

---

HOUSE BILL 2125

---

State of Washington

69th Legislature

2026 Regular Session

**By** Representatives Couture, Fitzgibbon, Zahn, Gregerson, Ormsby, and Reeves; by request of Department of Retirement Systems

Prefiled 12/10/25. Read first time 01/12/26. Referred to Committee on Appropriations.

1 AN ACT Relating to payment of expenses from the earnings of  
2 retirement system trust funds; and amending RCW 41.50.255.

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

4 **Sec. 1.** RCW 41.50.255 and 2025 c 424 s 943 are each amended to  
5 read as follows:

6 The director is authorized to pay from the interest earnings of  
7 the trust funds of the public employees' retirement system, the  
8 teachers' retirement system, the Washington state patrol retirement  
9 system, the Washington judicial retirement system, the judges'  
10 retirement system, the school employees' retirement system, the  
11 public safety employees' retirement system, or the law enforcement  
12 officers' and firefighters' retirement system lawful obligations of  
13 the appropriate system for legal, medical, and(~~(, during the~~  
14 ~~2025-2027 fiscal biennium,))~~ administrative expenses, which expenses  
15 are primarily incurred for the purpose of protecting or preventing  
16 losses from the appropriate trust fund or are incurred in compliance  
17 with statutes governing such funds.

18 The term "legal expense" includes, but is not limited to, legal  
19 services provided through the legal services revolving fund, fees for  
20 expert witnesses, travel expenses, fees for court reporters, cost of  
21 transcript preparation, and reproduction of documents.

1       The term "medical expense" includes, but is not limited to,  
2 expenses for the medical examination or reexamination of members or  
3 retirees, the costs of preparation of medical reports, and fees  
4 charged by medical professionals for attendance at discovery  
5 proceedings or hearings.

6       The term "administrative expenses" includes, but is not limited  
7 to, expenses incurred to prevent losses to the trust funds such as  
8 audits, cybersecurity, petition decisions, departmental liaison work  
9 with the attorney general's office, and other similar expenses  
10 incurred by the department to ensure that trust funds are protected  
11 against risks that might lead to losses from the trust funds.

12       The director may also pay from the interest earnings of the trust  
13 funds specified in this section costs incurred in investigating fraud  
14 and collecting overpayments, including expenses incurred to review  
15 and investigate cases of possible fraud against the trust funds and  
16 collection agency fees and other costs incurred in recovering  
17 overpayments. Recovered funds must be returned to the appropriate  
18 trust funds.

--- END ---