



Retired Public Employees Council of Washington

February 2004

www.rpecwa.org

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Legislative Update

The Legislature is halfway through its 60 day session. The purpose of this newsletter is to give you a status report on important bills and let you know where action on your part is needed.

Telephone Trees

A letter has gone out to chapter presidents urging them to make a chapter telephone tree a priority. Whether the telephone tree has seven members or seventy, the important thing is that the members be willing to make calls when asked. Contact your chapter president if you want to help out. One person at the end of each telephone tree will be asked to call the chapter president and Council office so we know that everyone has been called.

E-mail Legislative Contacts

The Legislative Committee decided that the Council office should send Legislative Alerts to all members who have e-mail instead of just selected members. Since e-mail contacts would forward the same message, this eliminates an unnecessary step. Any e-mail recipient who does NOT wish to receive Legislative Alerts can ask to be taken off the list. And speaking of e-mail, if you have an e-mail address that you haven't shared with the Council office or your address has recently changed, we would really appreciate it if you would do so. Just send it to Derek@rpecwa.org.

Bills of interest to RPEC members

Several bills important to RPEC members are moving through the Legislature. Bill numbers and status are on the back page.

\$1,000 minimum benefit: If passed, this bill will help 1,300 of the poorest and oldest retirees. It affects Plan 1 members who have 25 or more years of service credit, have been retired at least 20 years, and receive less than \$1,000 per month before voluntary deductions. Examples of voluntary deductions include a reduced benefit in order to have a spouse receive a benefit after your death, taking a lump sum distribution and reduced benefit under TRS 1, or a spouse receiving a death benefit. DRS will figure what the benefit WOULD HAVE BEEN if voluntary deductions had not been taken to determine whether a retiree qualifies.

Age 66 COLA: Currently, a Plan 1 retiree must be retired for one year and have reached age 66 by July 1 in order to start receiving the Plan 1 Uniform COLA on July 1. This bill would grant the COLA to Plan 1 members who have been retired one year by July 1 and turn age 66 at any time during the year.

Smoothing corridor: This is a technical bill that would bring greater stability and predictability to recommended contribution rates. It would create a trigger that would bring rates into line whenever trust fund investment returns are 30 percent above or below the average return corridor. And speaking of contribution rates, the Legislature will be expected to come up with \$1.44 billion (That's "B" for billion.) over the next six years to

fund the pension systems. Past Legislatures and governors have created a fiscal monster that soon must be fed.

Senator Winsley, recently speaking to a group of retired teachers, said that failing to adequately fund the pension systems was the equivalent of taking money from the systems. Unfortunately, the courts did not agree with her.

Preserving ESSB 5777

There was a move early in the session to repeal ESSB 5777, the law passed a few years ago mandating that political subdivisions provide retirees access to a health plan. Since the law was enacted, a large number of entities complied. A number, however, have been unable to provide a reasonable plan, and did not want to offer retirees something they knew they could not afford. In addition to testifying against the repeal, RPEC sought and received help from Council 2 and Amalgamated Transit.

We argued that repeal would put retirees who had benefited under the law at risk of losing the gains they had made. A group of cities expressed concern that the only coverage they could find for retirees carried a prohibitive cost — \$600 to \$900 per person per month. A compromise was reached that will preserve 5777 and the gains made. This compromise (HB 2985) allows political subdivisions, that can document a good faith effort in attempting to comply with 5777, but were unsuccessful, to provide education and assistance to retirees in obtaining coverage under individual plans.

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Age 66 COLA - HB 2539/SB 6248

Position: SUPPORT - Call your legislators

Summary: Retired members of the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) must have been retired for at least one year and be at least 66 years of age by July 1 in order to qualify for the cost of living adjustment (COLA) made to retirement allowances in that year.

The age requirements for COLA eligibility in PERS 1 and TRS 1 would be changed so that a member must have been retired for at least one year by July 1 and reach age 66 by December 31 in order to be eligible for the adjustment given during that year.

Status: Currently in House Appropriations and Senate Ways & Means Committees.

\$1,000 Minimum Benefit - HB 2538/SB 6253

Position: SUPPORT - Call your legislators

Summary: Establishes a \$1000 minimum monthly benefit for public employees' retirement system plan 1 members and teachers' retirement system plan 1 members who have at least twenty-five (25) years of service, who have been retired at least twenty (20) years and whose pension is less than \$1000 before voluntary deductions.

Status: 1st substitute bill (SHB 2538) passed from House Appropriations to the Rules Committee for a second reading.

5777 Modifications - HB 2985

Position: SUPPORT - No action needed at this time.

Summary: Provides that counties, municipalities, and other political subdivisions that make a documented good faith effort to comply with the provisions of this act and are unable to provide access to a group health benefit plan, shall assist disabled employees and retired employees in applying for health insurance. Assistance may include developing and distributing standardized information on the availability and cost of individual health benefit plans, application packages, and health benefit fairs.

Directs the office of the insurance commissioner, in cooperation with carriers licensed to offer individual health benefit plans, to develop and distribute to counties, municipalities, and political subdivisions the following information:

- 1) Standardized information on the availability and cost of individual health benefit plans;

- 2) Application procedures for individual health benefit plans; and

- 3) Assistance in organizing health benefit fairs for their disabled or retired employees.

Status: Currently in the House Health Care Committee.

How to Contact Your Legislator

By Phone: Washington State Legislative Hotline
1-800-562-6000

Hours – Monday-Friday 8:00am to 8:00pm,
Saturday 9:00am to 1:00pm.

By Internet: <http://www.leg.wa.gov> –
here you can also look up the individual bills.

By Mail: The Honorable _____,
Washington State Senate,
PO Box 40482, Olympia, WA 98504

The Honorable _____,
Washington State Representative,
PO Box 40600, Olympia, WA 98504

Question Corner

Question: Can RPEC members contribute directly to the RPEC Political Action Committee (PAC)?

Answer: Yes. There are new PAC policies and we will be strongly supporting candidates who support us. Voluntary contributions can be sent to the Council office and made payable to the RPEC PAC.

Note: Contributions to the RPEC PAC are not tax deductible.

If you have a question you would like to see answered in our next newsletter, please submit it to the Council Office in Olympia, attention Derek or e-mail it to Derek@rpecwa.org.

Convention Calendar - Correction

2004 — Olympia Red Lion —

The correct dates for the 2004 convention are: Monday 9/20, Tuesday 9/21, Wednesday 9/22. It is the 33rd Annual Convention.

2005 — Tacoma Sheraton — Sept. 8 - 12

2006 — Wenatchee WestCoast — Sept 25 - 28

OUR STRENGTH IS YOUR SECURITY!