

Employer Advisory Committee

2012 Legislative Summary

5/17/2012

The Following Pension Bills Passed the Legislature and have been signed by the Governor-

SB 6378 Pension Reform

This bill makes the following changes:

- All new employees first hired into eligible positions in PERS, TRS and SERS on or after 5/1/2013 would be provided an option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option would be available only to those who are age 55 or older and have at least 30 years of service. ***This does not affect current Plan 2/3 members (or employees who first establish membership between now and May 1, 2013).*** It only affects employees that *first* establish membership *after* May 1 of 2013.
- It requires that the state's assumption for the rate of long-term investment returns be gradually lowered by 1/10th of one percent for the next three biennia (from the current rate of eight percent to 7.7 percent) for all pension systems except LEOFF 2. It also requires the State Actuary to study the financial condition of the systems after these changes are made and present the findings to the Pension Funding Council.
- It requires the Select Committee on Pension Policy to study job classes that, due to physical or psychological risks, may need earlier retirement options than those provided in the bill.

SB 6239 Civil Marriage and Domestic Partnerships

This bill allows same-gender couples to marry, and automatically converts certain domestic partnerships to marriages unless the couple marries or dissolves the partnership before June 30, 2014. Under the provisions of this bill, survivor benefits may be available to certain members of the state's retirement systems sooner than under current law. There is currently an effort to file an initiative to overturn this legislation. The law takes effect on June 7, 2012, barring a stay in the effective date by a court action pending the outcome of the initiative process.

HB 2771 Employee/Employer Relationships in the Retirement Systems

This bill amends the retirement statutes to clarify that governmental contractors are not employers under the system, unless otherwise qualifying, and that the determination of whether an employee/employer relationship has been established shall be based solely on the relationship between the contracted employee and the governmental employer. The outcome of this bill is

that the Department will continue to evaluate these circumstances in the same manner as described in our WAC and Employer Handbook.

ESB 5159 CVEOS and Communication Officers Time into WSPRS

SCPP Request Bill for 2011 Legislature. This bill allows current Washington State Patrol Retirement System (WSPRS) members who have service credit within Public Employees' Retirement System (PERS) Plan 2 to transfer their PERS credit earned as commercial vehicle enforcement officers or as communications officers into the WSPRS. The member would pay the full actuarial cost of the transfer.

SB 6134 Allowing Department of Fish and Wildlife Enforcement Officers to Transfer Service Credit

This bill changes the timeline to transfer service credit under RCW 41.26.435 from June 30, 2014 to June 30, 2012. FWEOs had the option to transfer prior PERS service to LEOFF Plan 2, and this bill moves the timeline to transfer the service credit up by two years for those who have already paid the cost to transfer.

HB 1552 Garnishment of Pensions

This bill exempted pension payments from garnishment, even if the beneficiary was in receipt of those payments. A recent Washington State Supreme Court ruling had found that once beneficiaries were in receipt of a pension payment, it was no longer exempt from garnishment. This bill did not affect situations already exempt from the garnishment restriction, such as court orders in a divorce proceeding or child support orders.