

## 2017 Legislative Session Highlights

Highlighted Pension Bills Impacting State Administered Retirement Systems						
<i>Bills that Passed the Legislature</i>						
Brief Title	Bill	Requested by/Sponsor	Brief Description <sup>1</sup>	Cost* (In Millions)	Immediate Rate Impact? <sup>2</sup>	Status as of April 23, 2017 <sup>3</sup>
PSERS Definition of Full Time	<b>HB 1709</b> SB 5275	SCPP/ Chandler	Creates a limited exception to PSERS membership rules, and allows certain PERS members to transfer their service to PSERS under limited circumstances.	\$0.4	Yes	Delivered to the Governor
WSPRS Voluntary Overtime	<b>SB 5274</b> HB 1707	SCPP/ Conway	Allows voluntary overtime to be included in salaries for purposes of calculating retirement benefits in WSPRS.	(\$23.9) <sup>4</sup>	Yes	Delivered to the Governor
LEOFF Military Service Credit	<b>SB 5661</b>	Rolfes	Requiring the LEOFF 2 Retirement Board to study interruptive service credit where the member was not awarded a campaign badge or medal.	Indeterminate	No	Delivered to the Governor
EMTs/LEOFF 2 Membership	<b>SHB 2202</b>	Manweller	Clarifies that only certain EMTs who provide emergency medical services are eligible for LEOFF 2 and provides a transfer option for those EMTs.	Indeterminate	No	Delivered to the Governor

\*Cost = 25-Year Total Employer Cost.

<sup>1</sup>Description applies to the latest version of the bill.

<sup>2</sup>The cost of the bill is sufficient under current actuarial methods to result in an additional contribution rate being collected effective 9/1/2017.

<sup>3</sup>All unpassed bills were returned to their house of origin at the end of session (HCR 4403 2017-18).

<sup>4</sup>Parenthesis denotes a savings to employers, rather than a total employer cost.

SCPP Recommended Bills						
<i>Bills that Did Not Pass the Legislature</i>						
Brief Title	Bill	Requested by/Sponsor	Brief Description <sup>1</sup>	Cost* (In Millions)	Immediate Rate Impact? <sup>2</sup>	Status as of April 23, 2017 <sup>3</sup>
WSPRS Voluntary Overtime	<b>SHB 1707</b> SB 5274	SCPP/ Stanford	Allows voluntary overtime to be included in salaries for purposes of calculating retirement benefits in WSPRS.	\$7.7	Yes	SHB House Rules 2 Consideration/ SB Delivered to the Governor
Age-Based Plan Opt Out (SCPP)	<b>HB 1708</b> SB 5276	SCPP/ Chandler	Allows some newly hired government employees to opt out of the retirement system if they are hired at age 60 or older.	Indeterminate	No	HB Heard in House APPS/ SB moved to Senate "X" file

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Service Credit Pension Bills						
<i>Bills that Did Not Pass the Legislature</i>						
Brief Title	Bill	Requested by/Sponsor	Brief Description <sup>1</sup>	Cost* (In Millions)	Immediate Rate Impact? <sup>2</sup>	Status as of April 23, 2017 <sup>3</sup>
WSPRS Military Service Credit	<b>HB 1173</b> SB 5061	Muri	Allows certain WSPRS Plan 2 members to receive up to five years of no-cost retirement system service credit for military service prior to employment or outside a period of war.	\$9.0	Yes	HB Heard in House APPS/ SB Heard in Senate W&M
Plans 1 COLA	<b>HB 1484</b> SB 5556	Dolan	For all PERS 1 and TRS 1 plan members receiving a retirement benefit on January 1, 2017, it enacts a one-time permanent increase to their monthly retirement benefit equal to \$2 per year of earned service credit.	\$497.3 <sup>4</sup>	Yes	Heard in House APPS/ SB Senate W&M
WSPRS Military Service Credit	<b>SB 5061</b> HB 1173	O'Ban	Allows certain WSPRS Plan 2 members to receive up to five years of no-cost retirement system service credit for military service prior to employment or outside a period of war.	\$9.0	Yes	SB Heard in Senate W&M/ HB Heard in House APPS
PSERS Definition of Full Time	<b>SB 5275</b> HB 1709	SCPP/ Conway	Creates a limited exception to PSERS membership rules, and allows certain PERS members to transfer their service to PSERS under limited circumstances.	\$0.4	No	SB Heard in Senate W&M/ HB Delivered to the Governor
Plans 1 COLA	<b>SB 5556</b> HB 1484	Hunt	Provides PERS 1 and TRS 1 plan members receiving a retirement benefit on January 1, 2017, a one-time permanent increase to their monthly retirement benefit equal to \$2 per year of earned service credit.	\$497.3	Yes	SB Senate W&M/ HB Heard in House APPS

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<sup>4</sup>Costs associated with PERS 1 and TRS 1 benefit improvements are funded over a ten-year period consistent with funding policy.

