

2 SHB 2192 - S COMM AMD  
3 By Committee on Ways & Means

4 ADOPTED 2/28/96

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

7 "Sec. 1. RCW 41.32.010 and 1995 c 345 s 9 and 1995 c 239 s 102 are  
8 each reenacted and amended to read as follows:

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

11 (1)(a) "Accumulated contributions" for plan I members, means the  
12 sum of all regular annuity contributions and, except for the purpose of  
13 withdrawal at the time of retirement, any amount paid under RCW  
14 41.50.165(2) with regular interest thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (A) Retroactive payments to an individual by an employer on  
18 reinstatement of the employee in a position, or payments by an employer  
19 to an individual in lieu of reinstatement in a position which are  
20 awarded or granted as the equivalent of the salary or wages which the  
21 individual would have earned during a payroll period shall be  
22 considered earnable compensation and the individual shall receive the  
23 equivalent service credit.

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

36 (iii) For members employed less than full time under written  
37 contract with a school district, or community college district, in an  
38 instructional position, for which the member receives service credit of  
39 less than one year in all of the years used to determine the earnable

1 compensation used for computing benefits due under RCW 41.32.497,  
2 41.32.498, and 41.32.520, the member may elect to have earnable  
3 compensation defined as provided in RCW 41.32.345. For the purposes of  
4 this subsection, the term "instructional position" means a position in  
5 which more than seventy-five percent of the member's time is spent as  
6 a classroom instructor (including office hours), a librarian, or a  
7 counselor. Earnable compensation shall be so defined only for the  
8 purpose of the calculation of retirement benefits and only as necessary  
9 to insure that members who receive fractional service credit under RCW  
10 41.32.270 receive benefits proportional to those received by members  
11 who have received full-time service credit.

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

13 (A) Remuneration for unused sick leave authorized under RCW  
14 41.04.340, 28A.400.210, or 28A.310.490;

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

17 (b) "Earnable compensation" for plan II and plan III members, means  
18 salaries or wages earned by a member during a payroll period for  
19 personal services, including overtime payments, and shall include wages  
20 and salaries deferred under provisions established pursuant to sections  
21 403(b), 414(h), and 457 of the United States Internal Revenue Code, but  
22 shall exclude lump sum payments for deferred annual sick leave, unused  
23 accumulated vacation, unused accumulated annual leave, or any form of  
24 severance pay.

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

29 (i) Retroactive payments to an individual by an employer on  
30 reinstatement of the employee in a position or payments by an employer  
31 to an individual in lieu of reinstatement in a position which are  
32 awarded or granted as the equivalent of the salary or wages which the  
33 individual would have earned during a payroll period shall be  
34 considered earnable compensation, to the extent provided above, and the  
35 individual shall receive the equivalent service credit.

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

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

3 (B) Such member's actual earnable compensation received for  
4 teaching and legislative service combined. Any additional  
5 contributions to the retirement system required because compensation  
6 earnable under (b)(ii)(A) of this subsection is greater than  
7 compensation earnable under (b)(ii)(B) of this subsection shall be paid  
8 by the member for both member and employer contributions.

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

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

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

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

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

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

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

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

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

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

4 (21) "Public school" means any institution or activity operated by  
5 the state of Washington or any instrumentality or political subdivision  
6 thereof employing teachers, except the University of Washington and  
7 Washington State University.

8 (22) "Regular contributions" means the amounts required to be  
9 deducted from the compensation of a member and credited to the member's  
10 individual account in the member reserve. This subsection shall apply  
11 only to plan I members.

12 (23) "Regular interest" means such rate as the director may  
13 determine.

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

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

20 (25) "Retirement system" means the Washington state teachers'  
21 retirement system.

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

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

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

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

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

37 (i) A member employed in an eligible position or as a substitute  
38 shall receive one service credit month for each month of September  
39 through August of the following year if he or she earns earnable

1 compensation for eight hundred ten or more hours during that period and  
2 is employed during nine of those months, except that a member may not  
3 receive credit for any period prior to the member's employment in an  
4 eligible position except as provided in RCW 41.32.812 and 41.50.132;

5 (ii) If a member is employed either in an eligible position or as  
6 a substitute teacher for nine months of the twelve month period between  
7 September through August of the following year but earns earnable  
8 compensation for less than eight hundred ten hours but for at least six  
9 hundred thirty hours, he or she will receive one-half of a service  
10 credit month for each month of the twelve month period;

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

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

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

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

21 (iv) Any person who is a member of the teachers' retirement system  
22 and who is elected or appointed to a state elective position may  
23 continue to be a member of the retirement system and continue to  
24 receive a service credit month for each of the months in a state  
25 elective position by making the required member contributions.

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

30 (vi) As authorized by RCW 28A.400.300, up to forty-five days of  
31 sick leave may be creditable as service solely for the purpose of  
32 determining eligibility to retire under RCW 41.32.470. For purposes of  
33 plan II and plan III "forty-five days" as used in RCW 28A.400.300 is  
34 equal to two service credit months. Use of less than forty-five days  
35 of sick leave is creditable as allowed under this subsection as  
36 follows:

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

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

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

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

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

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

10 (viii) The department shall adopt rules implementing this  
11 subsection.

