
SUBSTITUTE SENATE BILL 5031

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Long, Fraser, Winsley, Franklin, Bauer, Jacobsen, Roach, Johnson, Kline and Rasmussen; by request of Joint Committee on Pension Policy)

Read first time 02/25/1999.

1 AN ACT Relating to the sharing of extraordinary investment gains in
2 the teachers' retirement system plan 3; amending RCW 41.50.145;
3 creating new sections; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) On or before July 1, 1999, the member
6 account of a person meeting the requirements of this section shall be
7 credited by the 1999 retroactive extraordinary investment gain amount.

8 (2) The following persons are eligible for the benefit provided in
9 subsection (1) of this section:

10 (a) Any member of the teachers' retirement system plan 3 who
11 transferred to plan 3 pursuant to RCW 41.32.817 on or after September
12 1, 1997, and before February 1, 1998; and

13 (b) Had a balance of at least one thousand dollars in contributions
14 and interest credited to their member's individual account pursuant to
15 chapter 41.32 RCW by August 31, 1997; and

16 (i) Who earned service credit during the twelve-month period from
17 September 1, 1996, to August 31, 1997; or

18 (ii) Who:

19 (A) Completed ten service credit years; or

1 (B) Completed five service credit years, including twelve service
2 months after attaining age fifty-four; or

3 (C) Completed five service credit years by July 1, 1996, under plan
4 2.

5 (3) The 1999 retroactive extraordinary investment gain amount shall
6 be calculated as follows:

7 (a) An amount equal to the average benefit per year of service paid
8 to members of the teachers' retirement system plan 3 in 1998, pursuant
9 to section 309, chapter 341, Laws of 1998.

10 (b) Distributed to persons eligible for the benefit provided in
11 subsection (1) of this section on the basis of their service credit
12 total on August 31, 1997.

13 **Sec. 2.** RCW 41.50.145 and 1998 c 341 s 515 are each amended to
14 read as follows:

15 (1) If the department determines that due to employer error a
16 member of plan 3 has suffered a loss of investment return, the employer
17 shall pay the department for credit to the member's account the amount
18 determined by the department as necessary to correct the error.

19 (2) If the department determines that due to departmental error a
20 member of plan 3 has suffered a loss of investment return, the
21 department shall credit to the member's account from the ((~~school~~
22 ~~employees~~)) appropriate retirement system combined plan 2 and 3 fund
23 the amount determined by the department as necessary to correct the
24 error.

25 NEW SECTION. **Sec. 3.** Section 1 of this act is added to chapter
26 41.34 RCW, but because of its temporary nature, shall not be codified.

27 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of the
29 state government and its existing public institutions, and takes effect
30 immediately.

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