

**DRS Advisory Committee  
Legislative Summary  
April 15, 2016**

**Pension-Related Bills Passed for the 2016 Session**

**SB 5435 - Addressing optional salary deferral programs**

When implemented, this bill will automatically enroll new state employees in the Washington State Deferred Compensation Program (DCP) with a default contribution rate of 3 percent. Employees will have the opportunity to opt out or set their own contribution rates. The bill also gives DRS the option to offer a 401(a) money-purchase retirement savings plan. (\*Signed by the governor 3/31/16)

**SB 5873 - Creating another opportunity for LEOFF Plan 1 retirees to designate a spouse as a survivor beneficiary**

This bill gives a LEOFF Plan 1 retiree a chance to name as survivor a spouse he or she married after retiring. To qualify, the marriage needs to have spanned at least two years before Sept. 1, 2015. (\*Signed by the governor 3/31/16)

**SB 6091 - Changing the definition of a slayer**

This bill clarifies the definition of “slayer” to include persons found not guilty by reason of insanity. A slayer is not entitled to receive a retirement benefit from the person he or she killed. (\*Signed by the governor 4/1/16)

**SB 6194 - Charter schools**

This bill allows charter school employees to be members of the state retirement systems as long as DRS receives determination from the IRS that the inclusion of those employees does not jeopardize the status of the systems as governmental plans. (\*Became law without the governor's signature 4/1/16)

**SB 6263 - LEOFF 2 disaster coverage**

This bill impacts LEOFF Plan 2 members who are called into eligible federal service to respond to natural disasters or other federal emergencies. It will provide them with benefit protections similar to the ones provided to members of the National Guard or military reserves who are called during a time of war. (\*Signed by the governor 4/1/16)

**SB 6264 - LEOFF 2 retiree purchase of annuity**

This bill allows LEOFF Plan 2 retirees who retired before June 1, 2014, a six-month window to purchase an annuity through LEOFF. The annuity will be offered under the same terms as the current option, including a built-in COLA and a survivor option. (\*Signed by the governor 3/31/16)

**SB 6455 - Expanding the professional educator workforce by increasing career opportunities in education, creating more robust enrollment forecasting and enhancing recruitment efforts**

This bill allows TRS members who retired using the 2008 Early Retirement Factors (ERFs) to return to work as substitute teachers. This provision will be in effect from June 9, 2016, until Aug. 1, 2020. (\*Signed by the governor 4/1/16)

**SB 6523 - Service credit for certain emergency services employees**

This bill allows an employee providing emergency medical services to a consortium of local governments to choose to establish service credit in PERS for service performed before July 23, 2003, if the service was performed in a county whose current population is more than 700,000 residents but less than 800,000 residents. The employee must pay both the employer and employee contribution, as calculated by DRS, within five years of choosing to establish service credit. (\*Signed by the governor 4/1/16)

**Bills of Interest That Did Not Pass**

**HB 1718 – Adding additional employers and job types to membership in PSERS**

If enacted, this bill would add the Department of Veterans Affairs and the Department of Social and Health Services as PSERS employers. Additionally, the bill would modify eligibility for the plan to add employees at state institutions or centers, and local government PSERS employers, who provide regular nursing care or who ensure the custody and safety of offender, probationary, or patient populations.

**HB 2646 - Plan 2 default for PERS, SERS and TRS**

If enacted, Public Employees' Retirement System (PERS), School Employees' Retirement System (SERS) and Teachers' Retirement System (TRS) members who fail to choose between Plan 2 and Plan 3 within 90 days of initial employment would default into Plan 2. Currently, such members default into Plan 3.

**SB 6622 - Prohibiting the assignment of retirement benefits**

If enacted, this bill would prohibit the assignment of retirement benefits through a loan, advance, transfer or other scheme. A pension assignee found to be in violation of this prohibition would be liable for full repayment of the assigned benefits.

**SB 6668 – Merging the assets, liabilities and membership of LEOFF Plan 1 with TRS Plan 1**

If enacted, this bill would merge the assets, liabilities and membership of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 (LEOFF Plan 1) with the Teachers' Retirement System Plan 1 (TRS Plan 1). Currently, these are separate systems with separate trust funds from which benefits of each system are paid. If the LEOFF Plan 1 and TRS Plan 1 merger is approved, all benefits and pension amounts payable to members of each system would remain the same. However, LEOFF Plan 1 retirees and survivors would receive one-time payments of \$5,000; LEOFF Plan 1 active and vested inactive members would receive the \$5,000 payment upon retirement.