Education Pension Bills						
<i>Bills that Did Not Pass the Legislature</i>						
Brief Title	Bill	Requested by/Sponsor	Brief Description <sup>1</sup>	Cost* (In Millions)	Immediate Rate Impact? <sup>2</sup>	Status as of April 23, 2017 <sup>3</sup>
ESA Salary Allocation	<b>HB 1374</b> SB 5283	Dolan	States that an educational staff associate's additional non-school years of experience <u>must</u> be taken into account when calculating his or her service credit for the purpose of state salary allocations.	Indeterminate	No	HB Heard in House APPS/ SB Senate W&M
Retire-Rehire (Mentors)	<b>HB 1685</b> SSB 5487	OSPI/ Santos	Expands postretirement options for educators in Plan 2 or 3 who have retired under alternative early retirement provisions to be employed as a mentor to teachers or an adviser to students in teacher preparation programs.	N/A	N/A	HB Not Heard/ SSB Senate W&M
Teacher Recruitment and Retention	<b>SHB 1827</b>	Santos	Addresses educator recruitment, retention, and certification, evaluation of educator effectiveness, and assistance and incentives for educators.	N/A	N/A	Rules 2 Review
Education Salary Schedule	<b>ESHB 1843</b> SB 5623	Sullivan	Requires OSPI to convene a work group to provide recommendation for revising accounting practices and determine whether funded enrollment percent for special education should be adjusted.	\$22.3	No	ESHB House Rules Third Reading/ SB Senate W&M
ESA Salary Allocation	<b>SB 5297</b>	OFM/ Ranker	Changes the name of the statewide salary allocation schedule to the statewide salary allocation model and revises certain provisions relating to that model.	N/A	N/A	SB Senate W&M
Retire-Rehire (Coaches)	<b>SB 5310</b>	Hunt	Authorizes a teacher in Plan 2 or 3 who retired under alternate early retirement provisions to be employed for up to 867 hours per year without suspension of benefits if employed exclusively as a coach.	N/A	N/A	SB Senate W&M

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Retire-Rehire (Mentors)	<b>SSB 5487</b> HB 1685	OSPI/ Zeiger	Until August 1, 2020, members of TRS 2/3 who have retired early under the 2008 ERFs are allowed to return to work at a school district as a mentor for 867 hours per year (prior to reaching age 65) without a loss of pension benefits.	No Cost	No Cost	SSB Senate W&M/ HB Not Heard
Housing Allowance	<b>SSB 5534</b>	Fortunato	Creates housing allowances for public school employees which would be considered part of the members' pensionable compensation.	Indeterminate	No	Senate Rules "X" file
Retire-Rehire (Removes Instructional Capacity)	<b>SB 5601</b>	Darneille	States that until August 1, 2020, members of TRS 2/3 who have retired early under the 2008 ERFs are allowed to return to work at a school district in a non-instructional capacity for up to 867 hours per year (prior to reaching age 65) without a loss of pension benefits.	No Cost	No	SB Senate W&M
School Employee Compensation	<b>SSB 5607</b>	Braun	Makes numerous changes to basic education funding and policy, including school employee compensation.	\$7.3	No	Senate Rules Third Reading
Extending the School Year	<b>SB 5740</b>	King	Extends the minimum school year to 220 days to provide additional instructional time for students and more state-compensated time for teachers.	N/A	N/A	Senate Rules Third Reading
Teacher Minimum Salaries	<b>SB 5825</b>	Mullet	Creates a new partnership between the state and local school districts.	N/A	N/A	Heard in Senate W&M

