined benefit plans. Plan 3 is both a defined benefit and defined contribution plan designed to provide employees greater flexibility to determine retirement age, make career changes, and leave the workforce before retirement.

Members of PERS Plan 1 and TRS Plan 1 may retire with 30 years of service at any age; with 25 years of service at age 55; and with five years of service at age 65. Members of PERS Plan 2, TRS Plan 2, TRS Plan 3, SERS Plan 2 and SERS Plan 3 may receive an unreduced retirement benefit at age 65. Plan 2 members may receive an actuarially reduced benefit if they are at least age 55 and have at least 20 years of service credit. Plan 3 members may receive an actuarially reduced benefit if they are at least age 55 and have at least 10 years of service credit.

Summary: Eligibility to receive remuneration for unused sick leave is extended to employees who are at least age 55 when they separate from school district employment and who have at least ten years of service under TRS Plan 2 or Plan 3, SERS Plan 2 or Plan 3, or PERS Plan 2.

Appropriation: None.

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

Fiscal Note: Available.