

2 **SHB 1206 - H AMD 361 ADOPTED 3/13/95**  
3 By Representative Carlson and others

4  
5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** The legislature recognizes that teachers,  
8 principals, and district administrators need the ability to make  
9 transitions to other public or private sector careers, and that the  
10 retirement system should not be a barrier to exercise of employee  
11 choice. The legislature also recognizes that teachers, principals, and  
12 district administrators need a secure and viable retirement benefit,  
13 not only for their own financial protection, but also that public funds  
14 are spent prudently for their intended purpose.

15 It is the legislative intent to create a new public retirement  
16 system that balances flexibility with stability, provides both  
17 increased employee control of investments and responsible protection of  
18 the public's investment in employee benefits, and encourages the  
19 pursuit of public sector careers without preventing employees from  
20 transitioning into other public or private sector employment.

21 Therefore, the purpose of chapter . . . , Laws of 1995 (this act) is  
22 to continue to provide teachers, principals, and district  
23 administrators with a guaranteed pension at retirement age based on  
24 years of public service with an element of inflation protection. It is  
25 further the purpose of chapter . . . , Laws of 1995 (this act) to create  
26 a parallel retirement plan where employees have options regarding the  
27 investment of their retirement contributions and have the opportunity,  
28 along with the accompanying risk, to receive a full rate of return on  
29 their investments and where employees who leave public employment prior  
30 to retirement receive a fair and reasonable value from the retirement  
31 system.

32 **PART I**  
33 **DEFINED BENEFIT--TRS III**

34 **Sec. 101.** RCW 41.32.005 and 1992 c 72 s 4 are each amended to read

1 as follows:

2 RCW 41.32.010 through 41.32.067 shall apply to members of plan I  
3 (~~and~~), plan II, and plan III.

4 **Sec. 102.** RCW 41.32.010 and 1994 c 298 s 3, 1994 c 247 s 2, and  
5 1994 c 197 s 12 are each reenacted and amended to read as follows:

6 As used in this chapter, unless a different meaning is plainly  
7 required by the context:

8 (1)(a) "Accumulated contributions" for plan I members, means the  
9 sum of all regular annuity contributions and, except for the purpose of  
10 withdrawal at the time of retirement, any amount paid under RCW  
11 41.50.165(2) with regular interest thereon.

12 (b) "Accumulated contributions" for plan II members, means the sum  
13 of all contributions standing to the credit of a member in the member's  
14 individual account, including any amount paid under RCW 41.50.165(2),  
15 together with the regular interest thereon.

16 (2) "Actuarial equivalent" means a benefit of equal value when  
17 computed upon the basis of such mortality tables and regulations as  
18 shall be adopted by the director and regular interest.

19 (3) "Annuity" means the moneys payable per year during life by  
20 reason of accumulated contributions of a member.

21 (4) "Member reserve" means the fund in which all of the accumulated  
22 contributions of members are held.

23 (5)(a) "Beneficiary" for plan I members, means any person in  
24 receipt of a retirement allowance or other benefit provided by this  
25 chapter.

26 (b) "Beneficiary" for plan II and plan III members, means any  
27 person in receipt of a retirement allowance or other benefit provided  
28 by this chapter resulting from service rendered to an employer by  
29 another person.

30 (6) "Contract" means any agreement for service and compensation  
31 between a member and an employer.

32 (7) "Creditable service" means membership service plus prior  
33 service for which credit is allowable. This subsection shall apply  
34 only to plan I members.

35 (8) "Dependent" means receiving one-half or more of support from a  
36 member.

37 (9) "Disability allowance" means monthly payments during  
38 disability. This subsection shall apply only to plan I members.

1 (10)(a) "Earnable compensation" for plan I members, means:

2 (i) All salaries and wages paid by an employer to an employee  
3 member of the retirement system for personal services rendered during  
4 a fiscal year. In all cases where compensation includes maintenance  
5 the employer shall fix the value of that part of the compensation not  
6 paid in money.

7 (ii) "Earnable compensation" for plan I members also includes the  
8 following actual or imputed payments, which are not paid for personal  
9 services:

10 (A) Retroactive payments to an individual by an employer on  
11 reinstatement of the employee in a position, or payments by an employer  
12 to an individual in lieu of reinstatement in a position which are  
13 awarded or granted as the equivalent of the salary or wages which the  
14 individual would have earned during a payroll period shall be  
15 considered earnable compensation and the individual shall receive the  
16 equivalent service credit.

17 (B) If a leave of absence, without pay, is taken by a member for  
18 the purpose of serving as a member of the state legislature, and such  
19 member has served in the legislature five or more years, the salary  
20 which would have been received for the position from which the leave of  
21 absence was taken shall be considered as compensation earnable if the  
22 employee's contribution thereon is paid by the employee. In addition,  
23 where a member has been a member of the state legislature for five or  
24 more years, earnable compensation for the member's two highest  
25 compensated consecutive years of service shall include a sum not to  
26 exceed thirty-six hundred dollars for each of such two consecutive  
27 years, regardless of whether or not legislative service was rendered  
28 during those two years.

29 (iii) For members employed less than full time under written  
30 contract with a school district, or community college district, in an  
31 instructional position, for which the member receives service credit of  
32 less than one year in all of the years used to determine the earnable  
33 compensation used for computing benefits due under RCW 41.32.497,  
34 41.32.498, and 41.32.520, the member may elect to have earnable  
35 compensation defined as provided in RCW 41.32.345. For the purposes of  
36 this subsection, the term "instructional position" means a position in  
37 which more than seventy-five percent of the member's time is spent as  
38 a classroom instructor (including office hours), a librarian, or a  
39 counselor. Earnable compensation shall be so defined only for the

1 purpose of the calculation of retirement benefits and only as necessary  
2 to insure that members who receive fractional service credit under RCW  
3 41.32.270 receive benefits proportional to those received by members  
4 who have received full-time service credit.

5 (iv) "Earnable compensation" does not include:

6 (A) Remuneration for unused sick leave authorized under RCW  
7 41.04.340, 28A.400.210, or 28A.310.490;

8 (B) Remuneration for unused annual leave in excess of thirty days  
9 as authorized by RCW 43.01.044 and 43.01.041.

10 (b) "Earnable compensation" for plan II and plan III members, means  
11 salaries or wages earned by a member during a payroll period for  
12 personal services, including overtime payments, and shall include wages  
13 and salaries deferred under provisions established pursuant to sections  
14 403(b), 414(h), and 457 of the United States Internal Revenue Code, but  
15 shall exclude lump sum payments for deferred annual sick leave, unused  
16 accumulated vacation, unused accumulated annual leave, or any form of  
17 severance pay.

18 "Earnable compensation" for plan II and plan III members also  
19 includes the following actual or imputed payments which, except in the  
20 case of (b)(ii)(B) of this subsection, are not paid for personal  
21 services:

22 (i) Retroactive payments to an individual by an employer on  
23 reinstatement of the employee in a position or payments by an employer  
24 to an individual in lieu of reinstatement in a position which are  
25 awarded or granted as the equivalent of the salary or wages which the  
26 individual would have earned during a payroll period shall be  
27 considered earnable compensation, to the extent provided above, and the  
28 individual shall receive the equivalent service credit.

29 (ii) In any year in which a member serves in the legislature the  
30 member shall have the option of having such member's earnable  
31 compensation be the greater of:

32 (A) The earnable compensation the member would have received had  
33 such member not served in the legislature; or

34 (B) Such member's actual earnable compensation received for  
35 teaching and legislative service combined. Any additional  
36 contributions to the retirement system required because compensation  
37 earnable under (b)(ii)(A) of this subsection is greater than  
38 compensation earnable under (b)(ii)(B) of this subsection shall be paid  
39 by the member for both member and employer contributions.

1 (11) "Employer" means the state of Washington, the school district,  
2 or any agency of the state of Washington by which the member is paid.

3 (12) "Fiscal year" means a year which begins July 1st and ends June  
4 30th of the following year.

5 (13) "Former state fund" means the state retirement fund in  
6 operation for teachers under chapter 187, Laws of 1923, as amended.

7 (14) "Local fund" means any of the local retirement funds for  
8 teachers operated in any school district in accordance with the  
9 provisions of chapter 163, Laws of 1917 as amended.

10 (15) "Member" means any teacher included in the membership of the  
11 retirement system. Also, any other employee of the public schools who,  
12 on July 1, 1947, had not elected to be exempt from membership and who,  
13 prior to that date, had by an authorized payroll deduction, contributed  
14 to the member reserve.

15 (16) "Membership service" means service rendered subsequent to the  
16 first day of eligibility of a person to membership in the retirement  
17 system: PROVIDED, That where a member is employed by two or more  
18 employers the individual shall receive no more than one service credit  
19 month during any calendar month in which multiple service is rendered.  
20 The provisions of this subsection shall apply only to plan I members.

21 (17) "Pension" means the moneys payable per year during life from  
22 the pension reserve.

23 (18) "Pension reserve" is a fund in which shall be accumulated an  
24 actuarial reserve adequate to meet present and future pension  
25 liabilities of the system and from which all pension obligations are to  
26 be paid.

27 (19) "Prior service" means service rendered prior to the first date  
28 of eligibility to membership in the retirement system for which credit  
29 is allowable. The provisions of this subsection shall apply only to  
30 plan I members.

31 (20) "Prior service contributions" means contributions made by a  
32 member to secure credit for prior service. The provisions of this  
33 subsection shall apply only to plan I members.

34 (21) "Public school" means any institution or activity operated by  
35 the state of Washington or any instrumentality or political subdivision  
36 thereof employing teachers, except the University of Washington and  
37 Washington State University.

