

HOUSE BILL REPORT

SSB 5359

*As Reported By House Committee on:
Appropriations*

Title: An act relating to the transfer of credits from out-of-state teacher retirement plans.

Brief Description: Allowing the transfer of certain retirement credits from out-of-state teacher retirement plans.

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Craswell, Conner, Rinehart, Gaspard, Murray, Bailey and Bauer).

Brief History:

Reported by House Committee on:
Appropriations, April 8, 1991, DP.

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *Do pass. Signed by 24 members:*
Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Braddock; Brekke; Dorn; Ebersole; Ferguson; Hine; Holland; Lisk; May; Mielke; Peery; Pruitt; Rust; Valle; Vance; Wang; and Wineberry.

Minority Report: *Do not pass. Signed by 4 members:*
Representatives Silver, Ranking Minority Member; Fuhrman; McLean; and Nealey.

Staff: Barbara McLain (786-7153).

Background: Plan I of the Teachers' Retirement System (TRS) allows a member to establish service credit for up to four years of service in an out-of-state public school, but only if the member was on an official leave of absence from a Washington public school. Plan II of TRS allows a member to establish service credit for up to two years for an official leave of absence, but the law does not specifically allow service credit toward retirement for out-of-state service.

TRS Plan I members may retire at any age once they have 30 years of service credit, at age 55 with 25 years of service

credit, or at age 60 with at least five years of service credit.

TRS Plan II members may retire at age 55 with 20 years of service, or at age 65 with at least five years of service. However, Plan II members who retire before age 65 receive an actuarially reduced benefit.

Summary of Bill: A member of either Plan I or Plan II of the Teachers' Retirement System (TRS) may apply service credit earned in an out-of-state public school system to his or her service credit earned in Washington public schools solely for the purpose of determining the age at which the member may retire. If the member's years of in-state service credit would not alone allow the member to retire, the member's benefit will be actuarially reduced to reflect the difference between the age the member would have been able to retire and the actual retirement age.

Any member may purchase additional benefits under the TRS plan by making a contribution to an annuity fund. The contribution will be actuarially converted into a monthly benefit at the time of retirement.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: Allowing out-of-state service credit for teachers in this fashion is the first step toward recognizing teaching service across all states in the union. This could be a vehicle for recruiting teachers. The policy also allows some members to retire early.

Testimony Against: None.

Witnesses: Senator Ellen Craswell, prime sponsor; Karen Davis, Washington Education Association; Walter Ball, Association of Washington School Principals; and Kris Van Gorkom, Washington Association of School Administrators.