

2023 pension-related legislation

During the 2023 session, DRS tracked more than a dozen bills that affected pensions, retirement and returning to work. Here are [pension-related bills](#) that passed, including summary descriptions from legislative reports available as of April 25, 2023:

[SHB 1007](#): Concerning interruptive military service credit for members of the state retirement systems.

The definition of “period of war” is expanded for veterans’ benefits in state pension systems, legal assistance, scoring criteria on civil service exams, and other programs, to include any armed conflicts where a expeditionary medal was awarded. Members that retired prior to the effective date of this act will have their retirement benefits adjusted retroactively.

[HB 1008](#): Concerning participating in insurance plans and contracts by separated plan 2 members of certain retirement systems.

Individuals who separate from positions covered by the employee health benefit operated by the Health Care Authority, and the Public Employees’, School Employees’, and Teachers’ Retirement System Plans 2, but do not retire, may participate in the retiree benefits of PEBB. To be eligible, members must have separated from service on or after January 1, 2024, and either enroll or defer coverage no later than 60 days after employee coverage ends.

[SB 5350](#): Providing a benefit increase to certain retirees of the public employees’ retirement system plan 1 and the teachers’ retirement system plan 1.

A one-time, 3 percent benefit increase is provided to PERS plan 1 and TRS plan 1 retirees up to a maximum of \$110 per month. The benefit increase goes into effect on July 1, 2023. To be eligible for the increase the member must be retired on or before July 1, 2022. This increase only applies for members that are not receiving a minimum benefit.

The Select Committee on Pension Policy is directed to study and recommend an ongoing COLA for plan 1 retirees. The recommendation must consider employer contribution rate stability and coordinate the effective date with the reduction or elimination of the unfunded actuarial accrued liability.

[HB 1055](#): Concerning public safety employees’ retirement plan membership for public safety telecommunicators.

Individuals who are members of the PERS Plans 2 and 3, and whose primary responsibility is to respond and process 911 emergency calls for law enforcement, fire, medical, or other public safety services are added to employees eligible to participate in PSERS. Eligible employers are defined as those that participate in the PERS system, and some of whose employees’ primary responsibility is to receive, process, transmit, or dispatch 911 emergency and nonemergency calls. For eligible employees employed before June 1, 2024, a window of time between January 1, 2024, and March 1, 2024, is provided for the person to elect to remain a member of PERS 2 or 3, or transfer to PSERS for periods of future service. If a member does not choose to transfer to PSERS, they remain in PERS. Members hired on or after June 1, 2024, become members of PSERS.

SHB 1056: Repealing some postretirement employment restrictions.

The restrictions on receiving benefits during postretirement employment for PERS, TRS, and SERS Plans 2 and 3 retirees that retired under the 2008 ERF are lifted to allow receipt of pension payments during employment of up to 867 hours per year of employment with a retirement system employer. Benefits for retired members that choose the 3 percent ERF are adjusted to the reductions in the 2008 ERF for purposes of benefit payments made after the effective date of the act.

ESSB 5294: Concerning actuarial funding of state retirement systems.

The existing minimum UAAL rates end after fiscal year (FY) 23. The following UAAL contribution rates are established, for TRS 1:

TRS 1			
FY 2024	FY 2025	FY 2026	Fy 2027
0.5%	0.5%	0.0%	0.0%

PERS 1			
FY 2024	FY 2025	FY 2026	Fy 2027
2.5%	2.0%	1.5%	0.5%

Beginning July 1, 2027, a new minimum UAAL rate is established for both TRS 1 and PERS 1 of 0.5 percent. The scheduled payment of \$800 million into the TRS 1 fund is reduced to \$250 million.

HB 1481: Allowing Tribal Police officers to join LEOFF Plan 2.

Federally recognized tribes in Washington State that operate police departments are permitted to opt in to LEOFF 2. A tribe opting to participate in LEOFF 2 must enter a state-tribal compact negotiated between the Governor and the governing body of the tribe. The compact must include provisions related to reporting records and allowing audits, waiving sovereign immunity for enforcing LEOFF 2 rules, and dissolution procedures for tribes ceasing participation in the LEOFF 2.

SSB 5538: Concerning postretirement employment in nursing positions for a state agency.

Until July 1, 2026, PERS and PSERS retirees may work for a state agency for up to 1040 hours per year in a non-administrative position as a licensed nurse position while continuing to receive a pension benefit.

[2SSB 5518](#): Concerning the protection of critical constituent and state operational data against the financial and personal harm caused by ransomware and other malicious cyber activities.

The Cybersecurity Advisory Committee (committee) is established within the EMC to provide advice and recommendations that strengthen cybersecurity in both industry and public sectors across all critical infrastructure sectors. The committee must bring together organizations with expertise and responsibility for cybersecurity and incident response. The committee must meet quarterly. The committee may recommend cybersecurity response exercises that relate to risk and risk mitigation for other sectors as the committee deems appropriate.

[SHB 1638](#): Creating a state trooper expedited recruitment incentive program.

The WSP is directed to develop and implement a State Trooper Expedited Recruitment Incentive Program (Incentive Program) for the purpose of recruiting and filling vacant trooper positions. Recruitment must redouble the effort to create a more diverse workforce and must also provide an accelerated pathway for joining the WSP for individuals who have previously been employed as a General Authority Peace Officer

[ESSB 5187](#): Making 2023-2025 fiscal biennium operating appropriations. Includes DRS' biennial budget.

Near General-Fund Outlook appropriations for the 2023-25 biennium are \$70.1 billion. Total budgeted funds are \$132.0 billion (includes state, federal, and other funds). Supplemental changes for fiscal year 2023 are made to the 2021-23 Biennial Operating Budget. These changes reduce Near General Fund- Outlook appropriations to \$63.2 billion and increase the total budgeted amount to \$132.2 billion total funds. Changes to fund transfers and other provisions are made.