

# SENATE BILL REPORT

## SB 6702

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As of January 26, 2006

**Title:** An act relating to bargaining for employee paid supplemental pension programs under chapter 41.80 RCW.

**Brief Description:** Authorizing bargaining for employee paid supplemental pension programs under chapter 41.80 RCW.

**Sponsors:** Senators Fraser, Pridemore, Schoesler and Rasmussen.

**Brief History:**

**Committee Activity:** Ways & Means: 1/23/06.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Erik Sund (786-7454)

**Background:** The legal framework for collective bargaining of compensation, benefits, and matters related to working conditions for those state employees that are represented by labor unions was established by Personnel System Reform Act of 2002 (PSRA). The first set of contracts under the PSRA was negotiated in 2004 between the Governor's Labor Relations Office (LRO) and the institutions of higher learning on one side and the various labor unions on the other. The contracts were then ratified by the Legislature during the 2005 legislative session in the 2005-07 biennial budget bill. The contracts are effective until the beginning of the next fiscal biennium on July 1, 2007. A new set of contracts is due for submission to the Legislature before the 2006 legislative session.

In addition to spelling out the process for collective bargaining, PSRA governs what compensation and benefit items are eligible for negotiation. Both salary levels and the dollar amount provided by the state per employee to pay for medical benefits are subject to bargaining; however, employer representatives are not permitted to bargain over rights of management. Rights of management include program design, the size of agencies' budgets, the number of persons employed, and the design and funding of retirement plans.

**Summary of Bill:** The list of items which employer representatives are forbidden to negotiate is amended to allow bargaining over supplemental pension programs that are not provided by the state. Such pension plans must be funded entirely by collectively bargained employee contributions.

**Appropriation:** None.

**Fiscal Note:** Requested on January 20, 2006.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** Labor unions should not be allowed to negotiate over matters relating to the state pension systems; however, they would like to be able to negotiate the provision of supplemental defined benefit plans that are funded by employee contributions. Many other Teamster members in Washington have benefitted from these kinds of plans. This is especially important for corrections officers, who should not have to work until they are 65 years old. The new Public Safety Employees' Retirement System will help new members; however, some members who already have service credit will still need to work until they are 65 in order to retire with an unreduced benefit.

**Testimony Against:** None.

**Who Testified:** PRO: Mike Ryherd, Teamsters Local Union 117.