38 (22) "Regular contributions" means the amounts required to be  
39 deducted from the compensation of a member and credited to the member's

1 individual account in the member reserve. This subsection shall apply  
2 only to plan I members.

3 (23) "Regular interest" means such rate as the director may  
4 determine.

5 (24)(a) "Retirement allowance" for plan I members, means monthly  
6 payments based on the sum of annuity and pension, or any optional  
7 benefits payable in lieu thereof.

8 (b) "Retirement allowance" for plan II and plan III members, means  
9 monthly payments to a retiree or beneficiary as provided in this  
10 chapter.

11 (25) "Retirement system" means the Washington state teachers'  
12 retirement system.

13 (26)(a) "Service" for plan I members means the time during which a  
14 member has been employed by an employer for compensation.

15 (i) If a member is employed by two or more employers the individual  
16 shall receive no more than one service credit month during any calendar  
17 month in which multiple service is rendered.

18 (ii) As authorized by RCW 28A.400.300, up to forty-five days of  
19 sick leave may be creditable as service solely for the purpose of  
20 determining eligibility to retire under RCW 41.32.470.

21 (iii) As authorized in RCW 41.32.065, service earned in an out-of-  
22 state retirement system that covers teachers in public schools may be  
23 applied solely for the purpose of determining eligibility to retire  
24 under RCW 41.32.470.

25 (b) "Service" for plan II and plan III members, means periods of  
26 employment by a member for one or more employers for which earnable  
27 compensation is earned subject to the following conditions:

28 (i) A member employed in an eligible position or as a substitute  
29 shall receive one service credit month for each month of September  
30 through August of the following year if he or she earns earnable  
31 compensation for eight hundred ten or more hours during that period and  
32 is employed during nine of those months, except that a member may not  
33 receive credit for any period prior to the member's employment in an  
34 eligible position except as provided in RCW 41.32.812 and 41.50.132;

35 (ii) If a member is employed either in an eligible position or as  
36 a substitute teacher for nine months of the twelve month period between  
37 September through August of the following year but earns earnable  
38 compensation for less than eight hundred ten hours but for at least six  
39 hundred thirty hours, he or she will receive one-half of a service

1 credit month for each month of the twelve month period;

2 (iii) All other members in an eligible position or as a substitute  
3 teacher shall receive service credit as follows:

4 (A) A service credit month is earned in those calendar months where  
5 earnable compensation is earned for ninety or more hours;

6 (B) A half-service credit month is earned in those calendar months  
7 where earnable compensation is earned for at least seventy hours but  
8 less than ninety hours; and

9 (C) A quarter-service credit month is earned in those calendar  
10 months where earnable compensation is earned for less than seventy  
11 hours.

12 (iv) Any person who is a member of the teachers' retirement system  
13 and who is elected or appointed to a state elective position may  
14 continue to be a member of the retirement system and continue to  
15 receive a service credit month for each of the months in a state  
16 elective position by making the required member contributions.

17 (v) When an individual is employed by two or more employers the  
18 individual shall only receive one month's service credit during any  
19 calendar month in which multiple service for ninety or more hours is  
20 rendered.

21 (vi) As authorized by RCW 28A.400.300, up to forty-five days of  
22 sick leave may be creditable as service solely for the purpose of  
23 determining eligibility to retire under RCW 41.32.470. For purposes of  
24 plan II "forty-five days" as used in RCW 28A.400.300 is equal to two  
25 service credit months. Use of less than forty-five days of sick leave  
26 is creditable as allowed under this subsection as follows:

27 (A) Less than eleven days equals one-quarter service credit month;

28 (B) Eleven or more days but less than twenty-two days equals one-  
29 half service credit month;

30 (C) Twenty-two days equals one service credit month;

31 (D) More than twenty-two days but less than thirty-three days  
32 equals one and one-quarter service credit month;

33 (E) Thirty-three or more days but less than forty-five days equals  
34 one and one-half service credit month.

35 (vii) As authorized in RCW 41.32.065, service earned in an out-of-  
36 state retirement system that covers teachers in public schools may be  
37 applied solely for the purpose of determining eligibility to retire  
38 under RCW 41.32.470.

39 (viii) The department shall adopt rules implementing this

1 subsection.

2 (27) "Service credit year" means an accumulation of months of  
3 service credit which is equal to one when divided by twelve.

4 (28) "Service credit month" means a full service credit month or an  
5 accumulation of partial service credit months that are equal to one.

6 (29) "Teacher" means any person qualified to teach who is engaged  
7 by a public school in an instructional, administrative, or supervisory  
8 capacity. The term includes state, educational service district, and  
9 school district superintendents and their assistants and all employees  
10 certificated by the superintendent of public instruction; and in  
11 addition thereto any full time school doctor who is employed by a  
12 public school and renders service of an instructional or educational  
13 nature.

14 (30) "Average final compensation" for plan II and plan III members,  
15 means the member's average earnable compensation of the highest  
16 consecutive sixty service credit months prior to such member's  
17 retirement, termination, or death. Periods constituting authorized  
18 leaves of absence may not be used in the calculation of average final  
19 compensation except under RCW 41.32.810(2).

20 (31) "Retiree" means any person in receipt of a retirement  
21 allowance or other benefit provided by this chapter resulting from  
22 service rendered to an employer while a member. A person is in receipt  
23 of a retirement allowance as defined in subsection (24) of this section  
24 or other benefit as provided by this chapter when the department mails,  
25 causes to be mailed, or otherwise transmits the retirement allowance  
26 warrant.

27 (32) "Department" means the department of retirement systems  
28 created in chapter 41.50 RCW.

29 (33) "Director" means the director of the department.

30 (34) "State elective position" means any position held by any  
31 person elected or appointed to state-wide office or elected or  
32 appointed as a member of the legislature.

33 (35) "State actuary" or "actuary" means the person appointed  
34 pursuant to RCW 44.44.010(2).

35 (36) "Substitute teacher" means:

36 (a) A teacher who is hired by an employer to work as a temporary  
37 teacher, except for teachers who are annual contract employees of an  
38 employer and are guaranteed a minimum number of hours; or

39 (b) Teachers who either (i) work in ineligible positions for more



1 than one employer or (ii) work in an ineligible position or positions  
2 together with an eligible position.

3 (37)(a) "Eligible position" for plan II members from June 7, 1990,  
4 through September 1, 1991, means a position which normally requires two  
5 or more uninterrupted months of creditable service during September  
6 through August of the following year.

7 (b) "Eligible position" for plan II on and after September 1, 1991,  
8 means a position that, as defined by the employer, normally requires  
9 five or more months of at least seventy hours of earnable compensation  
10 during September through August of the following year.

11 (c) For purposes of this chapter an employer shall not define  
12 "position" in such a manner that an employee's monthly work for that  
13 employer is divided into more than one position.

14 (d) The elected position of the superintendent of public  
15 instruction is an eligible position.

16 (38) "Plan I" means the teachers' retirement system, plan I  
17 providing the benefits and funding provisions covering persons who  
18 first became members of the system prior to October 1, 1977.

19 (39) "Plan II" means the teachers' retirement system, plan II  
20 providing the benefits and funding provisions covering persons who  
21 first became members of the system on and after October 1, 1977, and  
22 prior to the effective date of this act.

23 (40) "Plan III" means the teachers' retirement system, plan III  
24 providing the benefits and funding provisions covering persons who  
25 first become members of the system on and after the effective date of  
26 this act or who transfer under section 303 of this act.

27 (41) "Education association" means an association organized to  
28 carry out collective bargaining activities, the majority of whose  
29 members are employees covered by chapter 41.59 RCW or academic  
30 employees covered by chapter 28B.52 RCW.

31 (42) "Index" means, for any calendar year, that year's annual  
32 average consumer price index, Seattle, Washington area, for urban wage  
33 earners and clerical workers, all items compiled by the bureau of labor  
34 statistics, United States department of labor.

35 (~~(41)~~) (43) "Index A" means the index for the year prior to the  
36 determination of a postretirement adjustment.

37 (~~(42)~~) (44) "Index B" means the index for the year prior to index  
38 A.

39 (~~(43)~~) (45) "Index year" means the earliest calendar year in

1 which the index is more than sixty percent of index A.

2 ((~~44~~)) (46) "Adjustment ratio" means the value of index A divided  
3 by index B.

4 **Sec. 103.** RCW 41.32.032 and 1992 c 212 s 17 are each amended to  
5 read as follows:

6 (1) Any teacher, as defined under RCW 41.32.010, who is first  
7 employed by a public school on or after June 7, 1984, shall become a  
8 member of the retirement system ((~~as directed under RCW 41.32.780~~)) if  
9 otherwise eligible.

10 (2) Any person who before June 7, 1984, has established service  
11 credit under chapter 41.40 RCW while employed in an educational staff  
12 associate position and who is employed in such a position on or after  
13 June 7, 1984 has the following options:

14 (a) To remain a member of the public employees' retirement system  
15 notwithstanding the provisions of RCW 41.32.240 or 41.32.780; or

16 (b) To irrevocably elect to join the retirement system under this  
17 chapter and to receive service credit for previous periods of  
18 employment in any position included under RCW 41.32.010. This service  
19 credit and corresponding employee contribution shall be computed as  
20 though the person had then been a member of the retirement system under  
21 this chapter. All employee contributions credited to a member under  
22 chapter 41.40 RCW for service now to be credited to the retirement  
23 system under this chapter shall be transferred to the system and the  
24 member shall not receive any credit nor enjoy any rights under chapter  
25 41.40 RCW for those periods of service. The member shall pay any  
26 difference between the employee contributions made under chapter 41.40  
27 RCW and transferred under this subsection and what would have been  
28 required under this chapter, including interest as set by the director.  
29 The member shall be given until July 1, 1989, to make the irrevocable  
30 election permitted under this section. The election shall be made by  
31 submitting written notification as required by the department  
32 requesting credit under this section and by remitting any necessary  
33 proof of service or payments within the time set by the department.

