SENATE BILL REPORT
SSB 5905

As Passed Senate, February 12, 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: Senate Committee on Ways & Means (originally sponsored by Senator Short).

Brief History:

Committee Activity: Ways & Means: 1/20/26, 2/03/26 [DPS].

Floor Activity: Passed Senate: 2/12/26, 49-0.

Brief Summary of First Substitute Bill

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

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5905 be substituted therefor, and the substitute bill do pass.

Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke, Braun, Cleveland, Conway, Dhingra, Hansen, Hasegawa, Kauffman, Muzzall, Pedersen, Riccelli, Saldaña, Wagoner, Wellman and Wilson, C..

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.

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.

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.

Under Washington State rule, 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 in-state pension plan.

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

- employees participating in the FRRP for any period during which the port district paid payroll taxes toward the person's federal railroad retirement plan benefit ; and
- pursuant to state rule regarding port district commissioners, employees participating in a Taft-Hartley union-sponsored defined benefit pension plan that the port district is required to make employer contributions to under a collective bargaining agreement.

Legislative findings and intent are declared.

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.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: SB 5905 addresses a narrow, technical issue affecting a small number of port and railroad employees who have long participated in federally required or collectively bargained pension plans outside of PERS. These pension arrangements—such as Taft-Hartley multiemployer plans and the federal Railroad Retirement System—have been relied upon for decades by both workers and employers to provide secure, portable retirement benefits. The bill provides statutory clarity for DRS, protects employees from being forced out of existing pension plans, and prevents duplicative pension costs for ports and workers. Requiring participation in DRS plans in addition to federal railroad retirement would impose significant new payroll taxes and retroactive costs on employees and non-taxing ports.

OTHER: Ports historically have had discretion to join PERS, and some port employees were previously exempt under older statutes. The Port of Pend Oreille joined PERS in 2023 to cover non-railroad employees, without realizing its railroad workers—already covered by a federal pension—might also be required to participate. SB 5905 is intended to clarify the law and avoid unintended dual pension participation for those railroad employees.

Persons Testifying: PRO: James James Cockburn, Washington Public Ports Association; KELLY DRIVER, Executive Director; Jonalthan Eder, Port of Vancouver USA; Jared Ross, South Sound Building & Construction Trades Council.

OTHER: Seth Miller, Department of Retirement Systems.

Persons Signed In To Testify But Not Testifying: No one.