DRS Advisory Committee

Legislative Summary

April 26, 2013

HB 1226 SB 5633 Modifying PERS Retiree Return to Work Requirements

ESHB 1981 of the 2011 session modified the return to work rules for PERS retirees. This bill would correct some unintended consequences of those statute changes to ensure that:

- PERS retirees who return to work in ineligible positions would not be subject to the 867 hour limitation.
- PERS Plan 2 or Plan 3 retirees who return to work in eligible positions covered by other DRS administered systems would be eligible to work up to 867 hours before their benefit is suspended.

HB 1266 SB 5046 Modifying the Mandatory Retirement Age for District Court Judges

Signed by the Governor

This bill changes the mandatory retirement criteria for District Court Judges to require retirement after the end of the term of office in which they turn age 75, instead of at the end of the calendar year in which they turn age 75.

HB 1868 SB 5698 Health Insurance for Catastrophically Disabled LEOFF 2 Members

Delivered to the Governor

This bill allows catastrophically disabled LEOFF Plan 2 members to be reimbursed for premiums of medical insurance other than that which is provided by the employer, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), or Medicare A and/or B. The reimbursement would only be allowed for payments made after June 30, 2013 and would not exceed the amount reimbursed for premiums authorized by COBRA.

HB 2018 Regarding Additional Employer Contribution Rates

This bill would require the Pension Funding Council to assess an additional employer specific contribution rate sufficient to pay for lost investment earnings and interest when retirement contributions are made after the service was provided by the employees. This additional rate would only be assessed if the resulting liabilities from the late reporting would require additional contribution rates to be charged to all members and employers if not paid for by the late reporting employer.

SSB 5851 Optional Defined Contribution Plan for Public Employees

This bill would provide an additional retirement plan choice for employees hired into PERS, TRS, SERS, and PSERS eligible positions. In lieu of participating in a Plan 2 or Plan 3, new employees hired after July 1, 2014 would also be able to choose to participate in the Public Employees' Savings Plan (PESP). PESP is a defined contribution plan, where member and employer contributions are invested at the discretion of the member in investment options provided by the Department. Additionally, all existing employees could choose to transfer their retirement benefits into the PESP between January 1, 2015 through June 30, 2015.

SSB 5916   Addressing the Administration of the Public Retirement Plans

This bill would:

- Charge the employer the actuarial cost of the increase to a retirement pension when the total salary in the salary averaging period used to calculate the benefit is 1-1/4 times greater than the salary in the previous salary period of equal length. The employer is charged when the salary increase is due to the use of overtime, bonuses, cash outs of leave, or other lump sum payments. This provision would be effective for all retirements after June 30, 2011.
- Require the local government self-insurance program of the Department of Enterprise Services to support employers of LEOFF Plan 1 retirees to develop a voluntary risk pool to share the noninsured retiree medical costs of long-term care and major medical services.
- Prohibit future collective bargaining agreements from using seniority as the basis for eligibility to perform voluntary overtime.
- Allow any member or employer feeling aggrieved by any order or determination of a disability board granting or denying coverage for any service or item requested as a medical service to appeal the order or determination to the director of DRS. This would be effective March 1, 2014.
- Require the Department to review compensation increases for all LEOFF Plan 1 retirees who retired since July 1, 2010, and to perform an on-site audit of any circumstance where the compensation increased by more the 10% in the final two years.