

1 5352 AME AMH-24

2 **SSB 5352** - H AMDS TO H COMM AMD 5352 AMH APP MCLA 4 **ADOPTED 4-17-93**
3 By Representative Sommers

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5 On page 1, beginning on line 23 of the Appropriations Committee
6 amendment, strike "their employers" and insert "the retirement system"

7 On page 2, line 1 of the Appropriations Committee amendment, strike
8 "their employers" and insert "the retirement system"

9 On page 2, line 3 of the Appropriations Committee amendment, strike
10 all of subsection (5)

11 EFFECT: The retirement system, rather than the employer, will
12 reimburse certain community college retirees for previous
13 overpayments collected since January 1, 1990, due to retirement
14 incentive agreements.

15 **SB 5352** - H COMM AMD
16 By Committee on Appropriations

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18 On page 2, after line 6, insert the following:

19 "NEW SECTION. **Sec. 2.** A new section is added to chapter 41.50 RCW
20 to read as follows:

21 (1) Retirees whose reported earnable compensation included
22 payments made pursuant to an agreement to terminate or retire, or to
23 provide notice of intent to retire, shall not be required to repay to
24 the trust funds any overpayments resulting from the employer
25 misreporting, subject to the conditions provided in subsection (2) of
26 this section. The retirees' allowances shall be prospectively adjusted
27 to reflect the benefits to which the retirees are correctly entitled.

28 (2) Subsection (1) of this section shall apply only to members of
29 the teachers' retirement system who retired prior to January 1, 1993,
30 from service with a community college district.

1 (3) Any retirees under subsection (2) of this section who, since
2 January 1, 1990, have had their retirement allowances reduced under RCW
3 41.50.130(1)(b) because of the inclusion of retirement agreement
4 payments in calculating their allowances, shall have their allowances
5 adjusted to reflect the benefits to which the retirees are correctly
6 entitled, but without a reduction to recoup prior overpayments. The
7 retirees shall be reimbursed by their employers for the cumulative
8 amount of the reduction in their retirement allowance that has occurred
9 since January 1, 1990, to recoup prior overpayments.

10 (4) Any retirees covered by subsection (2) of this section who,
11 after January 1, 1990, repaid a previous overpayment in a lump sum
12 under RCW 41.50.130(1)(b) because of the inclusion of retirement
13 agreement payments in calculating their allowances, shall be reimbursed
14 by their employers for the amount of the lump sum repayment.

15 (5) The employers of retirees affected by this section shall be
16 billed by the department for the costs incurred by the trust funds due
17 to the inclusion of retirement agreement payments in calculating
18 retiree benefits. The billings shall be calculated and administered in
19 a manner consistent with the provisions of RCW 41.50.150."

20 EFFECT: TRS members who retired from community colleges before
21 January 1, 1993 and who had "retirement incentives" included in the
22 calculation of their pensions, will have their pensions adjusted
23 prospectively only to reflect their correct allowance, and will not
24 be required to repay prior overpayments. The employer will be
25 billed for the costs to the pension funds of any previous
26 overpayments caused by the retirement incentives.

27 Anyone whose pension was reduced after January 1, 1990, to reflect
28 previous overpayments will get a new pension calculation that does
29 not reflect repayment of previous overpayments, and will be
30 reimbursed by their employer for the reduction that has already
31 occurred. Anyone who repaid previous overpayments in a lump sum
32 will be reimbursed by their employer for the repayment.

33 **SB 5352** - H COMM AMD
34 By Committee on Appropriations

35

36 On page 2, after line 6, insert the following:

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.50 RCW
2 to read as follows:

3 Members of the teachers' retirement system who retired prior to
4 January 1, 1993, from service with a community college district whose
5 reported earnable compensation included payments made pursuant to an
6 agreement to terminate or retire, or to provide notice of intent to
7 retire, and whose retirement allowance has been reduced under RCW
8 41.50.150 or is reduced after the effective date of this act under
9 section (1) of this act, shall have an opportunity to change the
10 retirement allowance payment option selected by the member under RCW
11 41.32.530. Any request for a change shall be made in writing to the
12 department no later than October 31, 1993 and shall apply prospectively
13 only."

14 EFFECT: TRS I members who retired from community colleges before
15 January 1, 1993 and who had, or will have, their pensions reduced
16 by the department because the pensions included "retirement
17 incentives," may change their retirement payment option by October
18 31, 1993.

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