

## **DRS Legislative Update**

### ***HB 1036 - Addressing PERS Survivor Benefits for Deceased Domestic Partners***

If enacted, this bill would provide survivor benefits to the spouses of deceased members of the Public Employees' Retirement System (PERS) who were registered domestic partners, later married, but the member died prior to being eligible to add the spouse as a survivor.

### ***HB 1109 - Adding OSPI Employees to TRS***

If enacted, this bill would add employees of the Office of the Superintendent of Public Instruction (OSPI) to the Teacher's Retirement System (TRS), if they are qualified to teach and are in an instructional, administrative, or supervisory position.

### ***HB 1168/SB 5211 - Correcting PERS Retiree Return to Work Restrictions***

ESHB 1981 of the 2011 session modified the return to work rules for PERS retirees. If enacted, 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 1169/SB 5210 - An optional life annuity benefit for members of the Washington State Patrol Retirement System***

If enacted, this bill would allow WSPRS members to use funds from certain tax-qualified plans to purchase a life annuity from the Washington State Patrol retirement fund at the time of retirement.

### ***HB 1322 – Amending estoppel criteria to only apply to those eligible for “normal” retirement***

Currently, members eligible for retirement in certain plans are prevented (estopped) from joining a different retirement system. If enacted, this bill would amend the estoppel criteria to state that a member would be estopped from membership in a retirement system if the retirement eligibility for another system is a “normal” retirement. Those who are not eligible for a full retirement, but only a retirement benefit calculated under alternate retirement criteria, such as early retirement, would no longer be estopped from membership in another system based on this section, and would therefore be mandated into membership unless excluded by other criteria.

### ***HB 1542/SB 5473 - Alternate Retirement Provisions for PERS, TRS and SERS (Rule of 85)***

If enacted, this bill would provide unreduced retirement benefits to any vested Plan 2 and Plan 3 member of PERS, TRS, and SERS, who is at least age 55 and for whom the sum of the member's age and the number of years of the member's service credit equals 85 or more.

### ***HB 1615/SB 5545 – Return to work after retiring under 2008 Early Retirement Factors***

If enacted, this bill would allow a retiree, from Plan 2 or 3 of the Teachers' Retirement System (TRS), School Employees' Retirement System (SERS) or Public Employees' Retirement System (PERS), who retired under the 2008 Early Retirement Factors (ERFs) to return to work before age 65 and continue receiving his or her pension benefit.

**HB 1718 – Adds additional employers and jobs 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 1737 – Allows 2008 ERF TRS retirees to return to work as substitute teachers**

If enacted, this bill would allow for teachers who retired under the 2008 Early Retirement Factors (ERFs) to return to work as substitute teachers in an instructional capacity for 216 hours per school year without having their retirement benefit suspended. This provision would only apply until August 1, 2019.

**SB 5148 - Removing 2008 ERF retiree return to work restrictions for substitute teachers**

A member who retires under the 2008 Early Retirement Factors may not return to work with a DRS covered employer until the age of 65 without having their benefit stopped. If enacted, this bill would remove this restriction for those returning to work as substitute teachers.

**SB 5435 - Expand Deferred Compensation Participation**

If enacted, this bill would auto-enroll all new state employees into the Deferred Compensation Program (DCP) with a default contribution rate of 3%, unless the employee opted out or chose a different contribution rate. This bill would also make it mandatory for all employers who participate in any of the retirement plans administered by DRS to offer DCP to their employees.

**SB 5873 – Creates another opportunity for LEOFF 1 retirees to designate a spouse as a survivor beneficiary**

If enacted, this bill would create a one-time window for LEOFF 1 retirees who did not previously designate a post-retirement spouse as a survivor beneficiary, another opportunity to do so. To qualify, the member must have been married to that spouse for at least two years prior to September 1, 2015.

**SB 5913 - Creates new window for certain PERS Members to join PSERS**

If enacted, this bill would allow PERS members who previously had an opportunity to join PSERS but chose to remain in PERS, another opportunity to transfer into PSERS. This opportunity would only apply if they are currently working in a PSERS eligible position.

**SB 5980 – Creates the Elected Officials Retirement Savings Plan**

If enacted, this bill would create a retirement savings plan option for public officials elected or appointed to elective office after July 1, 2017. After this date, newly elected officials would only have the choice of participating in this savings plan option, and could not participate in one of the state administered defined benefit retirement plans, such as PERS. This bill would not apply to elected Judges or Justices and would also allow PERS members the option to remain in PERS if they are at least age 50 upon their date of reelection.

**SB 5982 – Increases the normal retirement age for new employees**

If enacted, this bill would increase the normal retirement age of new employees first hired on or after July 1, 2015. New employees first hired into eligible positions in PERS plan 2 and 3, TRS plan 2 and 3, or SERS plan 2 and 3, will have a normal retirement age of 67 instead of 65. New employees first hired into PSERS plan 2 eligible positions would have a normal retirement age of 62 instead of 60. New employees first hired into LEOFF plan 2 eligible positions would have a normal retirement age of 55 instead of 53. New employees first hired into WSPR plan 2 eligible positions would have a normal retirement age of 57 instead of 55.

**SB 6005 – *Limiting Maximum Compensation for Retirement Benefits***

If enacted, this bill would impact new employees first hired after December 31, 2015, by limiting the maximum compensation for calculating retirement benefits to the State Average Annual Wage as determined under RCW 50.04.355. It would also limit the compensation upon which employee and employer contributions are paid to the same State Average Annual Wage. This bill would apply to members in PERS, TRS, SERS and PSERS, but does not apply to LEOFF Plan 2 or WSPRS Plan 2 members. For Higher Education employees first hired after December 31, 2015, annual contributions by the employer may not exceed ten percent of the state average annual wage.

**SB 6017/HB 2138 – *PERS/TRS Plan 1 COLAs***

If enacted, this bill would provide PERS 1 and TRS 1 retirees with the same cost-of-living adjustment (COLA) that is provided to plan 2 and plan 3 members. The first COLA applied would be in July of 2015.

**SB 2083 - *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.