

## INTRODUCTION: BACKGROUND INFORMATION

### 6. RELATIONSHIP TO OTHER AGENCIES – *TO BE REVISED*

Six other agencies and committees have various authorities in the administration of the retirement systems and investment program. A chart illustrating various governmental relationships is included in Appendix F of this Handbook.

#### *Joint Committee on Pension Policy*

The Joint Committee on Pension Policy was established through legislation in 1987. This Committee is described in RCW 44.44.050 and .060. It is a permanent Legislative committee composed of eight members of the Senate and eight members of the House of Representatives.

The Committee holds open meetings throughout the year and reviews recommendations for additions or revisions to the legislation that governs the administration of the state retirement systems.

The Joint Committee's duties are:

- To study pension issues, develop pension policies for the state's retirement systems, and make recommendations to the Legislature;
- To study the financial condition of the state's pension systems, develop funding policies, and make recommendations to the Legislature; and
- To appoint or remove the State Actuary by a two-thirds vote of the Committee.

Representation on the Committee is split evenly between the two political parties. Members are appointed before the end of each regular legislative session in odd-numbered years. Terms are two years. Vacancies are filled by appointment from the same political party and from the same house.

The Committee elects the Chair and Vice-Chair. The chairperson is a member of the Senate in even-numbered years and a member of the House of Representatives in odd-numbered years. The Executive Committee is comprised of the Chair, Vice-Chair and one member from the minority and majority caucuses of each house. The immediate past Chair of the Committee serves as an ex-officio (non-voting) member of the Executive Committee.

#### *Office of the State Actuary*

The Office of the State Actuary was established as a Legislative agency by the 1976 Legislature. RCW 44.44 sets forth the duties for the office:

- Perform all actuarial services for the state retirement systems. These include the Public Employees, Teachers, Law Enforcement Officers and Fire Fighters, Judicial and Washington State Patrol Retirement Systems. Experience studies of the major retirement systems are

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conducted at least every six years.

- Advise the Legislature and Governor on pension benefits and funding. The State Actuary also consults with the Legislature and Governor concerning the actuarial assumptions used by the retirement systems.
- Prepare fiscal notes on each pension bill introduced in the Legislature. These notes explain the financial impact proposed legislation will have on state retirement systems.
- Provide staff support to the Joint Committee on Pension Policy.

### *Department of Retirement Systems*

The Department of Retirement Systems (DRS) was established by the Legislature in 1976 under RCW 41.50. The primary function of DRS is to administer the six public employee retirement systems. These systems are:

- Public Employees Retirement System, Plans I and II (PERS)
- Teachers Retirement System, Plans I and II (TRS)
- Law Enforcement Officers and Fire Fighters Retirement System, Plans I and II (LEOFF)
- Washington State Patrol Retirement System (WSPRS)
- Judicial Retirement System (JRS)
- Judges Retirement Fund (JRF)

Three of the systems contain two plans or funds: PERS, TRS, and LEOFF. The State Investment Board manages one fund (the Volunteer Fire Fighters' Relief and Pension Principal) that is not administered through the Department of Retirement Systems. The Judges Retirement Fund no longer has active or contributing members and has been replaced by the Judicial Retirement System.

Responsibilities of the Department are to:

- Maintain the files and records necessary to administer the retirement systems.
- Collect retirement contributions from employers and employees.
- Pay retirement benefits as prescribed by the provisions of the systems.
- Act as a trustee through the State Investment Board.
- Provide notification to retirement system members of their accumulated service credit.

The Director of the Department is appointed by the Governor with the consent of the Senate.

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### *State Advisory Committee to the Department of Retirement Systems*

The State Advisory Committee to the Department of Retirement Systems serves in an advisory capacity to the Director. The Committee consists of twelve members appointed by the Governor as follows:

- Three active members and one retired member of the Public Employees' Retirement System;
- Two active members (a law enforcement officer and a fire fighter), and one retired fire fighter from the Law Enforcement Officers' and Fire Fighters' Retirement System;
- Two active members (a teacher and an administrator) and one retired member of the Teachers' Retirement System;
- One active member of the Washington State Patrol Retirement System;
- One active member of the Judicial Retirement System.

The active and retired members for PERS, TRS, LEOFF and WSPRS are selected from a list of three nominees submitted by each organization representing active and retired members. The member appointed for JRS is appointed from a list of three nominees submitted by the State Supreme Court.

The Advisory Committee also reviews all disability appeal cases reviewed by DRS' Hearings Examiner and makes recommendations to the DRS Director for the disposition of the appeal.

### *State Finance Committee*

The State Finance Committee is comprised of the Governor, Treasurer, and Lieutenant Governor of the state. In 1981, the Committee relinquished its authority for investments to the State Investment Board. The Committee ratifies the appointment of the Executive Director.

### *State Treasurer*

The State Treasurer is an elected state official who serves as the State Chief Fiscal Officer, providing for the accounting and safety of all state funds. By statute, the Treasurer serves on the State Investment Board and chairs the State Finance Committee.

### **References:**

State Retirement Policy Governmental Relationship

Appendix F