34 Any person, not employed as an educational staff associate on June  
35 7, 1984, may, before June 30 of the fifth school year after that  
36 person's return to employment as a teacher, request and establish  
37 membership and credit under this subsection.

PLAN III

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NEW SECTION. **Sec. 104.** (1) Sections 104 through 117 of this act shall apply only to plan III members.

(2) Plan III shall consist of two separate elements: (a) A defined benefit portion covered under this subchapter; and (b) a defined contribution portion covered under chapter 41.-- RCW (sections 201 through 209 of this act). All contributions on behalf of the employer paid by an employee shall be made to the defined benefit portion of plan III and shall be nonrefundable when paid to the fund described in RCW 41.50.075(3).

(3) Unless otherwise specified, all references to "plan III" in this subchapter refer to the defined benefit portion of plan III.

NEW SECTION. **Sec. 105.** All teachers who become employed by an employer in an eligible position on or after the effective date of this act shall be members of plan III.

NEW SECTION. **Sec. 106.** A member of the retirement system shall receive a retirement allowance equal to one percent of such member's average final compensation for each service credit year.

NEW SECTION. **Sec. 107.** Retirement allowances paid under the defined benefit portion of plan III shall have a postretirement cost-of-living allowance calculated and paid as provided in RCW 41.32.770.

NEW SECTION. **Sec. 108.** (1) Upon retirement for service as prescribed in section 113 of this act or retirement for disability under section 114 of this act, a member shall elect to have the retirement allowance paid pursuant to one of the following options, calculated so as to be actuarially equivalent to each other.

(a) Standard allowance. A member electing this option shall receive a retirement allowance payable throughout such member's life. Upon the death of the retired member, all benefits shall cease.

(b) The department shall adopt rules that allow a member to select a retirement option that pays the member a reduced retirement allowance and upon death, such portion of the member's reduced retirement allowance as the department by rule designates shall be continued throughout the life of and paid to the member's estate or such person

1 or persons, trust, or organization as the retiree shall have nominated  
2 by written designation duly executed and filed with the department at  
3 the time of retirement. The options adopted by the department shall  
4 include, but are not limited to, a joint and one hundred percent  
5 survivor option and joint and fifty percent survivor option.

6 (2) A member, if married, must provide the written consent of his  
7 or her spouse to the option selected under this section. If a member  
8 is married and both the member and the member's spouse do not give  
9 written consent to an option under this section, the department shall  
10 pay a joint and fifty percent survivor benefit calculated to be  
11 actuarially equivalent to the benefit options available under  
12 subsection (1) of this section.

13 NEW SECTION. **Sec. 109.** Any member or beneficiary eligible to  
14 receive a retirement allowance under the provisions of section 113,  
15 114, or 117 of this act shall be eligible to commence receiving a  
16 retirement allowance after having filed written application with the  
17 department.

18 (1) Retirement allowances paid to members shall accrue from the  
19 first day of the calendar month immediately following such member's  
20 separation from employment.

21 (2) Retirement allowances paid to vested members no longer in  
22 service, but qualifying for such an allowance pursuant to section 112  
23 of this act shall accrue from the first day of the calendar month  
24 immediately following such qualification.

25 (3) Disability allowances paid to disabled members shall accrue  
26 from the first day of the calendar month immediately following such  
27 member's separation from employment for disability.

28 (4) Retirement allowances paid as death benefits shall accrue from  
29 the first day of the calendar month immediately following the member's  
30 death.

31 NEW SECTION. **Sec. 110.** (1) No retiree shall be eligible to  
32 receive such retiree's monthly retirement allowance if he or she is  
33 employed in an eligible position as defined in RCW 41.40.010 or  
34 41.32.010, or as a law enforcement officer or fire fighter as defined  
35 in RCW 41.26.030, except that a plan III retiree may work in eligible  
36 positions on a temporary basis for up to five months per calendar year.

37 (2) If a retiree's benefits have been suspended under this section,

1 his or her benefits shall be reinstated when the retiree terminates the  
2 employment that caused the suspension of benefits. Upon reinstatement,  
3 the retiree's benefits shall be actuarially recomputed pursuant to the  
4 rules adopted by the department.

5 NEW SECTION. **Sec. 111.** (1) A member who is on a paid leave of  
6 absence authorized by a member's employer shall continue to receive  
7 service credit.

8 (2) A member who receives compensation from an employer while on an  
9 authorized leave of absence to serve as an elected official of a labor  
10 organization, and whose employer is reimbursed by the labor  
11 organization for the compensation paid to the member during the period  
12 of absence, may also be considered to be on a paid leave of absence.  
13 This subsection shall only apply if the member's leave of absence is  
14 authorized by a collective bargaining agreement that provides that the  
15 member retains seniority rights with the employer during the period of  
16 leave. The earnable compensation reported for a member who establishes  
17 service credit under this subsection may not be greater than the salary  
18 paid to the highest paid job class covered by the collective bargaining  
19 agreement.

20 (3) Except as specified in subsection (4) of this section, a member  
21 shall be eligible to receive a maximum of two years service credit  
22 during a member's entire working career for those periods when a member  
23 is on an unpaid leave of absence authorized by an employer. Such  
24 credit may be obtained only if:

25 (a) The member makes the contribution on behalf of the employer,  
26 plus interest, as determined by the department; and

27 (b) The member makes the employee contribution, plus interest, as  
28 determined by the department, to the defined contribution portion.  
29 The contributions required shall be based on the average of the  
30 member's earnable compensation at both the time the authorized leave of  
31 absence was granted and the time the member resumed employment.

32 (4) A member who leaves the employ of an employer to enter the  
33 armed forces of the United States shall be entitled to retirement  
34 system service credit for up to four years of military service if  
35 within ninety days of the member's honorable discharge from the United  
36 States armed forces, the member applies for reemployment with the  
37 employer who employed the member immediately prior to the member  
38 entering the United States armed forces.

1 The department shall bill the employer for its contribution  
2 required under this act for the period of military service, plus  
3 interest as determined by the department. Service credit under this  
4 subsection may be obtained only if the member makes the employee  
5 contribution plus interest to the defined contribution portion as  
6 determined by the department.

7 The contributions required shall be based on the average of the  
8 member's earnable compensation at both the time the member left the  
9 employ of the employer to enter the armed forces and the time the  
10 member resumed employment.

11 NEW SECTION. Sec. 112. (1) The director may pay a member eligible  
12 to receive a retirement allowance or the member's beneficiary a lump  
13 sum payment in lieu of a monthly benefit if the initial monthly benefit  
14 would be less than one hundred dollars. The one hundred dollar limit  
15 shall be increased by three percent compounded annually on January 1.  
16 The lump sum payment shall be the actuarial equivalent of the monthly  
17 benefit.

18 (2) Persons covered under the provisions of subsection (1) of this  
19 section may upon returning to member status reinstate all previous  
20 service by depositing the lump sum payment received, with interest as  
21 computed by the director, within two years of returning to service or  
22 prior to retiring again, whichever comes first. In computing the  
23 amount due, the director shall exclude the accumulated value of the  
24 normal payments the member would have received while in beneficiary  
25 status if the lump sum payment had not occurred.

26 (3) Any member who receives a settlement under this section shall  
27 be deemed to be retired from this system.

28 NEW SECTION. Sec. 113. (1) NORMAL RETIREMENT. Any member who has  
29 vested and attained at least age sixty-five shall be eligible to retire  
30 and to receive a retirement allowance computed according to the  
31 provisions of section 106 of this act.

32 (2) EARLY RETIREMENT. Any member who has attained at least age  
33 fifty-five and has completed at least ten years of service shall be  
34 eligible to retire and to receive a retirement allowance computed  
35 according to the provisions of section 106 of this act, except that a  
36 member retiring pursuant to this subsection shall have the retirement  
37 allowance actuarially reduced to reflect the difference in the number

1 of years between age at retirement and the attainment of age sixty-  
2 five.

3 NEW SECTION. **Sec. 114.** (1) A member of the retirement system who  
4 becomes totally incapacitated for continued employment by an employer  
5 as determined by the department shall be eligible to receive an  
6 allowance under the provisions of plan III. The member shall receive  
7 a monthly disability allowance computed as provided for in section 106  
8 of this act and shall have this allowance actuarially reduced to  
9 reflect the difference in the number of years between age at disability  
10 and the attainment of age sixty-five.

11 Any member who receives an allowance under the provisions of this  
12 section shall be subject to comprehensive medical examinations as  
13 required by the department. If these medical examinations reveal that  
14 a member has recovered from the incapacitating disability and the  
15 member is offered reemployment by an employer at a comparable  
16 compensation, the member shall cease to be eligible for the allowance.

17 (2) If the recipient of a monthly retirement allowance under this  
18 section dies, any further benefit payments shall be conditioned by the  
19 payment option selected by the retiree as provided in section 108 of  
20 this act.

21 NEW SECTION. **Sec. 115.** (1) An active member shall become vested  
22 in the right to a benefit upon completing ten years of service or upon  
23 completing five years of service and attaining age fifty-five.

24 (2) A vested member who separates or has separated may remain a  
25 member during the period of such member's absence from service for the  
26 exclusive purpose only of receiving a retirement allowance under the  
27 provisions of section 113 of this act.

