



Public Employees for Pension Responsibility

A coalition of Washington State Public Employee Unions and Retirees Associations serving active and retired state and public employees

SB 5851 IS UNNECESSARY

- Plans 2 and 3 are fully funded, and among the best managed in the country.
- The State of Washington already provides a 100% employee contribution, Deferred Compensation program and a plan that combines a deferred contribution with a defined benefit plan (PERS 3).
- By the State's own admission, very few employees are interested in joining this proposed plan.
- There is already a plan in place to pay back the unfunded liability in plan 1 and rates have been adjusted to meet the anticipated economic challenges in front of us.

SB 5851 IS HARMFUL TO EXISTING PERS PLANS AND TO EMPLOYEES

- The creation of this new plan would require funds be held from investments to account for the new plan members right to withdraw their money at any time. This need for *liquidity* will cost the other plans in investment returns. *Every new member joining this new plan would increase the risk to the State Investment Board's ability to make sound, long term investments. That will harm the entire system.*
- SB 5851 will increase Plan 2 and Plan 3 member rates. Why should members of other plans subsidize the rates for a plan they don't even want?
- While the plan is voluntary, the choice is irrevocable.
- Making the new plan the default plan will drive up the cost of the other plans even higher. Putting people who don't make a choice in the plan that requires the most member involvement makes no sense.
- The fiscal note states that should investment returns exceed the assumed rate of return, then any savings in this plan could become additional costs. The trust fund has gained an 8.57% return since inception in 1992 and the State Investment Board has outperformed the state's assumed rate of return in fourteen out of twenty years.

The right vote on SB 5851 is NO!

PEPR
(Public Employees for Pension Responsibility)

Washington Federation of State Employees (WFSE)
Matt Zuvich, Chair – 360-352-7603

American Federation of Teachers- Washington
Bernal Bacca

**Association of Washington School Principals &
Washington Association of School Administrators**
John Kvamme

**Washington State Council of County and City Employees
Council 2**
J. Pat Thompson

Washington Joint Council of Stationary Engineers/IUOE
David Westberg

Teamsters Joint Council 28 and Local 117
Majken Ryherd/ Jim Richards/Teresita Torres

Rebecca Johnson
Washington State Labor Council

**Washington Education Association &
Washington Education Association – Retired**
Randy Parr/Kit Raney

SEIU Local 925
Adair Dammann

Washington State School Retirees' Association
Ed Gonion

Retired Public Employees Council of Washington
Jo Jacobson/Beverly Hermanson

SEIU Healthcare 1199 NW
Ellie Menzies

Professional And Technical Employees Local 17
Vince Oliveri/Adrienne Thompson

The right vote on SB 5851 is NO!