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SENATE BILL 5468

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State of Washington                      52nd Legislature                      1991 Regular Session

By Senators Williams and Rinehart.

Read first time February 1, 1991. Referred to Committee on Ways & Means.

1            AN ACT Relating to Washington public employees' retirement system  
2 membership; amending RCW 41.40.120; and declaring an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 41.40.120 and 1990 c 274 s 10 are each amended to read  
5 as follows:

6            Membership in the retirement system shall consist of all regularly  
7 compensated employees and appointive and elective officials of  
8 employers, as defined in this chapter, with the following exceptions:

9            (1) Persons in ineligible positions;

10           (2) Employees of the legislature except the officers thereof  
11 elected by the members of the senate and the house and legislative  
12 committees, unless membership of such employees be authorized by the  
13 said committee;

14           (3)(a) Persons holding elective offices or persons appointed  
15 directly by the governor: PROVIDED, That such persons shall have the

1 option of applying for membership during such periods of employment:  
2 AND PROVIDED FURTHER, That any persons holding or who have held  
3 elective offices or persons appointed by the governor who are members  
4 in the retirement system and who have, prior to becoming such members,  
5 previously held an elective office, and did not at the start of such  
6 initial or successive terms of office exercise their option to become  
7 members, may apply for membership to be effective during such term or  
8 terms of office, and shall be allowed to establish the service credit  
9 applicable to such term or terms of office upon payment of the employee  
10 contributions therefor by the employee with interest as determined by  
11 the director and employer contributions therefor by the employer or  
12 employee with interest as determined by the director: AND PROVIDED  
13 FURTHER, That all contributions with interest submitted by the employee  
14 under this subsection shall be placed in the employee's individual  
15 account in the employee's savings fund and be treated as any other  
16 contribution made by the employee, with the exception that any  
17 contributions submitted by the employee in payment of the employer's  
18 obligation, together with the interest the director may apply to the  
19 employer's contribution, shall not be considered part of the member's  
20 annuity for any purpose except withdrawal of contributions;

21 (b) A member holding elective office in a town or city who has  
22 elected to apply for membership pursuant to (a) of this subsection and  
23 who later wishes to be eligible for a retirement allowance shall have  
24 the option of ending his or her membership in the retirement system.  
25 A member wishing to end his or her membership under this subsection  
26 must file, on a form supplied by the department, a statement indicating  
27 that the member agrees to irrevocably abandon any claim for service for  
28 future periods served as an elected official of a town or city. A  
29 member who receives more than ten thousand dollars per year in

1 compensation for his or her elective service is not eligible for the  
2 option provided by this subsection (3)(b);

3 (4) Employees holding membership in, or receiving pension benefits  
4 under, any retirement plan operated wholly or in part by an agency of  
5 the state or political subdivision thereof, or who are by reason of  
6 their current employment contributing to or otherwise establishing the  
7 right to receive benefits from any such retirement plan: PROVIDED,  
8 HOWEVER, In any case where the retirement system has in existence an  
9 agreement with another retirement system in connection with exchange of  
10 service credit or an agreement whereby members can retain service  
11 credit in more than one system, such an employee shall be allowed  
12 membership rights should the agreement so provide: AND PROVIDED  
13 FURTHER, That an employee shall be allowed membership if otherwise  
14 eligible while receiving survivor's benefits: AND PROVIDED FURTHER,  
15 That an employee shall not either before or after June 7, 1984, be  
16 excluded from membership or denied service credit pursuant to this  
17 subsection solely on account of: (a) Membership in the plan created  
18 under chapter 2.14 RCW; or (b) enrollment under the relief and  
19 compensation provisions or the pension provisions of the volunteer fire  
20 fighters' relief and pension fund under chapter 41.24 RCW;

21 (5) Patient and inmate help in state charitable, penal, and  
22 correctional institutions;

23 (6) "Members" of a state veterans' home or state soldiers' home;

24 (7) Persons employed by an institution of higher learning or  
25 community college, primarily as an incident to and in furtherance of  
26 their education or training, or the education or training of a spouse:  
27 PROVIDED, That if such employees were the spouses of persons being  
28 educated or trained, the employees have the option of attaining service  
29 credit by paying the employee contribution on past waived retirement