28 (3) The retirement allowance payable under section 113 of this act  
29 to a member who separates after having completed at least twenty years  
30 of service shall be increased by twenty-five one-hundredths of one  
31 percent, compounded for each month from the date of separation to the  
32 date that the retirement allowance commences.

33 NEW SECTION. **Sec. 116.** A nonvested member who leaves service and  
34 then reenters membership must earn an additional twelve service credit  
35 months to restore past service credit in the defined benefit portion of  
36 plan III.





1 (1) "Actuary" means the state actuary or the office of the state  
2 actuary.

3 (2) "Board" means the employee retirement benefits board authorized  
4 in chapter 41.50 RCW.

5 (3) "Department" means the department of retirement systems.

6 (4) "Compensation" for purposes of this chapter is the same as  
7 "earnable compensation" for plan III in chapter 41.32 RCW.

8 (5) "Member" means any employee included in the membership of a  
9 retirement system as provided for plan III in chapter 41.32 RCW.

10 (6) "Member account" means the sum of the contributions and  
11 earnings on behalf of the member.

12 (7) "Retiree" means any member in receipt of an allowance or other  
13 benefit provided by this chapter resulting from service rendered to an  
14 employer by such member.

15 NEW SECTION. **Sec. 203.** (1) This chapter applies only to members  
16 of plan III retirement systems created under chapters 41.32 and 41.40  
17 RCW.

18 (2) Plan III consists of two separate elements: (a) A defined  
19 benefit portion covered under sections 101 through 117, chapter . . . ,  
20 Laws of 1995 (sections 101 through 117 of this act); and (b) a defined  
21 contribution portion covered under this chapter. Unless specified  
22 otherwise, all references to "plan III" in this chapter refer to the  
23 defined contribution portion of plan III.

24 NEW SECTION. **Sec. 204.** (1) A member shall contribute from his or  
25 her compensation according to one of the following rate structures:

<u>Option A</u>	<u>Contribution Rate</u>
All Ages	5.0% fixed
<u>Option B</u>	
Up to Age 35	5.0%
Age 35 to 44	6.0%
Age 45 and above	7.5%
<u>Option C</u>	
Up to Age 35	6.0%
Age 35 to 44	7.5%
Age 45 and above	8.5%

36 (2) The board shall have the right to offer contribution rate

1 options in addition to those listed in subsection (1) of this section,  
2 provided that no significant additional administrative costs are  
3 created. All options offered by the board shall conform to the  
4 requirements stated in subsections (3) and (4) of this section.

5 (3) Within ninety days of the date that an employee becomes a  
6 member of plan III, he or she has an irrevocable option to choose one  
7 of the above contribution rate structures. If the member does not  
8 select an option within this ninety-day period, he or she shall be  
9 assigned option A. Such assignment shall be irrevocable.

10 (4) Contributions shall begin the first day of the month  
11 immediately following the earlier of the selection of an option or the  
12 end of the ninety-day period.

13 NEW SECTION. **Sec. 205.** The legislature may authorize a  
14 contribution to the members' accounts for a biennium through budget  
15 appropriation.

16 NEW SECTION. **Sec. 206.** The member's account shall be invested by  
17 the state investment board unless the member elects to self direct  
18 investments as authorized by the board. Members who make this election  
19 shall pay the expenses for self-directed investment.

20 NEW SECTION. **Sec. 207.** (1) If the member retires, becomes  
21 disabled, or otherwise terminates employment, the balance in the  
22 member's account may be distributed in accordance with an option  
23 selected by the member either as a lump sum or pursuant to other  
24 options authorized by the board.

25 (2) If the member dies while in service, the balance of the  
26 member's account may be distributed in accordance with an option  
27 selected by the member either as a lump sum or pursuant to other  
28 options authorized by the board. The distribution shall be made to  
29 such person or persons as the member shall have nominated by written  
30 designation duly executed and filed with the department. If there be  
31 no such designated person or persons still living at the time of the  
32 member's death, the balance of the member's account in the retirement  
33 system, less any amount identified as owing to an obligee upon  
34 withdrawal of such account balance pursuant to a court order filed  
35 under RCW 41.50.670, shall be paid to the member's surviving spouse as  
36 if in fact such spouse had been nominated by written designation, or if

1 there is no surviving spouse, then to such person or persons, trust, or  
2 organization as the member shall have nominated by written designation  
3 duly executed and filed with the department.

4 (3) The distribution under subsections (1) or (2) of this section  
5 shall be less any amount identified as owing to an obligee upon  
6 withdrawal pursuant to a court order filed under RCW 41.50.670.

7 NEW SECTION. **Sec. 208.** (1) Subject to subsections (2) and (3) of  
8 this section, the right of a person to a pension, an annuity, a  
9 retirement allowance, any optional benefit, any other right accrued or  
10 accruing to any person under the provisions of this chapter, and the  
11 various funds created by chapter . . . , Laws of 1995 (this act) and all  
12 moneys and investments and income thereof, is hereby exempt from any  
13 state, county, municipal, or other local tax, and shall not be subject  
14 to execution, garnishment, attachment, the operation of bankruptcy or  
15 insolvency laws, or other process of law whatsoever, and shall be  
16 unassignable.

17 (2) This section shall not be deemed to prohibit a beneficiary of  
18 a retirement allowance from authorizing deductions therefrom for  
19 payment of premiums due on any group insurance policy or plan issued  
20 for the benefit of a group comprised of public employees of the state  
21 of Washington or its political subdivisions and that has been approved  
22 for deduction in accordance with rules that may be adopted by the state  
23 health care authority and/or the department. This section shall not be  
24 deemed to prohibit a beneficiary of a retirement allowance from  
25 authorizing deductions therefrom for payment of dues and other  
26 membership fees to any retirement association or organization the  
27 membership of which is composed of retired public employees, if a total  
28 of three hundred or more of such retired employees have authorized such  
29 deduction for payment to the same retirement association or  
30 organization.

31 (3) Subsection (1) of this section shall not prohibit the  
32 department from complying with (a) a wage assignment order for child  
33 support issued pursuant to chapter 26.18 RCW, (b) an order to withhold  
34 and deliver issued pursuant to chapter 74.20A RCW, (c) a notice of  
35 payroll deduction issued pursuant to RCW 26.23.060, (d) a mandatory  
36 benefits assignment order issued by the department, (e) a court order  
37 directing the department to pay benefits directly to an obligee under  
38 a dissolution order as defined in RCW 41.50.500(3) which fully complies

1 with RCW 41.50.670 and 41.50.700, or (f) any administrative or court  
2 order expressly authorized by federal law.

3 NEW SECTION. **Sec. 209.** (1) The retirement plan created by this  
4 chapter shall be administered so as to comply with the federal Internal  
5 Revenue Code, Title 26 U.S.C., and specifically with plan qualification  
6 requirements imposed on governmental plans by section 401(a) of the  
7 Internal Revenue Code.

8 (2) Any section or provision of this chapter which may be  
9 susceptible to more than one construction shall be interpreted in favor  
10 of the construction most likely to satisfy requirements imposed by  
11 section 401(a) of the Internal Revenue Code.

12 (3) If any section or provision of this chapter is found to be in  
13 conflict with the plan qualification requirements for governmental  
14 plans in section 401(a) of the Internal Revenue Code, the conflicting  
15 part of this chapter is hereby inoperative solely to the extent of the  
16 conflict, and such finding shall not affect the operation of the  
17 remainder of this chapter.

18 NEW SECTION. **Sec. 210.** Sections 201 through 209 of this act shall  
19 constitute a new chapter in Title 41 RCW.

20 **PART III**  
21 **MISCELLANEOUS**

22 NEW SECTION. **Sec. 301.** A new section is added to chapter 41.50  
23 RCW to read as follows:

24 (1) The employee retirement benefits board is created within the  
25 department of retirement systems.

26 (2) The board shall be composed of eight members appointed by the  
27 governor and one ex officio member as follows:

28 (a) Three members representing the public employees' retirement  
29 system: One retired, two active. The members shall be appointed from  
30 a list of nominations submitted by organizations representing each  
31 category. The initial term of appointment shall be two years for the  
32 retired member, one year for one active member, and three years for the  
33 remaining active member.

34 (b) Three members representing the teachers' retirement system:  
35 One retired, two active. The members shall be appointed from a list of

1 nominations submitted by organizations representing each category. The  
2 initial term of appointment shall be one year for the retired member,  
3 two years for one active member, and three years for the remaining  
4 active member.

5 (c) Two members with experience in defined contribution plan  
6 administration. The initial term for these members shall be two years  
7 for one member and three years for the remaining member.

8 (d) The director of the department shall serve ex officio and shall  
9 be the chair of the board.

10 (3) After the initial appointments, members shall be appointed to  
11 three-year terms.

12 (4) The board shall meet at least quarterly during the calendar  
13 year, at the call of the chair.

14 (5) Members of the board shall serve without compensation but shall  
15 receive travel expenses as provided for in RCW 43.03.050 and 43.03.060.  
16 Such travel expenses shall be reimbursed by the department from the  
17 retirement system expense fund.

18 (6) The board shall adopt rules governing its procedures and  
19 conduct of business.

20 (7) The actuary shall perform all actuarial services for the board  
21 and provide advice and support.

22 (8) The state investment board shall provide advice and support to  
23 the board.

