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HOUSE BILL 1208

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State of Washington

53rd Legislature

1993 Regular Session

By Representatives Sommers, Silver and Wood; by request of Joint Committee on Pension Policy

Read first time 01/20/93. Referred to Committee on Appropriations.

1 AN ACT Relating to the effect of payments based on retirement  
2 agreements on calculation of pension benefits; and adding a new section  
3 to chapter 41.50 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.50 RCW  
6 to read as follows:

7 Any payment made by an employer to a member of any retirement  
8 system enumerated in RCW 41.50.030 based on either an agreement of the  
9 employee to terminate or retire; or notification to the employer of  
10 intent to retire; shall affect retirement as follows:

11 (1) If the agreement does not require the employee to perform  
12 additional service, the payment shall not be used in any way to  
13 calculate the pension benefit.

14 (2) If the agreement requires additional service and results in  
15 payment at the same or a lower rate than that paid for the same or  
16 similar service by other employees it may be included in the pension  
17 benefit calculation but shall be deemed excess compensation and is  
18 billable to the employer as provided in RCW 41.50.150.

1       (3) If the agreement requires additional service and results in  
2 payment at a rate higher than that paid for the same or similar service  
3 by other employees, that portion of the payment which equals the  
4 payment for the same or similar service shall be treated as described  
5 in subsection (2) of this section, and the balance of the payment shall  
6 be treated as described in subsection (1) of this section.

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