

HOUSE BILL REPORT

HB 2339

As Reported by House Committee On:

Appropriations
Transportation

Title: An act relating to the definition of salary for the Washington state patrol retirement system.

Brief Description: Modifying the definition of salary for the Washington state patrol retirement system.

Sponsors: Representatives Fitzgibbon, Leavitt, Lovick, Ormsby, Volz and Appleton; by request of Select Committee on Pension Policy.

Brief History:

Committee Activity:

Appropriations: 1/20/20, 1/23/20 [DP];
Transportation: 2/5/20, 2/10/20 [DP].

Brief Summary of Bill

- Allows the cash value of unused leave to be included in the calculation of pension benefits for Washington State Patrol Retirement System Plan 1 members first employed on or after July 1, 2001.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 31 members: Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Chopp, Cody, Corry, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Kilduff, Kraft, Macri, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

Staff: David Pringle (786-7310).

Background:

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.

The Washington State Patrol Retirement System (WSPRS) was created in 1947 and covers all commissioned officers of the Washington State Patrol (WSP). In 2001 Engrossed Senate Bill 5143 (ESB 5143) was enacted, closing WSPRS Plan 1 as of December 31, 2002, and creating a Plan 2 covering fully commissioned officers entering the system on or after January 1, 2003.

In addition to creating Plan 2, ESB 5143 made several changes to Plan 1: it increased the cost-of-living adjustments provided to retired Plan 1 members; reduced contribution rates; and modified the definition of "salary" for the purposes of calculating pension benefits for all WSPRS members. One of the changes to the new definition of the salary for members enrolled in WSPRS on or after July 1, 2001, was to exclude lump sum payments for holiday pay, unused sick, vacation and annual leave, or any form of severance, from pension calculations. This time period covered Plan 1 members entering the Plan between July 1, 2001, and all members of Plan 2. The salary for WSPRS Plan 1 members enrolled prior to July 1, 2001, still included the lump sum payments in calculating pension benefits.

Summary of Bill:

The definition of salary for the purposes of calculating pension benefits for WSPRS Plan 1 members that entered the system on or after July 1, 2001, is changed to allow for the inclusion of lump sum payments for holiday pay and unused vacation and annual leave.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Washington State Patrol troopers see this as an equity issue. There was a short window between the last classes of WSP troopers that were in Plan 1, and those that still had these cash-out benefits. Now, about 64 WSP troopers are Plan 1 except for this one key benefit: using vacation and holiday leave in pension calculations. These are Plan 1 members and this is a small change that means a lot to our members.

(Opposed) None.

Persons Testifying: Davor Gjurasic, Washington State Patrol Troopers Association; and Jeff DeVere, Washington State Patrol Lieutenants and Captains Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 30 members: Representatives Fey, Chair; Wylie, 1st Vice Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke, Chambers, Chapman, Dent, Doglio, Duerr, Entenman, Eslick, Goehner, Gregerson, Irwin, Kloba, Lovick, McCaslin, Mead, Orcutt, Ortiz-Self, Paul, Ramos, Riccelli, Shewmake, Van Werven and Volz.

Staff: Christine Thomas (786-7142).

Summary of Recommendation of Committee On Transportation Compared to Recommendation of Committee On Appropriations:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill affects 64 men and women who were caught between the end of one pension system (Plan 1) and the beginning of another pension system. These people received all benefits from Plan 1 that they thought they were entitled to except one benefit. This makes this group of people on par with the other members of the pension system and it is a small thing to do to fix an equity issue.

(Opposed) None.

Persons Testifying: Davor Gjurasic, Washington State Patrol Troopers Association; and Jeff DeVere, Washington State Patrol Lieutenants and Captains Association.

Persons Signed In To Testify But Not Testifying: None.