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<b>Medical Pension Bills</b> <i>Bills that Did Not Pass the Legislature</i>						
Brief Title	Bill	Requested by/Sponsor	Brief Description <sup>1</sup>	Cost* (In Millions)	Immediate Rate Impact? <sup>2</sup>	Status as of April 23, 2017 <sup>3</sup>
Presumptive Medical (PTSD)	<b>SHB 1655</b>	Lovick	Adds PTSD to the list of presumptive duty-related conditions for fire fighters, and creates a similar presumption for law enforcement officers who experience PTSD.	Indeterminate	No	House Rules Third Reading
EMTs at Public Hospital Districts	<b>HB 1932</b> SB 5659	Manweller	Clarifies that EMTs employed by a public hospital district do not qualify for LEOFF membership unless the EMT had previously been a member of PERS while providing emergency medical services for the public hospital district.	Indeterminate	No	HB Not Heard/ Senate Rules Third Reading
EMTs at Public Hospital Districts	<b>HB 2187</b>	Manweller	Bill clarifies that only certain EMTs who provide emergency medical services are eligible for LEOFF 2 and provides a transfer option for those EMTs.	Indeterminate	No	Not Heard
Presumptive Medical and Fire Investigators	<b>SB 5477</b>	Zeiger	Adds medical conditions to the presumption of occupational diseases and extending the presumption to certain publicly employed firefighters, investigators and law enforcement officers.	N/A	N/A	Heard in Senate Commerce
EMTs at Public Hospital Districts	<b>ESSB 5659</b> HB 1932	Bailey	Clarifies that EMTs employed by a public hospital district do not qualify for LEOFF membership unless the EMT had previously been a member of PERS in 2005.	Indeterminate	No	SSB Senate Rules Third Rules/ HB Not Heard
Occupational Disease	<b>SB 5822</b>	Baumgartner	Revises the state industrial insurance act.	N/A	N/A	Heard in Senate Commerce

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**Other Pension and Non-Pension Bills of Interest**  
*Bills that Did Not Pass the Legislature*

Brief Title	Bill	Requested by/Sponsor	Brief Description <sup>1</sup>	Cost* (In Millions)	Immediate Rate Impact? <sup>2</sup>	Status as of April 23, 2017 <sup>3</sup>
Contributory Rates	<b>HB 1288</b>	Chandler	Requires the PFC to adopt additional individual employer contribution rates to compensate for certain lost investment returns and interest due to late employer reporting or if the contributions actually made by the employer are lower than required.	Indeterminate	No	Heard in House APPS
PSERS: Nursing, Custody, Safety	<b>SHB 1558</b>	Kilduff	Adds new members to PSERS and provides a transfer option for eligible PERS 2/3 members.	\$65.4	Yes	House Rules for Third Reading
Plan Default	<b>HB 1560</b>	Stanford	Changes the retirement plan default for new hires from Plan 3 to Plan 2.	(\$91.0) <sup>4</sup>	No	House Rules Third Reading

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Estoppel	<b>SB 5495</b>	Hunt	Modifies the estoppel rule in public pensions, such that members of one system would no longer be estopped (i.e., prevented) from earning service credit in another system if they are eligible for early retirement and have at least 15 years of service in their current system.	\$5.3	No	Heard in Senate W&M
UAAL Payment from Budget Stabilization Acct.	<b>SSB 5900</b>	Braun	Transfers \$700 million from the budget stabilization account to the PERS Plan 1 fund solely for reducing the UAAL. The bill also enacts a new employer surcharge and modifies the UAAL rate.	(\$1321.7) <sup>4</sup>	No	Rules Committee Second Reading
UAAL Payment from Budget Stabilization Acct- Homeless Assistance Account	<b>SB 5911</b>	Nelson	Transfers \$700 million from the budget stabilization account to the PERS Plan 1 fund solely for reducing the UAAL. The bill enacts a new employer surcharge, modifies the UAAL rate and makes appropriations from the budget stabilization account to create the homeless assistance account and housing trust fund for homeless or at-risk-to be homeless individuals.	N/A	N/A	Not Heard

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## Glossary

**AFC:** Average Final Compensation

**APPS:** Committee on Appropriations

**BVFF:** Board for Volunteer Fire Fighters and Reserve Officers

**COLA:** Cost-of-Living Adjustment

**DC:** Defined Contribution

**DRS:** Department of Retirement Systems

**ERFs:** Early Retirement Factors

**HB:** House Bill

**LEOFF:** Law Enforcement Officers' and Fire Fighters'

**OSA:** Office of the State Actuary

**OSPI:** Office of Superintendent of Public Instruction

**PEBB:** Public Employees Benefits Board

**PERS:** Public Employees' Retirement System

**PSERS:** Public Safety Employees' Retirement System

**SB:** Senate Bill

**SERS:** School Employees' Retirement System

**TRS:** Teachers' Retirement System

**W&M:** Committee on Ways and Means

**WSPRS:** Washington State Patrol Retirement System