1 payments if the retirement payment is made during the time from July 1,  
2 1991, through June 30, 1993;

3 (8) Employees of an institution of higher learning or community  
4 college during the period of service necessary to establish eligibility  
5 for membership in the retirement plans operated by such institutions;

6 (9) Persons rendering professional services to an employer on a  
7 fee, retainer, or contract basis or when the income from these services  
8 is less than fifty percent of the gross income received from the  
9 person's practice of a profession;

10 (10) Persons appointed after April 1, 1963, by the liquor control  
11 board as agency vendors;

12 (11) Employees of a labor guild, association, or organization:  
13 PROVIDED, That elective officials and employees of a labor guild,  
14 association, or organization which qualifies as an employer within this  
15 chapter shall have the option of applying for membership;

16 (12) Plan I retirees employed in eligible positions on a temporary  
17 basis for a period not to exceed five months in a calendar year:  
18 PROVIDED, That if such employees are employed for more than five months  
19 in a calendar year in an eligible position they shall become members of  
20 the system prospectively;

21 (13) Persons employed by or appointed or elected as an official of  
22 a first class city that has its own retirement system: PROVIDED, That  
23 any member elected or appointed to an elective office on or after April  
24 1, 1971, shall have the option of continuing as a member of this system  
25 in lieu of becoming a member of the city system. A member who elects  
26 to continue as a member of this system shall pay the appropriate member  
27 contributions and the city shall pay the employer contributions at the  
28 rates prescribed by this chapter. The city shall also transfer to this  
29 system all of such member's accumulated contributions together with  
30 such further amounts as necessary to equal all employee and employer

1 contributions which would have been paid into this system on account of  
2 such service with the city and thereupon the member shall be granted  
3 credit for all such service. Any city that becomes an employer as  
4 defined in RCW 41.40.010(4) as the result of an individual's election  
5 under this subsection shall not be required to have all employees  
6 covered for retirement under the provisions of this chapter. Nothing  
7 in this subsection shall prohibit a city of the first class with its  
8 own retirement system from: (a) Transferring all of its current  
9 employees to the retirement system established under this chapter, or  
10 (b) allowing newly hired employees the option of continuing coverage  
11 under the retirement system established by this chapter.

12 Notwithstanding any other provision of this chapter, persons  
13 transferring from employment with a first class city of over four  
14 hundred thousand population that has its own retirement system to  
15 employment with the state department of agriculture may elect to remain  
16 within the retirement system of such city and the state shall pay the  
17 employer contributions for such persons at like rates as prescribed for  
18 employers of other members of such system;

19 (14) Employees who (a) are not citizens of the United States, (b)  
20 do not reside in the United States, and (c) perform duties outside of  
21 the United States;

22 (15) Employees who (a) are not citizens of the United States, (b)  
23 are not covered by chapter 41.48 RCW, (c) are not excluded from  
24 membership under this chapter or chapter 41.04 RCW, (d) are residents  
25 of this state, and (e) make an irrevocable election to be excluded from  
26 membership, in writing, which is submitted to the director within  
27 thirty days after employment in an eligible position;

28 (16) Employees who are citizens of the United States and who reside  
29 and perform duties for an employer outside of the United States:  
30 PROVIDED, That unless otherwise excluded under this chapter or chapter

1 41.04 RCW, the employee may apply for membership (a) within thirty days  
2 after employment in an eligible position and membership service credit  
3 shall be granted from the first day of membership service, and (b)  
4 after this thirty-day period, but membership service credit shall be  
5 granted only from the date of application;

6 (17) The city manager or chief administrative officer of a city or  
7 town who serves at the pleasure of an appointing authority: PROVIDED,  
8 That such persons shall have the option of applying for membership  
9 within thirty days from date of their appointment to such positions.  
10 Persons serving in such positions as of April 4, 1986, shall continue  
11 to be members in the retirement system unless they notify the director  
12 in writing prior to December 31, 1986, of their desire to withdraw from  
13 membership in the retirement system. A member who withdraws from  
14 membership in the system under this section shall receive a refund of  
15 the member's accumulated contributions.

16 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of the  
18 state government and its existing public institutions, and shall take  
19 effect immediately.