

FINAL BILL REPORT

SB 5274

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Synopsis as Enacted

Brief Description: Defining salary for purposes of the Washington state patrol retirement system.

Sponsors: Senators Conway, Bailey, Schoesler and Hobbs; by request of Select Committee on Pension Policy.

Senate Committee on Ways & Means
Senate Committee on Transportation
House Committee on Appropriations
House Committee on Transportation

Background: The Washington State Patrol Retirement System (WSPRS) covers all commissioned officers of the Washington State Patrol (WSP). Members of the WSPRS may retire at age 55 or after 25 years of service at any age. There are two tiers of benefits in WSPRS: Plan 1, which was closed on December 31, 2002, and Plan 2, which has covered all fully commissioned officers of the WSP that received their commissions after that date.

In 1999, the Joint Legislative Audit and Review Committee conducted a performance audit of the Washington State Patrol. Included within it was a review of overtime worked by WSP officers, and the impact of that overtime on WSPRS pensions. The study found that during fiscal years 1997 and 1998 the average current trooper and sergeant worked 121 hours of overtime per year. Twenty-three commissioned retirees who retired between July 1, 1996, and March 30, 1998, worked an estimated average of 172 hours of overtime per year during the last 24 months of employment prior to retirement, or 42 percent higher than the average.

In 2001, the Legislature adopted ESB 5143, which both created WSPRS Plan 2 and made the following changes to members of WSPRS Plan 1: (1) increased the annual cost-of-living adjustment (COLA) benefits of retirees and survivors from a 2 percent per year simple increase to a 3 percent per year compounded Consumer Price Index-based increase; (2) changed the employee contribution rate from a fixed 7 percent of pay to the greater of 2 percent or one-half of the total contribution rate required by the plan—with the state paying the other half; and (3) excluded voluntary overtime or overtime worked for the Department of Transportation from the definition of salary.

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.

Wage-related matters, including the distribution of overtime hours, are determined for WSPRS members in collective bargaining. The current collective bargaining agreement contains provisions detailing the distribution of voluntary overtime.

Among the changes made to Plan 2 was an increase in the period over which average final salary was calculated from the highest two consecutive years of service to the highest five consecutive years.

In 2007, the Legislature limited the WSPRS member contribution rate to the lesser of one-half the required rate or 7 percent, plus 50 percent of the contribution rate caused by any benefit improvements effective on or after July 1, 2007. Currently, the maximum WSPRS member contribution rate is 7.34 percent of pay.

WSP has defined voluntary overtime to include any overtime that the employee has volunteered for rather than overtime that was supervisor directed or case driven, such as court appearances. Voluntary overtime contracts have included but may not be limited to traffic control, wide-load escorts, special event security, team bus escorts, security at dams, McNeil Island and Hood Canal Navy Security. Mandatory, or pension reportable, overtime includes mission critical activities such as overtime emphasis patrols and contracts with the Traffic Safety Commission.

Summary: Voluntary overtime earned after July 1, 2017, is restored to the definition of salary in the Washington State Patrol Retirement System Plan 1, and is added to the Washington State Patrol Retirement System Plan 2. The amount of voluntary overtime that may be included in salary is limited to 70 hours per year. The maximum member contribution rate is increased by 1.10 percent.

Votes on Final Passage:

Senate	49	0	
House	96	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 23, 2017