

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5294

68th Legislature
2023 Regular Session

Passed by the Senate February 27,
2023

Yeas 48 Nays 0

President of the Senate

Passed by the House April 18, 2023

Yeas 97 Nays 0

**Speaker of the House of
Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5294** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

1 ~~(2) Beginning September 1, 2009, and ending August 31, 2015,~~
 2 ~~maximum annual contribution rates are established for the portion of~~
 3 ~~the employer contribution rate for the school employees' retirement~~
 4 ~~system that is used for the sole purpose of amortizing that portion~~
 5 ~~of the unfunded actuarial accrued liability in the public employees'~~
 6 ~~retirement system plan 1 that excludes any amounts required to~~
 7 ~~amortize plan 1 benefit improvements effective after June 30, 2009.~~
 8 ~~The maximum rates are:~~

9 ~~Fiscal Year ending:~~

10	2010	2011	2012	2013	2014	2015
11	1.25%	1.25%	3.75%	4.50%	5.25%	6.00%

12 ~~(3) Beginning September 1, 2009, and ending August 31, 2015,~~
 13 ~~maximum annual contribution rates are established for the portion of~~
 14 ~~the employer contribution rate for the teachers' retirement system~~
 15 ~~that is used for the sole purpose of amortizing that portion of the~~
 16 ~~unfunded actuarial accrued liability in the teachers' retirement~~
 17 ~~system plan 1 that excludes any amounts required to amortize plan 1~~
 18 ~~benefit improvements effective after June 30, 2009. The maximum rates~~
 19 ~~are:~~

20 ~~Fiscal Year ending:~~

21	2010	2011	2012	2013	2014	2015
22	2.04%	2.04%	6.50%	7.50%	8.50%	9.50%

23 ~~(4)) Beginning July 1, 2015, and ending June 30, 2023,~~ a minimum
 24 3.50 percent contribution is established as part of the basic
 25 employer contribution rate for the public employees' retirement
 26 system and the public safety employees' retirement system, to be used
 27 for the sole purpose of amortizing that portion of the unfunded
 28 actuarial accrued liability in the public employees' retirement
 29 system plan 1 that excludes any amounts required to amortize plan 1
 30 benefit improvements effective after June 30, 2009. ~~((This minimum~~
 31 ~~contribution rate shall remain effective until the actuarial value of~~
 32 ~~assets in plan 1 of the public employees' retirement system equals~~
 33 ~~one hundred percent of the actuarial accrued liability.~~

34 ~~(5)) (2) Beginning September 1, 2015, and ending August 31, 2023~~
 35 a minimum 3.50 percent contribution is established as part of the
 36 basic employer contribution rate for the school employees' retirement

1 system, to be used for the sole purpose of amortizing that portion of
2 the unfunded actuarial accrued liability in the public employees'
3 retirement system plan 1 that excludes any amounts required to
4 amortize plan 1 benefit improvements effective after June 30, 2009.
5 ~~((This minimum contribution rate shall remain effective until the
6 actuarial value of assets in plan 1 of the public employees'
7 retirement system equals one hundred percent of the actuarial accrued
8 liability.~~

9 ~~(6))~~ (3) Beginning September 1, 2015, and ending August 31,
10 2023, a minimum 5.75 percent contribution is established as part of
11 the basic employer contribution rate for the teachers' retirement
12 system, to be used for the sole purpose of amortizing that portion of
13 the unfunded actuarial accrued liability in the teachers' retirement
14 system plan 1 that excludes any amounts required to amortize plan 1
15 benefit improvements effective after June 30, 2009. ~~((This minimum
16 contribution rate shall remain effective until the actuarial value of
17 assets in plan 1 of the teachers' retirement system equals one
18 hundred percent of the actuarial accrued liability.~~

19 ~~(7))~~ (4) (a) Beginning July 1, 2023, and ending June 30, 2027,
20 the following employer contribution rates shall be in effect for the
21 public employees' retirement system and the public safety employees'
22 retirement system that is used for the sole purpose of amortizing
23 that portion of the unfunded actuarial accrued liability in the
24 public employees' retirement system plan 1 that excludes any amounts
25 required to amortize plan 1 benefit improvements effective after June
26 30, 2009.