24 NEW SECTION. **Sec. 302.** A new section is added to chapter 41.50  
25 RCW to read as follows:

26 The board shall adopt rules as necessary and exercise all the  
27 powers and perform all duties prescribed by law with respect to:

28 (1) The preselection of options for members to choose from for  
29 self-directed investment deemed by the board to be in the best interest  
30 of the member. At the board's request, the state investment board may  
31 provide investment options for purposes of this subsection;

32 (2) The selection of optional benefit payment schedules available  
33 to members and survivors of members upon the death, disability,  
34 retirement, or termination of the member. The optional benefit  
35 payments may include but not be limited to: Fixed and participating  
36 annuities, joint and survivor annuities, and payments that bridge to  
37 social security or defined benefit plan payments;

38 (3) Approval of actuarially equivalent annuities that may be

1 purchased from the combined plan II and plan III funds under RCW  
2 41.50.075 (2) or (3);

3 (4) Determination of the basis for administrative charges to the  
4 self-directed investment fund to offset self-directed account expenses;  
5 and

6 (5) Selection of investment options for the deferred compensation  
7 program.

8 NEW SECTION. **Sec. 303.** A new section is added to chapter 41.32  
9 RCW under the subchapter heading "Plan II" to read as follows:

10 (1) Every plan II member employed by an employer in an eligible  
11 position may make an irrevocable option to transfer to plan III. For  
12 those who elect to transfer:

13 (a) All service credit in plan II shall be transferred to the  
14 defined benefit portion of plan III.

15 (b) The accumulated contributions in plan II shall be transferred  
16 to the member's account in the defined contribution portion established  
17 in sections 201 through 209 of this act, pursuant to procedures  
18 developed by the department and subject to section 209 of this act.

19 (c) A member vested on the effective date of this act under plan II  
20 shall be automatically vested in plan III upon transfer.

21 (d) Members employed by an employer in an eligible position on  
22 January 1, 1998, who request to transfer to plan III by January 1,  
23 1998, shall have their account in the defined contribution portion of  
24 plan III, other than those accumulated contributions attributable to  
25 restorations made under RCW 41.50.165(2), increased by twenty percent  
26 of their plan II accumulated contributions as of January 1, 1996. If  
27 the member who requests to transfer dies before January 1, 1998, the  
28 additional payment provided by this subsection shall be paid to the  
29 member's estate, or such person or persons, trust, or organization as  
30 the member shall have nominated by written designation duly executed  
31 and filed with the department.

32 (e) The legislature reserves the right to discontinue the right to  
33 transfer under this section.

34 (2) This subsection shall also apply to dual members as provided in  
35 section 319 of this act.

36 (3) Any member who elects to transfer to plan III and has eligible  
37 unrestored withdrawn contributions in plan II, may subsequently restore  
38 such contributions under the provisions of RCW 41.32.825. The restored

1 plan II service credit will be automatically transferred to plan III.  
2 Contributions restored will be transferred to the member's account in  
3 plan III.

4 (4) Anyone previously retired from plan II is prohibited from  
5 transferring to plan III.

6 **Sec. 304.** RCW 41.45.010 and 1989 c 273 s 1 are each amended to  
7 read as follows:

8 It is the intent of the legislature to provide a dependable and  
9 systematic process for funding the benefits provided to members and  
10 retirees of the public employees' retirement system, chapter 41.40 RCW;  
11 the teachers' retirement system, chapter 41.32 RCW; the law enforcement  
12 officers' and fire fighters' retirement system, chapter 41.26 RCW; and  
13 the Washington state patrol retirement system, chapter 43.43 RCW.

14 The funding process established by this chapter is intended to  
15 achieve the following goals:

16 (1) To continue to fully fund the public employees' retirement  
17 system plan II, the teachers' retirement system plans II and III, and  
18 the law enforcement officers' and fire fighters' retirement system plan  
19 II as provided by law;

20 (2) To fully amortize the total costs of the public employees'  
21 retirement system plan I, the teachers' retirement system plan I, and  
22 the law enforcement officers' and fire fighters' retirement system plan  
23 I not later than June 30, 2024;

24 (3) To establish predictable long-term employer contribution rates  
25 which will remain a relatively constant proportion of the future state  
26 budgets; and

27 (4) To fund, to the extent feasible, benefit increases for plan I  
28 members and all benefits for plan II and III members over the working  
29 lives of those members so that the cost of those benefits are paid by  
30 the taxpayers who receive the benefit of those members' service.

31 **Sec. 305.** RCW 41.45.020 and 1989 c 273 s 2 are each amended to  
32 read as follows:

33 As used in this chapter, the following terms have the meanings  
34 indicated unless the context clearly requires otherwise.

35 (1) "Council" means the economic and revenue forecast council  
36 created in RCW ((82.01.130)) 82.33.010.

37 (2) "Department" means the department of retirement systems.

1 (3) "Law enforcement officers' and fire fighters' retirement system  
2 plan I," and "law enforcement officers' and fire fighters' retirement  
3 system plan II" mean(~~(s)~~) the benefits and funding provisions  
4 (~~covering persons who first became members of the law enforcement~~  
5 ~~officers' and fire fighters' retirement system prior to October 1,~~  
6 ~~1977.~~

7 (~~4~~) "~~Law enforcement officers' and fire fighters' retirement system~~  
8 ~~plan II"~~ means the benefits and funding provisions covering persons who  
9 first became members of the law enforcement officers' and fire  
10 fighters' retirement system on or after October 1, 1977)) under chapter  
11 41.26 RCW.

12 (~~(+5)~~) (4) "Public employees' retirement system plan I" means the  
13 benefits and funding provisions covering persons who first became  
14 members of the public employees' retirement system prior to October 1,  
15 1977.

16 (~~(+6)~~) (5) "Public employees' retirement system plan II" means the  
17 benefits and funding provisions covering persons who first became  
18 members of the public employees' retirement system on or after October  
19 1, 1977.

20 (~~(+7)~~) (6) "Teachers' retirement system plan I," "teachers'  
21 retirement system plan II," and "teachers' retirement system plan III"  
22 mean(~~(s)~~) the benefits and funding provisions (~~covering persons who~~  
23 ~~first became members of the teachers' retirement system prior to~~  
24 ~~October 1, 1977.~~

25 (~~8~~) "~~Teachers' retirement system plan II"~~ means the benefits and  
26 funding provisions covering persons who first became members of the  
27 teachers' retirement system on or after October 1, 1977)) under chapter  
28 41.32 RCW.

29 (~~(+9)~~) (7) "Washington state patrol retirement system" means the  
30 retirement benefits provided under chapter 43.43 RCW.

31 (8) "Unfunded liability" means the unfunded actuarial accrued  
32 liability of a retirement system.

33 (~~(+10)~~) (9) "Actuary" or "state actuary" means the state actuary  
34 employed under chapter 44.44 RCW.

35 (~~(+11)~~) (10) "State retirement systems" means the retirement  
36 systems listed in RCW 41.50.030.

37 **Sec. 306.** RCW 41.45.030 and 1993 c 519 s 17 are each amended to  
38 read as follows:



1 (1) Beginning September 1, 1989, and every six years thereafter,  
2 the state actuary shall submit to the council information regarding the  
3 experience and financial condition of each state retirement system.  
4 The council shall review this and such other information as it may  
5 require.

6 (2) (~~The council shall review the information submitted by the~~  
7 ~~state actuary and~~) By December 31, 1995, and every six years  
8 thereafter, the council, by affirmative vote of five members, shall  
9 adopt the following long-term economic assumptions:

10 (a) Growth in system membership;

11 (b) Growth in salaries, exclusive of merit or longevity increases;

12 (c) Growth in inflation; and

13 (d) Investment rate of return.

14 (3) The assumptions adopted by the council shall be used by the  
15 state actuary in conducting valuation studies of the state retirement  
16 systems.

17 (~~((3) The council may utilize information provided by the state~~  
18 ~~actuary and such other information as it may request.))~~

19 **Sec. 307.** RCW 41.45.050 and 1989 c 273 s 5 are each amended to  
20 read as follows:

21 (1) (~~Beginning September 1, 1990,~~) Employers of members of the  
22 public employees' retirement system, the teachers' retirement system,  
23 and the Washington state patrol retirement system shall make  
24 contributions to those systems based on the rates established in RCW  
25 41.45.060 and 41.45.070.

26 (2) (~~Beginning September 1, 1990,~~) The state shall make  
27 contributions to the law enforcement officers' and fire fighters'  
28 retirement system based on the rates established in RCW ((41.45.060))  
29 41.45.030 and 41.45.070. The state treasurer shall transfer the  
30 required contributions each month on the basis of salary data provided  
31 by the department.

32 (3) (~~Beginning September 1, 1990,~~) The department shall bill  
33 employers, and the state shall make contributions to the law  
34 enforcement officers' and fire fighters' retirement system, using the  
35 combined rates established in RCW ((41.45.060)) 41.45.030 and 41.45.070  
36 regardless of the level of pension funding provided in the biennial  
37 budget. Any member of an affected retirement system may, by mandamus  
38 or other appropriate proceeding, require the transfer and payment of

1 funds as directed in this section.

2 (4) The contributions received for the public employees' retirement  
3 system shall be allocated between the public employees' retirement  
4 system plan I fund and public employees' retirement system plan II fund  
5 as follows: The contributions necessary to fully fund the public  
6 employees' retirement system plan II employer contribution required by  
7 RCW 41.40.650 shall first be deposited in the public employees'  
8 retirement system plan II fund. All remaining public employees'  
9 retirement system employer contributions shall be deposited in the  
10 public employees' retirement system plan I fund.

11 (5) The plans II and III employer contributions for the teachers'  
12 retirement system((, and the state contributions for the law  
13 enforcement officers' and fire fighters' retirement system)) shall be  
14 combined and allocated in the same manner as ((the public employees'  
15 retirement system and in accordance with the law enforcement officers'  
16 and fire fighters' retirement system plan II and the teachers'  
17 retirement system plan II contribution rates required by RCW 41.26.450  
18 and 41.32.775 respectively)) subsection (4) of this section.

