

1 2643.E AMC CONF S5969.1

2 EHB 2643 - CONF REPT  
3 By Conference Committee

4 ADOPTED 3/10/94

5 On page 1, line 19, after "retirees." insert "Sections 6 and 7 of  
6 this act create the pension funding account in the state treasury and  
7 direct the transfer of moneys deposited in the budget stabilization  
8 account by the 1993-95 operating appropriations act, section 919,  
9 chapter 24, Laws of 1993 sp. sess., for the continuing costs of state  
10 retirement system benefits in effect on July 1, 1993, consistent with  
11 section 919, chapter 24, Laws of 1993 sp. sess. to the pension funding  
12 account."

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16 On page 18, after line 12, insert the following:

17 "NEW SECTION. **Sec. 6.** A new section is added to chapter 41.04 RCW  
18 to read as follows:

19 The pension funding account is created in the state treasury.  
20 Moneys in the account may be spent only after appropriation.  
21 Expenditures from the account may be used only for the continuing costs  
22 of any state retirement system benefits in effect on July 1, 1993,  
23 consistent with section 919, chapter 24, Laws of 1993 sp. sess.

24 NEW SECTION. **Sec. 7.** On July 1, 1995, the state treasurer shall  
25 transfer twenty-five million dollars from the budget stabilization  
26 account to the pension funding account created under section 6 of this  
27 act.

28 **Sec. 8.** RCW 41.40.023 and 1993 c 319 s 1 are each amended to read  
29 as follows:

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

1 (1) Persons in ineligible positions;

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

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

28 (b) A member holding elective office who has elected to apply for  
29 membership pursuant to (a) of this subsection and who later wishes to  
30 be eligible for a retirement allowance shall have the option of ending  
31 his or her membership in the retirement system. A member wishing to  
32 end his or her membership under this subsection must file, on a form  
33 supplied by the department, a statement indicating that the member  
34 agrees to irrevocably abandon any claim for service for future periods  
35 served as an elected official. A member who receives more than fifteen  
36 thousand dollars per year in compensation for his or her elective  
37 service, adjusted annually for inflation by the director, is not  
38 eligible for the option provided by this subsection (3)(b);

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

19 (5) Patient and inmate help in state charitable, penal, and  
20 correctional institutions;

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

22 (7) Persons employed by an institution of higher learning or  
23 community college, primarily as an incident to and in furtherance of  
24 their education or training, or the education or training of a spouse;

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

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

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

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

38 (12) Plan I retirees employed in eligible positions on a temporary  
39 basis for a period not to exceed five months in a calendar year:

1 PROVIDED, That if such employees are employed for more than five months  
2 in a calendar year in an eligible position they shall become members of  
3 the system prospectively;

4 (13) Persons employed by or appointed or elected as an official of  
5 a first class city that has its own retirement system: PROVIDED, That  
6 any member elected or appointed to an elective office on or after April  
7 1, 1971, shall have the option of continuing as a member of this system  
8 in lieu of becoming a member of the city system. A member who elects  
9 to continue as a member of this system shall pay the appropriate member  
10 contributions and the city shall pay the employer contributions at the  
11 rates prescribed by this chapter. The city shall also transfer to this  
12 system all of such member's accumulated contributions together with  
13 such further amounts as necessary to equal all employee and employer  
14 contributions which would have been paid into this system on account of  
15 such service with the city and thereupon the member shall be granted  
16 credit for all such service. Any city that becomes an employer as  
17 defined in RCW 41.40.010(4) as the result of an individual's election  
18 under this subsection shall not be required to have all employees  
19 covered for retirement under the provisions of this chapter. Nothing  
20 in this subsection shall prohibit a city of the first class with its  
21 own retirement system from: (a) Transferring all of its current  
22 employees to the retirement system established under this chapter, or  
23 (b) allowing newly hired employees the option of continuing coverage  
24 under the retirement system established by this chapter.

25 Notwithstanding any other provision of this chapter, persons  
26 transferring from employment with a first class city of over four  
27 hundred thousand population that has its own retirement system to  
28 employment with the state department of agriculture may elect to remain  
29 within the retirement system of such city and the state shall pay the  
30 employer contributions for such persons at like rates as prescribed for  
31 employers of other members of such system;

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

35 (15) Employees who (a) are not citizens of the United States, (b)  
36 are not covered by chapter 41.48 RCW, (c) are not excluded from  
37 membership under this chapter or chapter 41.04 RCW, (d) are residents  
38 of this state, and (e) make an irrevocable election to be excluded from

1 membership, in writing, which is submitted to the director within  
2 thirty days after employment in an eligible position;

3 (16) Employees who are citizens of the United States and who reside  
4 and perform duties for an employer outside of the United States:  
5 PROVIDED, That unless otherwise excluded under this chapter or chapter  
6 41.04 RCW, the employee may apply for membership (a) within thirty days  
7 after employment in an eligible position and membership service credit  
8 shall be granted from the first day of membership service, and (b)  
9 after this thirty-day period, but membership service credit shall be  
10 granted only from the date of application;

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

21 (18) Persons enrolled in state-approved apprenticeship programs,  
22 authorized under chapter 49.04 RCW, and who are employed by local  
23 governments to earn hours to complete such apprenticeship programs, if  
24 the employee is a member of a union-sponsored retirement plan and is  
25 making contributions to such a retirement plan or if the employee is a  
26 member of a Taft-Hartley retirement plan."

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30 On page 1, line 2 of the title, after "41.32.010," strike "and  
31 41.32.470" and insert "41.32.470, and 41.40.023"

32 On page 1, line 3 of the title, after "41.26 RCW;" insert "adding  
33 a new section to chapter 41.04 RCW;"

1        On page 1, line 3 of the title, after "creating" strike "a new  
2 section" and insert "new sections"

--- **END** ---