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HOUSE BILL 1595

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State of Washington

53rd Legislature

1993 Regular Session

By Representatives Bray, Ballard, Peery, Ludwig, Locke, Finkbeiner and J. Kohl

Read first time 02/03/93. Referred to Committee on Appropriations.

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 thousand dollars per year in))~~)  
26 compensation for his or her elective service greater than the highest  
27 salary authorized at the time of his or her retirement under RCW  
28 43.03.013 is not eligible for the option provided by this subsection  
29 (~~((3)(b))~~);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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