
HOUSE BILL 3063

State of Washington

59th Legislature

2006 Regular Session

By Representatives Bailey, Alexander, Woods, Talcott, McCune and Ericksen

Read first time 01/18/2006. Referred to Committee on Appropriations.

1 AN ACT Relating to creating unfunded liabilities stabilization
2 accounts within the public employees' retirement system plan 1 and
3 teachers' retirement system plan 1 funds; amending RCW 41.50.075 and
4 41.50.075; providing an effective date; providing an expiration date;
5 and declaring an emergency.

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

7 **Sec. 1.** RCW 41.50.075 and 2000 c 247 s 601 are each amended to
8 read as follows:

9 (1) Two funds are hereby created and established in the state
10 treasury to be known as the Washington law enforcement officers' and
11 fire fighters' system plan 1 retirement fund, and the Washington law
12 enforcement officers' and fire fighters' system plan 2 retirement fund
13 which shall consist of all moneys paid into them in accordance with the
14 provisions of this chapter and chapter 41.26 RCW, whether such moneys
15 take the form of cash, securities, or other assets. The plan 1 fund
16 shall consist of all moneys paid to finance the benefits provided to
17 members of the law enforcement officers' and fire fighters' retirement
18 system plan 1, and the plan 2 fund shall consist of all moneys paid to

1 finance the benefits provided to members of the law enforcement
2 officers' and fire fighters' retirement system plan 2.

3 (2)(a) All of the assets of the Washington state teachers'
4 retirement system shall be credited according to the purposes for which
5 they are held, to two funds to be maintained in the state treasury,
6 namely, the teachers' retirement system plan 1 fund and the teachers'
7 retirement system combined plan 2 and 3 fund. The plan 1 fund shall
8 consist of all moneys paid to finance the benefits provided to members
9 of the Washington state teachers' retirement system plan 1, and the
10 combined plan 2 and 3 fund shall consist of all moneys paid to finance
11 the benefits provided to members of the Washington state teachers'
12 retirement system plan 2 and 3.

13 (b) Within the teachers' retirement system plan 1 fund an unfunded
14 liability stabilization account is hereby established. Expenditures
15 from the account may be used only for the payment of unfunded
16 liabilities of the teachers' retirement system plan 1 and may not be
17 used to pay for any new benefit or for any benefit increase that takes
18 effect after July 1, 2005. An increase that is provided in accordance
19 with a formula that is in existence on July 1, 2005, is not considered
20 an increase for this purpose.

21 (3)(a) There is hereby established in the state treasury two
22 separate funds, namely the public employees' retirement system plan 1
23 fund and the public employees' retirement system combined plan 2 and
24 plan 3 fund. The plan 1 fund shall consist of all moneys paid to
25 finance the benefits provided to members of the public employees'
26 retirement system plan 1, and the combined plan 2 and plan 3 fund shall
27 consist of all moneys paid to finance the benefits provided to members
28 of the public employees' retirement system plans 2 and 3.

29 (b) Within the public employees' retirement system plan 1 fund an
30 unfunded liability stabilization account is hereby established.
31 Expenditures from the account may be used only for the payment of
32 unfunded liabilities of the public employees' retirement system plan 1
33 and may not be used to pay for any new benefit or for any benefit
34 increase that takes effect after July 1, 2005. An increase that is
35 provided in accordance with a formula that is in existence on July 1,
36 2005, is not considered an increase for this purpose.

37 (4) There is hereby established in the state treasury the school
38 employees' retirement system combined plan 2 and 3 fund. The combined

1 plan 2 and 3 fund shall consist of all moneys paid to finance the
2 benefits provided to members of the school employees' retirement system
3 plan 2 and plan 3.

4 **Sec. 2.** RCW 41.50.075 and 2004 c 242 s 44 are each amended to read
5 as follows:

6 (1) Two funds are hereby created and established in the state
7 treasury to be known as the Washington law enforcement officers' and
8 fire fighters' system plan 1 retirement fund, and the Washington law
9 enforcement officers' and fire fighters' system plan 2 retirement fund
10 which shall consist of all moneys paid into them in accordance with the
11 provisions of this chapter and chapter 41.26 RCW, whether such moneys
12 take the form of cash, securities, or other assets. The plan 1 fund
13 shall consist of all moneys paid to finance the benefits provided to
14 members of the law enforcement officers' and fire fighters' retirement
15 system plan 1, and the plan 2 fund shall consist of all moneys paid to
16 finance the benefits provided to members of the law enforcement
17 officers' and fire fighters' retirement system plan 2.

18 (2)(a) All of the assets of the Washington state teachers'
19 retirement system shall be credited according to the purposes for which
20 they are held, to two funds to be maintained in the state treasury,
21 namely, the teachers' retirement system plan 1 fund and the teachers'
22 retirement system combined plan 2 and 3 fund. The plan 1 fund shall
23 consist of all moneys paid to finance the benefits provided to members
24 of the Washington state teachers' retirement system plan 1, and the
25 combined plan 2 and 3 fund shall consist of all moneys paid to finance
26 the benefits provided to members of the Washington state teachers'
27 retirement system plan 2 and 3.

28 (b) Within the teachers' retirement system plan 1 fund an unfunded
29 liability stabilization account is hereby established. Expenditures
30 from the account may be used only for the payment of unfunded
31 liabilities of the teachers' retirement system plan 1 and may not be
32 used to pay for any new benefit or for any benefit increase that takes
33 effect after July 1, 2005. An increase that is provided in accordance
34 with a formula that is in existence on July 1, 2005, is not considered
35 an increase for this purpose.

36 (3)(a) There is hereby established in the state treasury two
37 separate funds, namely the public employees' retirement system plan 1

1 fund and the public employees' retirement system combined plan 2 and
2 plan 3 fund. The plan 1 fund shall consist of all moneys paid to
3 finance the benefits provided to members of the public employees'
4 retirement system plan 1, and the combined plan 2 and plan 3 fund shall
5 consist of all moneys paid to finance the benefits provided to members
6 of the public employees' retirement system plans 2 and 3.

7 (b) Within the public employees' retirement system plan 1 fund an
8 unfunded liability stabilization account is hereby established.
9 Expenditures from the account may be used only for the payment of
10 unfunded liabilities of the public employees' retirement system plan 1
11 and may not be used to pay for any new benefit or for any benefit
12 increase that takes effect after July 1, 2005. An increase that is
13 provided in accordance with a formula that is in existence on July 1,
14 2005, is not considered an increase for this purpose.

15 (4) There is hereby established in the state treasury the school
16 employees' retirement system combined plan 2 and 3 fund. The combined
17 plan 2 and 3 fund shall consist of all moneys paid to finance the
18 benefits provided to members of the school employees' retirement system
19 plan 2 and plan 3.

20 (5) There is hereby established in the state treasury the public
21 safety employees' retirement system plan 2 fund. The plan 2 fund shall
22 consist of all moneys paid to finance the benefits provided to members
23 of the public safety employees' retirement system plan 2.

24 NEW SECTION. Sec. 3. Section 1 of this act is necessary for the
25 immediate preservation of the public peace, health, or safety, or
26 support of the state government and its existing public institutions,
27 and takes effect immediately.

28 NEW SECTION. Sec. 4. Section 2 of this act takes effect July 1,
29 2006.

30 NEW SECTION. Sec. 5. Section 1 of this act expires July 1, 2006.

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