

1 **SB 5352 - H COMM AMD ADOPTED 4-17-93**

2 By Committee on Appropriations

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

4 "NEW SECTION. **Sec. 2.** A new section is added to chapter
5 41.50 RCW to read as follows:

6 (1) Retirees whose reported earnable compensation included
7 payments made pursuant to an agreement to terminate or retire, or
8 to provide notice of intent to retire, shall not be required to
9 repay to the trust funds any overpayments resulting from the
10 employer misreporting, subject to the conditions provided in
11 subsection (2) of this section. The retirees' allowances shall be
12 prospectively adjusted to reflect the benefits to which the
13 retirees are correctly entitled.

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

17 (3) Any retirees under subsection (2) of this section who,
18 since January 1, 1990, have had their retirement allowances reduced
19 under RCW 41.50.130(1)(b) because of the inclusion of retirement
20 agreement payments in calculating their allowances, shall have
21 their allowances adjusted to reflect the benefits to which the
22 retirees are correctly entitled, but without a reduction to recoup
23 prior overpayments. The retirees shall be reimbursed by their
24 employers for the cumulative amount of the reduction in their
25 retirement allowance that has occurred since January 1, 1990, to
26 recoup prior overpayments.

27 (4) Any retirees covered by subsection (2) of this section
28 who, after January 1, 1990, repaid a previous overpayment in a lump
29 sum under RCW 41.50.130(1)(b) because of the inclusion of
30 retirement agreement payments in calculating their allowances,

1 shall be reimbursed by their employers for the amount of the lump
2 sum repayment.

3 (5) The employers of retirees affected by this section shall
4 be billed by the department for the costs incurred by the trust
5 funds due to the inclusion of retirement agreement payments in
6 calculating retiree benefits. The billings shall be calculated and
7 administered in a manner consistent with the provisions of RCW
8 41.50.150."

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

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