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

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

16 (29) "Teacher" means any person qualified to teach who is engaged  
17 by a public school in an instructional, administrative, or supervisory  
18 capacity. The term includes state, educational service district, and  
19 school district superintendents and their assistants and all employees  
20 certificated by the superintendent of public instruction; and in  
21 addition thereto any full time school doctor who is employed by a  
22 public school and renders service of an instructional or educational  
23 nature.

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

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

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

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

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

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

6 (36) "Substitute teacher" means:

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

10 (b) Teachers who either (i) work in ineligible positions for more  
11 than one employer or (ii) work in an ineligible position or positions  
12 together with an eligible position.

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

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

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

25 (d) The elected position of the superintendent of public  
26 instruction is an eligible position.

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

30 (39) "Plan II" means the teachers' retirement system, plan II  
31 providing the benefits and funding provisions covering persons who  
32 first became members of the system on and after October 1, 1977, and  
33 prior to July 1, 1996.

34 (40) "Plan III" means the teachers' retirement system, plan III  
35 providing the benefits and funding provisions covering persons who  
36 first become members of the system on and after July 1, 1996, or who  
37 transfer under RCW 41.32.817.

38 (~~(41) ("Education association" means an association organized to~~  
39 ~~carry out collective bargaining activities, the majority of whose~~



1 members are employees covered by chapter 41.59 RCW or academic  
2 employees covered by chapter 28B.52 RCW.

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

7 ~~((43))~~ (42) "Index A" means the index for the year prior to the  
8 determination of a postretirement adjustment.

9 ~~((44))~~ (43) "Index B" means the index for the year prior to index  
10 A.

11 ~~((45))~~ (44) "Index year" means the earliest calendar year in  
12 which the index is more than sixty percent of index A.

13 ~~((46))~~ (45) "Adjustment ratio" means the value of index A divided  
14 by index B.

15 ~~((47))~~ (46) "Annual increase" means, initially, fifty-nine cents  
16 per month per year of service which amount shall be increased each July  
17 1st by three percent, rounded to the nearest cent.

18 (47) "Member account" or "member's account" for purposes of plan  
19 III means the sum of the contributions and earnings on behalf of the  
20 member in the defined contribution portion of plan III.

21 **Sec. 2.** RCW 41.32.817 and 1995 c 239 s 303 are each amended to  
22 read as follows:

23 (1) Every plan II member employed by an employer in an eligible  
24 position may make an irrevocable option to transfer to plan III. ~~((For~~  
25 ~~those who elect to transfer:~~

26 ~~(a))~~ (2) Any plan II member who is a substitute teacher may make  
27 an irrevocable option to transfer to plan III at the time the member  
28 purchases substitute service credit pursuant to RCW 41.32.013, pursuant  
29 to time lines and procedures established by the department.

30 (3) Any plan II member, other than a substitute teacher, who wishes  
31 to transfer to plan III after December 31, 1997, may transfer during  
32 the month of January in any following year, provided that the member  
33 earns service credit for that month.

34 (4) All service credit in plan II shall be transferred to the  
35 defined benefit portion of plan III.

36 ~~((b))~~ (5) The accumulated contributions in plan II less fifty  
37 percent of any contributions made pursuant to RCW 41.50.165(2) shall be  
38 transferred to the member's account in the defined contribution portion

1 established in chapter 41.34 RCW, pursuant to procedures developed by  
2 the department and subject to RCW 41.34.090. Contributions made  
3 pursuant to RCW 41.50.165(2) that are not transferred to the member's  
4 account shall be transferred to the fund created in RCW 41.50.075(2),  
5 except that interest earned on all such contributions shall be  
6 transferred to the member's account.

7 ~~((c) A member vested on July 1, 1996, under plan II shall be~~  
8 ~~automatically vested in plan III upon transfer.~~

9 ~~(d) Members employed by an employer in an eligible position on~~  
10 ~~January 1, 1998, who request to transfer to plan III by January 1,~~  
11 ~~1998, shall have their account in the defined contribution portion of~~  
12 ~~plan III, other than those accumulated contributions attributable to~~  
13 ~~restorations made under RCW 41.50.165(2), increased by twenty percent~~  
14 ~~of their plan II accumulated contributions as of January 1, 1996. If~~  
15 ~~the member who requests to transfer dies before January 1, 1998, the~~  
16 ~~additional payment provided by this subsection shall be paid to the~~  
17 ~~member's estate, or such person or persons, trust, or organization as~~  
18 ~~the member shall have nominated by written designation duly executed~~  
19 ~~and filed with the department.~~

20 ~~(e)) (6) The legislature reserves the right to discontinue the~~  
21 ~~right to transfer under this section.~~