19 (6) The contributions received under RCW 41.26.450 for the law  
20 enforcement officers' and fire fighters' retirement system shall be  
21 allocated between the law enforcement officers' and fire fighters'  
22 retirement system plan I and the law enforcement officers' and fire  
23 fighters' retirement system plan II fund as follows: The contributions  
24 necessary to fully fund the law enforcement officers' and fire  
25 fighters' retirement system plan II employer contributions shall be  
26 first deposited in the law enforcement officers' and fire fighters'  
27 retirement system plan II fund. All remaining law enforcement  
28 officers' and fire fighters' retirement system employer contributions  
29 shall be deposited in the law enforcement officers' and fire fighters'  
30 retirement system plan I fund.

31 **Sec. 308.** RCW 41.45.060 and 1993 c 519 s 19 are each amended to  
32 read as follows:

33 (1) ((For the period of September 1, 1993, through August 31, 1995,  
34 the basic state contribution rate for the law enforcement officers' and  
35 fire fighters' retirement system, and the basic employer contribution  
36 rates for the public employees' retirement system, the teachers'  
37 retirement system, and the Washington state patrol retirement system  
38 shall be as determined in the 1991 valuations prepared by the office of

1 ~~the state actuary.))~~ The state actuary shall provide actuarial  
2 valuation results based on the assumptions adopted under RCW 41.45.030.

3 (2) Not later than September 30, 1994, and every two years  
4 thereafter(~~(+~~

5 ~~(a))~~), consistent with the assumptions adopted under RCW 41.45.030,  
6 the council shall adopt ((the contributions to be used in the ensuing  
7 biennial period for the systems specified in subsection (1) of this  
8 section.

9 ~~(b))~~) both: (a) A basic state contribution rate for the law  
10 enforcement officers' and fire fighters' retirement system; and (b)  
11 basic employer contribution rates for the public employees' retirement  
12 system and the teachers' retirement system to be used in the ensuing  
13 biennial period.

14 (3) The employer and state contribution rates adopted by the  
15 council shall be the level percentages of pay that are needed:

16 (a) To fully amortize the total costs of the public employees'  
17 retirement system plan I, the teachers' retirement system plan I, the  
18 law enforcement officers' and fire fighters' retirement system plan I,  
19 and the unfunded liability of the Washington state patrol retirement  
20 system not later than June 30, 2024; and

21 (b) To also continue to fully fund the public employees' retirement  
22 system plan II, the teachers' retirement system plans II and III, and  
23 the law enforcement officers' and fire fighters' retirement system plan  
24 II in accordance with this section.

25 (4) The aggregate actuarial cost method shall be used to calculate  
26 a combined plan II and III employer contribution rate.

27 (5) The council shall immediately notify the directors of the  
28 office of financial management and department of retirement systems of  
29 the state and employer contribution rates adopted ((under (a) of this  
30 subsection)).

31 ((~~(e))~~) (6) The director of the department of retirement systems  
32 shall collect those rates adopted by the council ((under this  
33 chapter)).

34 **Sec. 309.** RCW 41.45.070 and 1990 c 18 s 2 are each amended to read  
35 as follows:

36 (1) ~~((Beginning September 1, 1991,))~~ In addition to the basic  
37 employer contribution rate established in RCW ((41.45.060)) 41.45.030,  
38 the department shall also charge employers of public employees'

1 retirement system, teachers' retirement system, or Washington state  
2 patrol retirement system members an additional supplemental rate to pay  
3 for the cost of additional benefits, if any, granted to members of  
4 those systems (~~after January 1, 1990~~). The supplemental contribution  
5 rates required by this section shall be calculated by the state actuary  
6 and shall be charged regardless of language to the contrary contained  
7 in the statute which authorizes additional benefits.

8 (2) (~~Beginning September 1, 1991,~~) In addition to the basic state  
9 contribution rate established in RCW (~~41.45.060~~) 41.45.030 for the  
10 law enforcement officers' and fire fighters' retirement system the  
11 department shall also establish a supplemental rate to pay for the cost  
12 of additional benefits, if any, granted to members of the law  
13 enforcement officers' and fire fighters' retirement system (~~after~~  
14 ~~January 1, 1990~~). This supplemental rate shall be calculated by the  
15 state actuary and the state treasurer shall transfer the additional  
16 required contributions regardless of language to the contrary contained  
17 in the statute which authorizes the additional benefits.

18 (3) The supplemental rate charged under this section to fund  
19 benefit increases provided to active members of the public employees'  
20 retirement system plan I, the teachers' retirement system plan I, the  
21 law enforcement officers' and fire fighters' retirement system plan I,  
22 and Washington state patrol retirement system, shall be calculated as  
23 the level percentage of all members' pay needed to fund the cost of the  
24 benefit not later than June 30, 2024.

25 (4) The supplemental rate charged under this section to fund  
26 benefit increases provided to active and retired members of the public  
27 employees' retirement system plan II, the teachers' retirement system  
28 plan II and plan III, or the law enforcement officers' and fire  
29 fighters' retirement system plan II, shall be calculated as the level  
30 percentage of all members' pay needed to fund the cost of the benefit,  
31 as calculated under RCW 41.40.650, 41.32.775, or 41.26.450,  
32 respectively.

33 (5) The supplemental rate charged under this section to fund  
34 postretirement adjustments which are provided on a nonautomatic basis  
35 to current retirees shall be calculated as the percentage of pay needed  
36 to fund the adjustments as they are paid to the retirees. The  
37 supplemental rate charged under this section to fund automatic  
38 postretirement adjustments for active or retired members of the public  
39 employees' retirement system plan I and the teachers' retirement system

1 plan I shall be calculated as the level percentage of pay needed to  
2 fund the cost of the automatic adjustments not later than June 30,  
3 2024.

4 NEW SECTION. **Sec. 310.** A new section is added to chapter 41.45  
5 RCW to read as follows:

6 (1) The required contribution rates for members of the plan II  
7 public employees' retirement system and teachers' retirement system  
8 shall be fixed at the rates in effect on the effective date of this  
9 act, subject to the following:

10 (a) Beginning September 1, 1998, except as provided in (b) of this  
11 subsection, the employee contribution rate shall not exceed the  
12 employer plan II and III rates adopted under RCW 41.45.030 and  
13 41.45.070 for the public employees' retirement system and teachers'  
14 retirement system and shall not exceed the sum of the employer and  
15 state rate in plan II of the law enforcement officers' and fire  
16 fighters' retirement system;

17 (b) In addition, the employee contribution rate for plan II shall  
18 be increased by fifty percent of the contribution rate increase caused  
19 by any plan II benefit increase passed after the effective date of this  
20 act.

21 (2) The required plan II and III contribution rates for employers  
22 shall be adopted in the manner described in RCW 41.45.030.

23 (3) The state shall pay twenty percent of the employer plan II cost  
24 of the law enforcement officers' and fire fighters' retirement system,  
25 except for port districts established under Title 53 RCW, institutions  
26 of higher education as defined in RCW 28B.10.016 and the Washington  
27 state patrol.

28 (4) The employer and employee contributions collected under this  
29 section for the law enforcement officers' and fire fighters' retirement  
30 system plan II shall be deposited in the law enforcement officers' and  
31 fire fighters' retirement system plan II fund.

32 (5) The employer and employee contributions collected under this  
33 section for the public employees' retirement system plan II and  
34 teachers' retirement system plans II and III shall be deposited in  
35 their respective plan II and III funds.

36 **Sec. 311.** RCW 41.50.075 and 1991 c 35 s 108 are each amended to  
37 read as follows:

1 (1) Two funds are hereby created and established in the state  
2 treasury to be known as the Washington law enforcement officers' and  
3 fire fighters' system plan I retirement fund, and the Washington law  
4 enforcement officers' and fire fighters' system plan II retirement fund  
5 which shall consist of all moneys paid into them in accordance with the  
6 provisions of this chapter and chapter 41.26 RCW, whether such moneys  
7 take the form of cash, securities, or other assets. The plan I fund  
8 shall consist of all moneys paid to finance the benefits provided to  
9 members of the law enforcement officers' and fire fighters' retirement  
10 system plan I, and the plan II fund shall consist of all moneys paid to  
11 finance the benefits provided to members of the law enforcement  
12 officers' and fire fighters' retirement system plan II.

13 (2) All of the assets of the Washington state teachers' retirement  
14 system shall be credited according to the purposes for which they are  
15 held, to two funds to be maintained in the state treasury, namely, the  
16 teachers' retirement system plan I fund and the teachers' retirement  
17 system combined plan II and III fund. The plan I fund shall consist of  
18 all moneys paid to finance the benefits provided to members of the  
19 Washington state teachers' retirement system plan I, and the combined  
20 plan II and III fund shall consist of all moneys paid to finance the  
21 benefits provided to members of the Washington state teachers'  
22 retirement system plan II and III.

23 (3) There is hereby established in the state treasury two separate  
24 funds, namely the public employees' retirement system plan I fund and  
25 the public employees' (~~{retirement system}~~) retirement system plan II  
26 fund. The plan I fund shall consist of all moneys paid to finance the  
27 benefits provided to members of the public employees' retirement system  
28 plan I, and the plan II fund shall consist of all moneys paid to  
29 finance the benefits provided to members of the public employees'  
30 retirement system plan II.

31 (4) There is hereby established in the state treasury the plan III  
32 defined contribution fund which shall consist of all contributions and  
33 earnings paid on behalf of members, except as otherwise provided.