27 Fiscal Year ending:

28	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
29	<u>2.50%</u>	<u>2.00%</u>	<u>1.50%</u>	<u>0.50%</u>

30 (b) Beginning July 1, 2027, a minimum 0.50 percent contribution
31 is established as part of the basic employer contribution rate for
32 the public employees' retirement system and the public safety
33 employees' retirement system, to be used for the sole purpose of
34 amortizing any portion of an unfunded actuarial accrued liability in
35 the public employees' retirement system plan 1 that excludes any
36 amounts required to amortize plan 1 benefit improvements effective
37 after June 30, 2009. This minimum contribution rate shall be in
38 effect when the actuarial value of assets in plan 1 of the public

1 employees' retirement system is less than 100 percent of the
2 actuarial accrued liability.

3 (5)(a) Beginning September 1, 2023, and ending August 31, 2027,
4 the following employer contribution rates shall be in effect for the
5 school employees' retirement system that is used for the sole purpose
6 of amortizing that portion of the unfunded actuarial accrued
7 liability in the public employees' retirement system plan 1 that
8 excludes any amounts required to amortize plan 1 benefit improvements
9 effective after June 30, 2009.

10 Fiscal Year ending:

<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<u>2.50%</u>	<u>2.00%</u>	<u>1.50%</u>	<u>0.50%</u>

13 (b) Beginning September 1, 2027, a minimum 0.50 percent
14 contribution is established as part of the basic employer
15 contribution rate for the school employees' retirement system, to be
16 used for the sole purpose of amortizing any portion of an unfunded
17 actuarial accrued liability in the public employees' retirement
18 system plan 1 that excludes any amounts required to amortize plan 1
19 benefit improvements effective after June 30, 2009. This minimum
20 contribution rate shall be in effect when the actuarial value of
21 assets in plan 1 of the public employees' retirement system is less
22 than 100 percent of the actuarial accrued liability.

23 (6)(a) Beginning September 1, 2023, and ending August 31, 2027,
24 the following employer contribution rates shall be in effect for the
25 teachers' retirement system that is used for the sole purpose of
26 amortizing that portion of the unfunded actuarial accrued liability
27 in the teachers' retirement system plan 1 that excludes any amounts
28 required to amortize plan 1 benefit improvements effective after June
29 30, 2009.

30 Fiscal Year ending:

<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.00%</u>	<u>0.00%</u>

33 (b) Beginning September 1, 2027, a minimum 0.50 percent
34 contribution is established as part of the basic employer
35 contribution rate for the teachers' retirement system, to be used for
36 the sole purpose of amortizing any portion of an unfunded actuarial
37 accrued liability in the teachers' retirement system plan 1 that

1 excludes any amounts required to amortize plan 1 benefit improvements
2 effective after June 30, 2009. This minimum contribution rate shall
3 be in effect when the actuarial value of assets in plan 1 of the
4 teachers' retirement system is less than 100 percent of the actuarial
5 accrued liability.

6 (7) Upon completion of each biennial actuarial valuation, the
7 state actuary shall review the appropriateness of the minimum
8 contribution rates and recommend to the council any adjustments as
9 may be needed due to material changes in benefits or actuarial
10 assumptions, methods, or experience. Any changes adopted by the
11 council shall be subject to revision by the legislature.

12 **Sec. 2.** 2021 c 334 s 747 (uncodified) is amended to read as
13 follows:

14 **FOR THE STATE TREASURER—TEACHERS' RETIREMENT SYSTEM PLAN 1 FUND**

15 General Fund—State Appropriation (FY 2023)	((\$800,000,000))
	<u>\$250,000,000</u>
17 TOTAL APPROPRIATION.	((\$800,000,000))
	<u>\$250,000,000</u>

19 The appropriation in this section is subject to the following
20 conditions and limitations: The entire general fund—state
21 appropriation is provided solely for expenditure on June 30, 2023,
22 into the teachers' retirement system plan 1 fund, to be applied to
23 the unfunded actuarial accrued liability.

24 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
25 preservation of the public peace, health, or safety, or support of
26 the state government and its existing public institutions, and takes
27 effect June 30, 2023.

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