

SENATE BILL REPORT

SB 5905

As of January 20, 2026

Title: An act relating to membership in the public employees' retirement system for port workers who participate in a federal railroad retirement plan, a union-sponsored defined benefit retirement plan, or another employer-funded private pension plan.

Brief Description: Concerning membership in the public employees' retirement system for port workers who participate in a federal railroad retirement plan, a union-sponsored defined benefit retirement plan, or another employer-funded private pension plan.

Sponsors: Senator Short.

Brief History:

Committee Activity: Ways & Means: 1/20/26.

Brief Summary of Bill

- Excludes certain port district employees from membership in the Public Employees' Retirement System.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Amanda Cecil (786-7460)

Background: The Public Employees' Retirement System (PERS) is the largest state retirement system and generally covers employees of the state and its political subdivisions. As of the June 30, 2024 Actuarial Valuation Report, approximately 181,000 active state and local government employees participate in PERS Plans 2 and 3.

State agencies and counties are required to enroll all eligible employees in PERS. Cities, special districts, and other municipal and public corporate entities may participate by applying to the Department of Retirement Systems (DRS) with authorization from the entity's governing body.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Generally, employers that opt into PERS coverage must enroll all regularly compensated employees in eligible positions not covered by another state retirement system. DRS conducts periodic audits of employers to ensure compliance with enrollment requirements, administering retirement system rules, and collecting and remitting contributions.

The Federal Railroad Retirement Plan (FRRP) is a two-tier retirement system administered by the U.S. Railroad Retirement Board that provides retirement, disability, and survivor benefits to qualified railroad employees. Tier I benefits function as a replacement for Social Security, while Tier II provides an additional pension benefit. The Tier II monthly benefit equals 0.7 percent of pay for each year of service, based on a five-year average salary.

Port districts are prohibited from enrolling employees in both a private retirement plan and the state retirement system. A port district may allow employee-only contributions to private pension plans without loss of eligibility for state pension plans.

Summary of Bill: The following port district employees are excluded from membership in PERS:

- employees participating in the FRRP; and
- employees participating in a union-sponsored defined benefit pension plan that the port district is required to make employer contributions under a collective bargaining agreement.

This exclusion applies prospectively and retroactively for any periods that the port district made employer contributions.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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