34 **Sec. 312.** RCW 41.50.110 and 1990 c 8 s 3 are each amended to read  
35 as follows:

36 (1) Notwithstanding any provision of law to the contrary, the  
37 retirement system expense fund is hereby redesignated as the department  
38 of retirement systems expense fund from which shall be paid the

1 expenses of the administration of the department and the expenses of  
2 administration of the retirement systems created in chapters 2.10,  
3 2.12, 41.26, 41.32, 41.40, 41.-- (sections 201 through 209 of this  
4 act), and 43.43 RCW.

5 (2) In order to reimburse the department of retirement systems  
6 expense fund on an equitable basis the department shall ascertain and  
7 report to each employer, as defined in RCW 41.26.030, 41.32.010, or  
8 41.40.010, the sum necessary to defray its proportional share of the  
9 entire expense of the administration of the retirement system that the  
10 employer participates in during the ensuing biennium or fiscal year  
11 whichever may be required. Such sum is to be computed in an amount  
12 directly proportional to the estimated entire expense of the  
13 administration as the ratio of monthly salaries of the employer's  
14 members bears to the total salaries of all members in the entire  
15 system. It shall then be the duty of all such employers to include in  
16 their budgets or otherwise provide the amounts so required.

17 (3) The department shall compute and bill each employer, as defined  
18 in RCW 41.26.030, 41.32.010, or 41.40.010, at the end of each month for  
19 the amount due for that month to the department of retirement systems  
20 expense fund and the same shall be paid as are its other obligations.  
21 Such computation as to each employer shall be made on a percentage rate  
22 of salary established by the department. However, the department may  
23 at its discretion establish a system of billing based upon calendar  
24 year quarters in which event the said billing shall be at the end of  
25 each such quarter.

26 (4) The director may adjust the expense fund contribution rate for  
27 each system at any time when necessary to reflect unanticipated costs  
28 or savings in administering the department.

29 ~~((3) All employers shall pay a standard fee to the department to~~  
30 ~~cover the cost of administering the system.)) (5) An employer who fails~~  
31 to submit timely and accurate reports to the department may be assessed  
32 an additional fee related to the increased costs incurred by the  
33 department in processing the deficient reports. Fees paid under this  
34 subsection shall be deposited in the retirement system expense fund.

35 (a) Every six months the department shall determine the amount of  
36 an employer's fee by reviewing the timeliness and accuracy of the  
37 reports submitted by the employer in the preceding six months. If  
38 those reports were not both timely and accurate the department may  
39 prospectively assess an additional fee under this subsection.

1 (b) An additional fee assessed by the department under this  
2 subsection shall not exceed fifty percent of the standard fee.

3 (c) The department shall adopt rules implementing this section.

4 (6) Expenses incurred pursuant to section 206 of this act shall be  
5 deducted from the defined contribution fund in accordance with rules  
6 established by the board under section 302 of this act.

7 NEW SECTION. **Sec. 313.** A new section is added to chapter 41.50  
8 RCW to read as follows:

9 (1) "Employee" as used in this section and section 314 of this act  
10 includes all full-time, part-time, and career seasonal employees of the  
11 state, a county, a municipality, or other political subdivision of the  
12 state, whether or not covered by civil service; elected and appointed  
13 officials of the executive branch of the government, including full-  
14 time members of boards, commissions, or committees; justices of the  
15 supreme court and judges of the court of appeals and of the superior  
16 and district courts; and members of the state legislature or of the  
17 legislative authority of any county, city, or town.

18 (2) The state, through the department, and any county,  
19 municipality, or other political subdivision of the state acting  
20 through its principal supervising official or governing body is  
21 authorized to contract with an employee to defer a portion of that  
22 employee's income, which deferred portion shall in no event exceed the  
23 amount allowable under 26 U.S.C. Sec. 457, and deposit or invest such  
24 deferred portion in a credit union, savings and loan association, bank,  
25 or mutual savings bank or purchase life insurance, shares of an  
26 investment company, or fixed and/or variable annuity contracts from any  
27 insurance company or any investment company licensed to contract  
28 business in this state.

29 (3) The department can provide such plans as the employee  
30 retirement benefits board, established under section 301 of this act,  
31 deems are in the interests of state employees. In addition to the  
32 types of investments described in this section, the department may  
33 invest the deferred portion of an employee's income, without limitation  
34 as to amount, in any of the class of investments described in RCW  
35 43.84.150 as in effect on January 1, 1981. Any income deferred under  
36 such a plan shall continue to be included as regular compensation, for  
37 the purpose of computing the state or local retirement and pension  
38 benefits earned by any employee.



1 (4) Coverage of an employee under a deferred compensation plan  
2 under this section shall not render such employee ineligible for  
3 simultaneous membership and participation in any pension system for  
4 public employees.

5 NEW SECTION. **Sec. 314.** A new section is added to chapter 41.50  
6 RCW to read as follows:

7 (1) The deferred compensation principal account is hereby created  
8 in the state treasury. Any deficiency in the deferred compensation  
9 administrative account caused by an excess of administrative expenses  
10 disbursed from that account over earnings of investments of balances  
11 credited to that account shall be eliminated by transferring moneys to  
12 that account from the deferred compensation principal account.

13 (2) The amount of compensation deferred by employees under  
14 agreements entered into under the authority contained in section 313 of  
15 this act shall be paid into the deferred compensation principal account  
16 and shall be sufficient to cover costs of administration and staffing  
17 in addition to such other amounts as determined by the department. The  
18 deferred compensation principal account shall be used to carry out the  
19 purposes of section 313 of this act. All eligible state employees  
20 shall be given the opportunity to participate in agreements entered  
21 into by the department under section 313 of this act. State agencies  
22 shall cooperate with the department in providing employees with the  
23 opportunity to participate.

24 (3) Any county, municipality, or other subdivision of the state may  
25 elect to participate in any agreements entered into by the department  
26 under section 313 of this act, including the making of payments  
27 therefrom to the employees participating in a deferred compensation  
28 plan upon their separation from state or other qualifying service.  
29 Accordingly, the deferred compensation principal account shall be  
30 considered to be a public pension or retirement fund within the meaning  
31 of Article XXIX, section 1 of the state Constitution, for the purpose  
32 of determining eligible investments and deposits of the moneys therein.

33 (4) All moneys in the deferred compensation principal account, all  
34 property and rights purchased therewith, and all income attributable  
35 thereto, shall remain (until made available to the participating  
36 employee or other beneficiary) solely the money, property, and rights  
37 of the state and participating counties, municipalities, and  
38 subdivisions (without being restricted to the provision of benefits

1 under the plan) subject only to the claims of the state's and  
2 participating jurisdictions' general creditors. Participating  
3 jurisdictions shall each retain property rights separately.

4 (5) The state investment board, at the request of the employee  
5 retirement benefits board as established under section 301 of this act,  
6 is authorized to invest moneys in the deferred compensation principal  
7 account in accordance with RCW 43.84.150. Except as provided in RCW  
8 43.33A.160, one hundred percent of all earnings from these investments  
9 shall accrue directly to the deferred compensation principal account.

10 (6) The deferred compensation administrative account is hereby  
11 created in the state treasury. All expenses of the department  
12 pertaining to the deferred compensation plan including staffing and  
13 administrative expenses shall be paid out of the deferred compensation  
14 administrative account. Any excess of earnings of investments of  
15 balances credited to this account over administrative expenses  
16 disbursed from this account shall be transferred to the deferred  
17 compensation principal account. Any deficiency in the deferred  
18 compensation administrative account caused by an excess of  
19 administrative expenses disbursed from this account over earnings of  
20 investments of balances credited to this account shall be transferred  
21 to this account from the deferred compensation principal account.

22 (7) In addition to the duties specified in this section and section  
23 313 of this act, the department shall administer the salary reduction  
24 plan established in RCW 41.04.600 through 41.04.645.

25 (8) The department shall keep or cause to be kept full and adequate  
26 accounts and records of the assets, obligations, transactions, and  
27 affairs of any deferred compensation plans created under section 313 of  
28 this act and this section.

29 (9) The department shall file an annual report of the financial  
30 condition, transactions, and affairs of the deferred compensation plans  
31 under its jurisdiction. A copy of the annual report shall be filed  
32 with the speaker of the house of representatives, the president of the  
33 senate, the governor, and the state auditor.

34 (10) Members of the employee retirement benefits board established  
35 under section 301 of this act shall be deemed to stand in a fiduciary  
36 relationship to the employees participating in the deferred  
37 compensation plans created under section 313 of this act and this  
38 section and shall discharge the duties of their respective positions in  
39 good faith and with that diligence, care, and skill which ordinary

1 prudent persons would exercise under similar circumstances in like  
2 positions.

3 (11) The department may adopt rules necessary to carry out the  
4 purposes of section 313 of this act and this section.

5 **Sec. 315.** RCW 41.50.030 and 1975-'76 2nd ex.s. c 105 s 5 are each  
6 amended to read as follows:

7 (1) As soon as possible but not more than one hundred and eighty  
8 days after March 19, 1976, there is transferred to the department of  
9 retirement systems, except as otherwise provided in this chapter, all  
10 powers, duties, and functions of:

11 ~~((+1))~~ (a) The Washington public employees' retirement system  
12 ~~((and the retirement board thereof));~~

13 ~~((+2))~~ (b) The Washington state teachers' retirement system ~~((and~~  
14 ~~the board of trustees thereof));~~

15 ~~((+3))~~ (c) The Washington law enforcement officers' and fire  
16 fighters' retirement system ~~((and the retirement board thereof));~~

17 ~~((+4))~~ (d) The Washington state patrol retirement system ~~((and the~~  
18 ~~retirement board thereof));~~

19 ~~((+5))~~ (e) The Washington judicial retirement system ~~((and the~~  
20 ~~retirement board thereof));~~ and

21 ~~((+6))~~ (f) The state treasurer with respect to the administration  
22 of the judges' retirement fund imposed pursuant to chapter 2.12 RCW.

