

FINAL BILL REPORT

SHB 1270

C 35 L 91

Synopsis As Enacted

Brief Description: Reorganizing the statutes governing the state's retirement system.

By House Committee on Appropriations (originally sponsored by Representatives Spanel, Silver, Hine, Paris, May, P. Johnson, Winsley, Hochstatter, Nealey, Wynne, Edmondson, Bowman, D. Sommers, Betrozoff, Wood, Horn, Miller, Ballard, McLean and Basich).

House Committee on Appropriations
Senate Committee on Ways & Means

Background: The State administers and funds six retirement systems: Judges' Retirement System, Judicial Retirement System (JRS), Law Enforcement Officers' and Fire Fighters Retirement System (LEOFF), Teachers' Retirement System (TRS), Public Employees' Retirement System (PERS), and Washington State Patrol Retirement System (WSPRS). Of these, the three major systems--LEOFF, TRS and PERS--contain the vast majority of the total membership. LEOFF was initiated in 1970; TRS was initiated in 1937; and PERS was initiated in 1947. There are 57 sections in the Revised Code of Washington (RCW) pertaining to LEOFF and 109 sections, each, dealing with TRS and PERS, respectively.

When these systems were initiated, their administration was conducted by independent boards of trustees. Also, these boards were responsible for the investment of the funds they held in trust. In 1976, however, these boards were essentially preempted by the creation of the Department of Retirement Systems (DRS). At that time, the administration of retirement systems was centralized into the DRS, an executive agency of government. By 1981, the State Investment Board was created to invest trust and other funds held in state government.

A major revision occurred in 1977, with the creation of Plan II within the three major systems. This resulted in language and provisions unique to Plan I, unique to Plan II, or applicable to both plans. Some of this language is intertwined within sections or chapters of law.

Over time many provisions were enacted providing benefits that were applicable only within a specific time frame or that have become obsolete.

The Joint Committee on Pension Policy undertook to reorganize and update the many sections within the RCW relating to the various pension systems.

Summary: The bill makes no substantive changes in the law. It organizes the respective chapters dealing with LEOFF, TRS and PERS according to sections applicable to both Plan I and II within each system, sections applicable solely to Plan I, and sections applicable solely to Plan II. It decodifies or repeals obsolete statutes. It updates references to the defunct retirement boards to refer to DRS or the Director, DRS. It makes references gender-neutral. It recodifies administrative provisions under DRS statutes. The bill provides that there is no intent to make substantive changes in the meaning, interpretation, court construction, or constitutionality of any provision of any retirement system addressed. The bill is stated to be technical in nature and is not to have the effect of terminating or in any way modifying any rights, proceedings, or liabilities, civil or criminal, that exist on the effective date.

Votes on Final Passage:

House	98	0	
Senate	41	0	(Senate amended)

Effective: July 28, 1991