
SUBSTITUTE HOUSE BILL 1595

State of Washington

53rd Legislature

1993 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Bray, Ballard, Peery, Ludwig, Locke, Finkbeiner and J. Kohl)

Read first time 03/03/93.

1 AN ACT Relating to retirement benefits for elected officials; and
2 reenacting and amending RCW 41.40.023.

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

4 **Sec. 1.** RCW 41.40.023 and 1990 c 274 s 10 and 1990 c 192 s 4 are
5 each reenacted and amended to read 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
16 option of applying for membership during such periods of employment:
17 AND PROVIDED FURTHER, That any persons holding or who have held
18 elective offices or persons appointed by the governor who are members
19 in the retirement system and who have, prior to becoming such members,

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

17 (b) A member holding elective office (~~((in a town or city))~~) who has
18 elected to apply for membership pursuant to (a) of this subsection and
19 who later wishes to be eligible for a retirement allowance shall have
20 the option of ending his or her membership in the retirement system.
21 A member wishing to end his or her membership under this subsection
22 must file, on a form supplied by the department, a statement indicating
23 that the member agrees to irrevocably abandon any claim for service for
24 future periods served as an elected official (~~((of a town or city))~~). A
25 member who receives more than (~~((ten))~~) fifteen thousand dollars per year
26 in compensation for his or her elective service, adjusted annually for
27 inflation by the director, is not eligible for the option provided by
28 this subsection (3)(b);

29 (4) Employees holding membership in, or receiving pension benefits
30 under, any retirement plan operated wholly or in part by an agency of
31 the state or political subdivision thereof, or who are by reason of
32 their current employment contributing to or otherwise establishing the
33 right to receive benefits from any such retirement plan: PROVIDED,
34 HOWEVER, In any case where the retirement system has in existence an
35 agreement with another retirement system in connection with exchange of
36 service credit or an agreement whereby members can retain service
37 credit in more than one system, such an employee shall be allowed
38 membership rights should the agreement so provide: AND PROVIDED
39 FURTHER, That an employee shall be allowed membership if otherwise

1 eligible while receiving survivor's benefits: AND PROVIDED FURTHER,
2 That an employee shall not either before or after June 7, 1984, be
3 excluded from membership or denied service credit pursuant to this
4 subsection solely on account of: (a) Membership in the plan created
5 under chapter 2.14 RCW; or (b) enrollment under the relief and
6 compensation provisions or the pension provisions of the volunteer fire
7 fighters' relief and pension fund under chapter 41.24 RCW;

8 (5) Patient and inmate help in state charitable, penal, and
9 correctional institutions;

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

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

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

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

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

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

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

32 (13) Persons employed by or appointed or elected as an official of
33 a first class city that has its own retirement system: PROVIDED, That
34 any member elected or appointed to an elective office on or after April
35 1, 1971, shall have the option of continuing as a member of this system
36 in lieu of becoming a member of the city system. A member who elects
37 to continue as a member of this system shall pay the appropriate member
38 contributions and the city shall pay the employer contributions at the
39 rates prescribed by this chapter. The city shall also transfer to this

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

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

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

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

30 (16) Employees who are citizens of the United States and who reside
31 and perform duties for an employer outside of the United States:
32 PROVIDED, That unless otherwise excluded under this chapter or chapter
33 41.04 RCW, the employee may apply for membership (a) within thirty days
34 after employment in an eligible position and membership service credit
35 shall be granted from the first day of membership service, and (b)
36 after this thirty-day period, but membership service credit shall be
37 granted only from the date of application;

38 (17) The city manager or chief administrative officer of a city or
39 town who serves at the pleasure of an appointing authority: PROVIDED,

1 That such persons shall have the option of applying for membership
2 within thirty days from date of their appointment to such positions.
3 Persons serving in such positions as of April 4, 1986, shall continue
4 to be members in the retirement system unless they notify the director
5 in writing prior to December 31, 1986, of their desire to withdraw from
6 membership in the retirement system. A member who withdraws from
7 membership in the system under this section shall receive a refund of
8 the member's accumulated contributions.

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