S-2062.1			

## SUBSTITUTE SENATE BILL 5332

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State of Washington 61st Legislature 2009 Regular Session

By Senate Transportation (originally sponsored by Senators Haugen, Swecker, and Delvin)

READ FIRST TIME 02/26/09.

- 1 AN ACT Relating to the administration of the Washington state
- 2 patrol retirement system; amending RCW 41.04.278 and 41.50.110; and
- 3 creating a new section.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 41.04.278 and 2006 c 309 s 4 are each amended to read 6 as follows:
- 7 (1) The select committee on pension policy may form three function-8 specific subcommittees, as set forth under subsection (2) of this 9 section, from the members under RCW 41.04.276(1) (a) through (e), as
- 10 follows:
- 11 (a) A public safety subcommittee with one member from each group 12 under RCW 41.04.276(1) (a) through (e);
- 13 (b) An education subcommittee with one member from each group under 14 RCW 41.04.276(1) (a) through (e); and
- 15 (c) A state and local government subcommittee, with one retiree 16 member under RCW 41.04.276(1)(d) and two members from each group under 17 RCW 41.04.276(1) (a) through (c) and (e).
- 18 The retiree members may serve on more than one subcommittee to 19 ensure representation on each subcommittee.

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(2)(a) The public safety subcommittee shall focus on pension issues affecting public safety employees who are members of the law enforcement officers' and firefighters', public safety employees', and Washington state patrol retirement systems.

- (b) The education subcommittee shall focus on pension issues affecting educational employees who are members of the public employees', teachers', and school employees' retirement systems.
- (c) The state and local government subcommittee shall focus on pension issues affecting state and local government employees who are members of the public employees' retirement system.
- 11 (3) The select committee on pension policy shall form a function12 specific subcommittee with one member from each group under RCW
  13 41.04.276(1) (a) through (e) that shall focus, within the amounts
  14 specifically appropriated by the legislature to support its activities,
  15 on pension issues affecting Washington state patrol retirement system
  16 members.
  - Sec. 2. RCW 41.50.110 and 2008 c 329 s 911 are each amended to read as follows:
  - (1) Except as provided by RCW 41.50.255 and subsection (6) of this section, all expenses of the administration of the department, the expenses of administration of the retirement systems, and the expenses of the administration of the office of the state actuary created in chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 41.37, 43.43, and 44.44 RCW shall be paid from the department of retirement systems expense fund.
  - (2) In order to reimburse the department of retirement systems expense fund on an equitable basis the department shall ascertain and report to each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, the sum necessary to defray its proportional share of the entire expense of the administration of the retirement system that the employer participates in during the ensuing biennium or fiscal year whichever may be required. Such sum is to be computed in an amount directly proportional to the estimated entire expense of the administration as the ratio of monthly salaries of the employer's members bears to the total salaries of all members in the entire system. It shall then be the duty of all such employers to include in their budgets or otherwise provide the amounts so required.

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(3) The department shall compute and bill each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, at the end of each month for the amount due for that month to the department of retirement systems expense fund and the same shall be paid as are its other obligations. Such computation as to each employer shall be made on a percentage rate of salary established by the department. However, the department may at its discretion establish a system of billing based upon calendar year quarters in which event the said billing shall be at the end of each such quarter.

- (4) The director may adjust the expense fund contribution rate for each system at any time when necessary to reflect unanticipated costs or savings in administering the department.
- (5) An employer who fails to submit timely and accurate reports to the department may be assessed an additional fee related to the increased costs incurred by the department in processing the deficient reports. Fees paid under this subsection shall be deposited in the retirement system expense fund.
- (a) Every six months the department shall determine the amount of an employer's fee by reviewing the timeliness and accuracy of the reports submitted by the employer in the preceding six months. If those reports were not both timely and accurate the department may prospectively assess an additional fee under this subsection.
- (b) An additional fee assessed by the department under this subsection shall not exceed fifty percent of the standard fee.
  - (c) The department shall adopt rules implementing this section.
- (6) Expenses other than those under RCW 41.34.060(3) shall be paid pursuant to subsection (1) of this section.
- (7) During the 2007-2009 fiscal biennium, the legislature may transfer from the department of retirement systems' expense fund to the state general fund such amounts as reflect the excess fund balance of the fund.
- (8) The department shall compute a monthly proportion of any amount specifically appropriated by the legislature to support the activities of the subcommittee created under RCW 41.04.278(3), and shall include the monthly proportion, plus the costs of the department to administer this subsection, on the bill submitted from the department to the Washington state patrol under subsection (3) of this section. By means of proportionate payroll deductions, the Washington state patrol shall

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- 1 recoup from members of the Washington state patrol retirement system an
- 2 amount that is sufficient to fully cover the amounts identified by the
- 3 <u>department pursuant to this subsection and the costs of the Washington</u>
- 4 <u>state patrol to administer this subsection.</u>
- NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2009, in the omnibus appropriations act, this act is null and void.

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