

SENATE BILL REPORT

HB 2542

As Reported By Senate Committee On:
Ways & Means, February 18, 2004

Title: An act relating to allowing members of the teachers' retirement system plan 1 who are employed less than full time as psychologists, social workers, nurses, physical therapists, occupational therapists, or speech language pathologists or audiologists to annualize their salaries when calculating their average final compensation.

Brief Description: Allowing members of the teachers' retirement system plan 1 who are employed less than full time as psychologists, social workers, nurses, physical therapists, occupational therapists, or speech language pathologists or audiologists to annualize their salaries when calculating their average final compensation.

Sponsors: Representatives Fromhold, Alexander, Conway, G. Simpson, Moeller and Chase; by request of Select Committee on Pension Policy.

Brief History:

Committee Activity: Ways & Means: 2/18/04 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Zarelli, Chair; Hewitt, Vice Chair; Parlette, Vice Chair; Carlson, Doumit, Fairley, Fraser, Hale, Honeyford, Pflug, Prentice, Rasmussen, Regala, B. Sheldon and Winsley.

Staff: Erik Sund (786-7454)

Background: Retirement allowances in the Teachers' Retirement System (TRS) Plan 1 are calculated by multiplying a member's average final compensation (AFC) by 2 percent and then again by the number of years of service credit that the member has earned. AFC is the annual average of a member's greatest eligible earnings during any two consecutive years.

TRS 1 members who spend at least three-quarters of their time as classroom instructors, librarians, or counselors are allowed to annualize their salaries for the purpose of calculating their AFC. School counselors are classified as certified educational staff associates (ESA) and are the only kind of ESA allowed to annualize their salaries. Other kinds of ESAs include psychologists, social workers, nurses, physical therapists, speech language pathologists, and audiologists. If these ESAs work part time at the end of their career, they will receive a smaller benefit than counselors, librarians, or classroom teachers belonging to TRS 1 and working the same number of hours at the same salary would because they would have a smaller AFC.

Summary of Bill: All certified educational staff associates belonging to TRS 1 are allowed to annualize their salary for the purpose of calculating their average final compensation. This provision applies to currently active members only.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: (From companion SB 6250) This bill improves the fairness of the benefit provisions in TRS 1 and provides an important psychological benefit to the affected employees at no cost to the state.

Testimony Against: None.

Testified: (From companion SB 6250) Melissa Johnson, Washington Speech and Hearing Association, Physical Therapy Association of Washington (pro); John Kvamme, Washington Association of School Administrators and Association of Washington School Principals (pro); Jan Leth, Washington Education Association (pro); Randy Parr, Washington Education Association (pro); Jennifer Wallace, Professional Educator Standards Board (pro).