23 (2) On the effective date of this act there is transferred to the  
24 department all powers, duties, and functions of the deferred  
25 compensation committee.

26 (3) The department shall administer sections 201 through 209 of  
27 this act.

28 **Sec. 316.** RCW 41.50.050 and 1993 c 61 s 1 are each amended to read  
29 as follows:

30 The director shall:

31 (1) Have the authority to organize the department into not more  
32 than ~~((three))~~ four divisions, each headed by an assistant director;

33 (2) Have free access to all files and records of various funds  
34 assigned to the department and inspect and audit the files and records  
35 as deemed necessary;

36 (3) Employ personnel to carry out the general administration of the  
37 department;

1 (4) Submit an annual written report of the activities of the  
2 department to the governor and the chairs of the appropriate  
3 legislative committees with one copy to the staff of each of the  
4 committees, including recommendations for statutory changes the  
5 director believes to be desirable;

6 (5) Adopt such rules and regulations as are necessary to carry out  
7 the powers, duties, and functions of the department pursuant to the  
8 provisions of chapter 34.05 RCW.

9 **Sec. 317.** RCW 41.50.060 and 1975-'76 2nd ex.s. c 105 s 8 are each  
10 amended to read as follows:

11 The director may delegate the performance of such powers, duties,  
12 and functions, other than those relating to rule making, to employees  
13 of the department, but the director shall remain and be responsible for  
14 the official acts of the employees of the department.

15 The director shall be responsible for the public employees'  
16 retirement system, the teachers' retirement system, the judicial  
17 retirement system, the law enforcement officers' and fire fighters'  
18 retirement system, and the Washington state patrol retirement system.  
19 The director shall also be responsible for the deferred compensation  
20 program.

21 **Sec. 318.** RCW 41.54.030 and 1990 c 192 s 2 are each amended to  
22 read as follows:

23 (1) A dual member(~~((s))~~) may combine service in all systems (~~((may be~~  
24 ~~combined))~~) for the (~~((sole))~~) purpose of:

25 (a) Determining the member's eligibility to receive a service  
26 retirement allowance; and

27 (b) Qualifying for a benefit under section 115(3) of this act.

28 (2) A dual member who is eligible to retire under any system may  
29 elect to retire from all the member's systems and to receive service  
30 retirement allowances calculated as provided in this section. Each  
31 system shall calculate the allowance using its own criteria except that  
32 the member shall be allowed to substitute the member's base salary from  
33 any system as the compensation used in calculating the allowance.

34 (3) The service retirement allowances from a system which, but for  
35 this section, would not be allowed to be paid at this date based on the  
36 dual member's age shall be either actuarially adjusted from the  
37 earliest age upon which the combined service would have made such dual

1 member eligible in that system, or the dual member may choose to defer  
2 the benefit until fully eligible.

3 NEW SECTION. **Sec. 319.** A new section is added to chapter 41.54  
4 RCW to read as follows:

5 Any dual member who elects to transfer under section 303 of this  
6 act may:

7 (1) Similarly transfer any other prior plan II service credit to  
8 plan III of the same retirement system; or

9 (2) Combine service credit in all systems for purposes of vesting  
10 pursuant to sections 303(1)(c) of this act.

11 NEW SECTION. **Sec. 320.** A new section is added to chapter 43.33A  
12 RCW to read as follows:

13 Pursuant to section 302 of this act, the state investment board, at  
14 the request of the employee retirement benefits board, is authorized to  
15 offer investment options for self-directed investment under plan III.

16 **Sec. 321.** RCW 41.04.440 and 1984 c 227 s 1 are each amended to  
17 read as follows:

18 (1) The sole purpose of RCW 41.04.445 and 41.04.450 is to allow the  
19 members of the retirement systems created in chapters 2.10, 2.12,  
20 41.26, 41.32, 41.40, 41.-- (sections 201 through 209 of this act), and  
21 43.43 RCW to enjoy the tax deferral benefits allowed under 26 USC  
22 414(h). This act does not alter in any manner the provisions of RCW  
23 41.26.450(~~(, 41.32.775)~~) and 41.40.650 which require that the member  
24 contribution rates shall be set so as to provide fifty percent of the  
25 cost(~~(s)~~) of the (~~respective retirement plans~~) law enforcement  
26 officers' and fire fighters' retirement system.

27 (2) Should the legislature revoke any benefit allowed under (~~this~~  
28 ~~act~~) 26 U.S.C. 414(h), no affected employee shall be entitled  
29 thereafter to receive such benefit as a matter of contractual right.

30 **Sec. 322.** RCW 41.04.445 and 1992 c 212 s 15 are each amended to  
31 read as follows:

32 (1) This section applies to all members who are:

33 (a) Judges under the retirement system established under chapter  
34 2.10, 2.12, or 2.14 RCW;

35 (b) Employees of the state under the retirement system established

1 by chapter 41.32, 41.40, or 43.43 RCW;

2 (c) Employees of school districts under the retirement system  
3 established by chapter 41.32 or 41.40 RCW, except for substitute  
4 teachers as defined by RCW 41.32.010;

5 (d) Employees of educational service districts under the retirement  
6 system established by chapter 41.32 or 41.40 RCW; or

7 (e) Employees of community college districts under the retirement  
8 system established by chapter 41.32 or 41.40 RCW.

9 (2) Only for compensation earned after the effective date of the  
10 implementation of this section and as provided by section 414(h) of the  
11 federal internal revenue code, the employer of all the members  
12 specified in subsection (1) of this section shall pick up only those  
13 member contributions as required under:

14 (a) RCW 2.10.090(1);

15 (b) RCW 2.12.060;

16 (c) RCW 2.14.090;

17 (d) RCW 41.32.263;

18 (e) RCW 41.32.350;

19 (f) ~~((RCW 41.32.775;~~

20 ~~(g))~~ RCW 41.40.330 (1) and (3);

21 ~~((h))~~ (g) RCW 41.40.650; ~~(and~~

22 ~~(i))~~ (h) Section 207 of this act;

23 (i) RCW 43.43.300; and

24 (j) Section 204 of this act.

25 (3) Only for the purposes of federal income taxation, the gross  
26 income of the member shall be reduced by the amount of the contribution  
27 to the respective retirement system picked up by the employer.

28 (4) All member contributions to the respective retirement system  
29 picked up by the employer as provided by this section, plus the accrued  
30 interest earned thereon, shall be paid to the member upon the  
31 withdrawal of funds or lump-sum payment of accumulated contributions as  
32 provided under the provisions of the retirement systems.

33 (5) At least forty-five days prior to implementing this section,  
34 the employer shall provide:

35 (a) A complete explanation of the effects of this section to all  
36 members; and

37 (b) Notification of such implementation to the director of the  
38 department of retirement systems.

1       **Sec. 323.** RCW 41.04.450 and 1985 c 13 s 3 are each amended to read  
2 as follows:

3       (1) Employers of those members under chapters 41.26 (~~and~~), 41.40,  
4 and 41.-- (sections 201 through 209 of this act) RCW who are not  
5 specified in RCW 41.04.445 may choose to implement the employer pick up  
6 of all member contributions without exception under RCW 41.26.080(1),  
7 41.26.450, 41.40.330(1), (~~and~~) 41.40.650, and chapter 41.-- RCW  
8 (sections 201 through 209 of this act). If the employer does so  
9 choose, the employer and members shall be subject to the conditions and  
10 limitations of RCW 41.04.445 (3), (4), and (5) and RCW 41.04.455.

11       (2) An employer exercising the option under this section may later  
12 choose to withdraw from and/or reestablish the employer pick up of  
13 member contributions only once in a calendar year following forty-five  
14 days prior notice to the director of the department of retirement  
15 systems.

16       NEW SECTION. **Sec. 324.** The following acts or parts of acts are  
17 each repealed:

18       (1) RCW 41.04.250 and 1981 c 256 s 2, 1975 1st ex.s. c 274 s 2,  
19 1973 1st ex.s. c 99 s 1, 1972 ex.s. c 19 s 1, & 1971 ex.s. c 264 s 1;

20       (2) RCW 41.04.255 and 1991 c 249 s 2 & 1982 c 107 s 2;

21       (3) RCW 41.04.260 and 1993 c 34 s 2 & 1991 sp.s. c 13 s 101;

22       (4) RCW 41.32.775 and 1990 c 274 s 9, 1989 c 273 s 19, 1986 c 268  
23 s 2, 1984 c 184 s 11, & 1977 ex.s. c 293 s 6;

24       (5) RCW 41.45.040 and 1993 c 519 s 18 & 1989 c 273 s 4;

25       (6) RCW 41.45.0601 and 1993 c 519 s 20 & 1992 c 239 s 1;

26       (7) RCW 41.45.901 and 1989 c 273 s 33;

27       (8) RCW 41.50.032 and 1984 c 184 s 15 & 1982 c 163 s 9; and

28       (9) RCW 41.50.250 and 1991 c 35 s 72, 1989 c 273 s 21, 1981 c 3 s  
29 32, 1969 c 128 s 4, 1963 c 174 s 6, 1955 c 220 s 2, 1953 c 200 s 3,  
30 1949 c 240 s 5, & 1947 c 274 s 9.

31       NEW SECTION. **Sec. 325.** This act shall take effect July 1, 1996.

32       NEW SECTION. **Sec. 326.** Part headings and subchapter headings as  
33 used in this act constitute no part of the law."

--- END ---