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## Appropriations Committee

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### HB 2685

**Brief Description:** Making changes to general provisions in the public safety employees' retirement system.

**Sponsors:** Representatives Fromhold, Conway, Lovick, Quall, Simpson, Ormsby and Moeller; by request of Select Committee on Pension Policy.

#### Brief Summary of Bill

- Replaces the list of job classes in effect January 1, 2004 that are eligible for participation in the Public Safety Employees' Retirement System (PSERS) with a set of membership criteria.
- Sets criteria for eligible positions including the requiring of training by the criminal justice training commission, the authority to carry a firearm, the duty to ensure the custody and security of incarcerated individuals, the receipt of as commission as a Limited Authority Peace Officer, or the primary responsibility to supervise PSERS employees.
- Adds the Departments of Natural Resources and Social and Health Services to the list of eligible PSERS employers.
- Adds reference to PSERS in laws related to membership in a second state retirement plan and to the taxation of survivor benefits.

**Hearing Date:** 1/30/06

**Staff:** David Pringle (786-7310).

#### Background:

The Public Safety Employees' Retirement System (PSERS) was created by Chapter 242 of the Laws of 2004. PSERS will open to members on July 1, 2006, and will provide retirement benefits for state and local government employees who work in positions with law enforcement duties but are not eligible for membership in the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF).

Members of PSERS with at least 20 years of service will be eligible for full retirement benefits from age 60, five years earlier than the regular retirement age in PERS Plans 2 and 3. Early retirement in PSERS is also available earlier and with reduced penalties. PSERS members with 20

years of service can retire from age 53 with a 3 percent reduction in benefits per year of early retirement rather than a full actuarial reduction.

Membership in PSERS is restricted by an individual's employer, and by specific job classes in effect as of January 1, 2004. PSERS employers are defined as including the Department of Corrections, the Parks and Recreation Commission, the Gambling Commission, the State Patrol, the Liquor Control Board, county corrections departments, and the corrections departments of municipalities not classified as First Class Cities under Chapter 41.28 RCW. Eligible job classes include Park Ranger, Liquor Enforcement Officer, Gambling Special Agent, Commercial Vehicle Enforcement Officer, and a range of correctional positions.

New employees hired into eligible positions After July 1, 2006 will be enrolled in PSERS immediately. Current employees who are in PSERS eligible positions and are now enrolled in Plans 2 or 3 of the Public Employees' Retirement System (PERS 2 or 3) will be given the option to transfer into PSERS on July 1, 2006, on a prospective basis. Members choosing to transfer into PSERS from PERS will become dual members and will be eligible to receive benefits from each plan under the state's portability laws. Members of PERS Plan 1, who are able to retire at any age with 30 years of service, are not eligible to transfer to PSERS.

Limited authority Washington Peace Officers are full-time, fully-compensated officers of limited authority law enforcement agencies. These officers are empowered to enforce the laws within the limited subject areas for which the agency is responsible. Limited authority law enforcement agencies include the Departments of Natural Resources, Social and Health Services, and Corrections, the Gambling Commission, the Lottery Commission, the Parks and Recreation Commission, the Utilities and Transportation Commission, and the Liquor Control Board.

### **Summary of Bill:**

The list of job classes in the statutes governing eligibility requirements for the Public Safety Employees' Retirement System (PSERS) is replaced with a duty-based set of membership criteria. To be eligible for membership, employees must work full-time and hold a position: that requires completion of a certified criminal justice training course and which has the authority to arrest, investigate crimes, enforce the law, and carry a firearm; in which the primary duty is to ensure the custody and security of incarcerated individuals as a corrections officer or jailer; that is a limited authority Washington Peace officer; or in which the primary responsibility is to supervise employees who are eligible for membership under one of the previously listed membership criteria.

The list of eligible employers is expanded, adding the Department of Natural Resources and the Department of Social and Health Services.

References to the PSERS system are added to provisions related to joining a second retirement plan, and to the retirement systems for which retirement benefits paid to beneficiaries of members who die in the line of duty are paid consistent with the federal Fallen Hero Survivor Benefits Fairness Act exempting them from federal income tax. Issues relating to PSERS employees are added to the responsibilities of the Select Committee on Pension Policy's public safety subcommittee.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.