

# SENATE BILL REPORT

## SB 5275

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As of February 8, 2017

**Title:** An act relating to transferring public employees' retirement system service credit to the public safety employees' retirement system due to differing definitions of full-time.

**Brief Description:** Authorizing the transfer of public employees' retirement system service credit to the public safety employees' retirement system due to differing definitions of full-time.

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

**Brief History:**

**Committee Activity:** Ways & Means: 2/08/17.

**Brief Summary of Bill**

- Allows certain employees that thought they were eligible for the Public Safety Employees' Retirement System (PSERS) to transfer credit earned in the Public Employees' Retirement System (PERS) to PSERS.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Amanda Cecil (786-7460)

**Background:** The Public Safety Employees' Retirement System (PSERS) was established July 1, 2006. Certain job classes that were covered by the Public Employees' Retirement System (PERS) that had been identified as having law enforcement responsibilities and powers were moved to PSERS. PSERS has a normal retirement age of 60 with 10 years of service as compared to the PERS 2 plan with a normal retirement age of 65.

The specific job classes that were moved to PSERS include: city corrections officers; jailers; police support officers; custody officers and bailiffs; county corrections officers; probation officers and probation counselors; state correctional officers; correctional sergeants and community corrections officers; liquor enforcement officers; park rangers; commercial vehicle enforcement officers; and gambling special agents. In addition to being one of the listed positions in order to be eligible to membership, the employee must work full-time.

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*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.*

In 2016, the Department of Retirement Systems (DRS) identified that some employees that had been reported by their employers as members of PSERS did not meet the full time requirement. This was due to differences in the definition used by DRS of at least 160 hours per month, and some local contracts that defined full time at a lower threshold. When the error was found employees and employers were credited for the overpayments.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed Substitute):** Employees that met the requirements of membership in PSERS with the exception of the full time requirement between July 1, 2006, and January 1, 2017, may transfer their PERS service credit to PSERS if they worked under an employment contract that defined full time employment as at least 140 hours per month. In order to be eligible, the employee must also have been incorrectly reported by their employer in PSERS. Both the employee transferring service and employer must respectively pay the difference in the contributions that would have been paid between PERS and PSERS. An employee transferring credit must continue to have their service reported in PSERS as long as they stay with their current employer and continue to work under an employment contract that defines full time as at least 140 hours per month.

A legislative intent is declared that this applies to employees that believed that they were PSERS eligible between the establishment of PSERS and January 1, 2017.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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