



The Select Committee on Pension Policy

Past Part-Time Service Credit

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Background

- Executive committee forwarded this issue for public hearing and possible executive session
- SCPP studied the issue in 2008 Interim
- Recommended legislation for 2009 Legislative session
 - House bill passed the House, but was not heard in Senate Ways and Means



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What Is The Issue?

- In the past, some members made contributions without receiving service credit
 - Occurred under prior service credit rules
 - Current rules generally don't allow "non-credited" service
- SERS members want credit for this past service



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What Were The Key Policy Decisions?

- How is the issue viewed?
 - Contribution issue or service credit issue
 - Refunds vs. crediting service
- Who is primarily impacted?
 - School employees or all employees



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SCPP Recommendation For 2009 Legislature

- Policy view
 - Service credit issue
 - School employees
- Apply current half-time rules to past educational service
 - Grant half-time service credit to members who worked at least half-time for an educational employer
 - Requires limited retroactive policy change
 - Consistent with earlier change for teachers
 - Impacts about 130 members
- Bill draft and fiscal note from 2009 Legislative session in materials
 - The proposal had a 25-year total employer cost of \$300,000 and no immediate rate impact



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Possible Next Steps

- Recommend the previous proposal to 2010 Legislature
 - Introduce a new bill
 - Staff will update bill draft and fiscal note
 - Endorse previous bills
 - Bills are technically still alive in Legislature
 - Would require an amendment
- Study the issue further
- Take no action



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