22 ~~((2) This subsection shall also apply to dual members as provided~~  
23 ~~in RCW 41.54.035.~~

24 ~~(3) Any member who elects to transfer to plan III and has eligible~~  
25 ~~unrestored withdrawn contributions in plan II, may subsequently restore~~  
26 ~~such contributions under the provisions of RCW 41.32.825. The restored~~  
27 ~~plan II service credit will be automatically transferred to plan III.~~  
28 ~~Contributions restored will be transferred to the member's account in~~  
29 ~~plan III.~~

30 ~~(4)) (7) Anyone previously retired from plan II is prohibited from~~  
31 ~~transferring to plan III.~~

32 **Sec. 3.** RCW 41.32.818 and 1995 c 239 s 304 are each amended to  
33 read as follows:

34 Any ~~((person))~~ member of the public employees' retirement system  
35 plan II who is employed in an eligible position as an educational staff  
36 associate and who elected pursuant to RCW 41.32.032(2)(a) to remain a  
37 member of the public employees' retirement system under chapter 41.40

1 RCW may make an irrevocable option before January 1, 1998, to transfer  
2 to plan III pursuant to RCW 41.32.817, PROVIDED THAT:

3 (1) Only service credit for previous periods of employment in a  
4 position covered by RCW 41.32.010 is transferred to plan III;

5 (2) Equivalent accumulated employee and employer contributions  
6 attributable to service covered by subsection (1) of this section are  
7 transferred to plan III;

8 (3) Employer contributions transferred under this section shall be  
9 paid into the teachers' retirement system combined plan II and III  
10 fund.

11 ~~((Any person, not employed as an educational staff associate on  
12 July 1, 1996, may choose, within one year of the person's return to  
13 employment as a teacher, to transfer to plan III under this section.))~~

14 **Sec. 4.** RCW 41.32.840 and 1995 c 239 s 106 are each amended to  
15 read as follows:

16 (1) A member of the retirement system shall receive a retirement  
17 allowance equal to one percent of such member's average final  
18 compensation for each service credit year.

19 (2) The retirement allowance payable under RCW 41.32.875 to a  
20 member who separates after having completed at least twenty service  
21 credit years shall be increased by twenty-five one-hundredths of one  
22 percent, compounded for each month from the date of separation to the  
23 date that the retirement allowance commences.

24 **Sec. 5.** RCW 41.32.855 and 1995 c 239 s 109 are each amended to  
25 read as follows:

26 Any member or beneficiary eligible to receive a retirement  
27 allowance under the provisions of RCW 41.32.875, 41.32.880, or  
28 41.32.895 shall be eligible to commence receiving a retirement  
29 allowance after having filed written application with the department.

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

33 (2) Retirement allowances ~~((paid))~~ payable to ~~((vested))~~ eligible  
34 members no longer in service, but qualifying for such an allowance  
35 pursuant to RCW ~~((41.32.870))~~ 41.32.875 shall accrue from the first day  
36 of the calendar month immediately following such qualification.

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

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

7 **Sec. 6.** RCW 41.32.875 and 1995 c 239 s 113 are each amended to  
8 read as follows:

9 (1) NORMAL RETIREMENT. Any member who (~~has vested and attained~~)  
10 is at least age sixty-five and who has:

11 (a) Completed ten service credit years; or

12 (b) Completed five service credit years, including twelve service  
13 credit months after attaining age fifty-four; or

14 (c) Completed five service credit years by July 1, 1996, under plan  
15 II and who transferred to plan III under RCW 41.32.817;

16 shall be eligible to retire and to receive a retirement allowance  
17 computed according to the provisions of RCW 41.32.840.

18 (2) EARLY RETIREMENT. Any member who has attained at least age  
19 fifty-five and has completed at least ten years of service shall be  
20 eligible to retire and to receive a retirement allowance computed  
21 according to the provisions of RCW 41.32.840, except that a member  
22 retiring pursuant to this subsection shall have the retirement  
23 allowance actuarially reduced to reflect the difference in the number  
24 of years between age at retirement and the attainment of age sixty-  
25 five.

26 **Sec. 7.** RCW 41.32.895 and 1995 c 239 s 117 are each amended to  
27 read as follows:

28 If a member (~~who is vested~~) dies prior to retirement, the  
29 surviving spouse or eligible child or children shall receive a  
30 retirement allowance computed as provided in RCW 41.32.851 actuarially  
31 reduced to reflect a joint and one hundred percent survivor option and  
32 if the member was not eligible for normal retirement at the date of  
33 death a further reduction as described in RCW 41.32.875(2).

34 If the surviving spouse who is receiving the retirement allowance  
35 dies leaving a child or children under the age of majority, then such  
36 child or children shall continue to receive an allowance in an amount  
37 equal to that which was being received by the surviving spouse, share

1 and share alike, until such child or children reach the age of  
2 majority.

3 If there is no surviving spouse eligible to receive an allowance at  
4 the time of the member's death, such member's child or children under  
5 the age of majority shall receive an allowance, share and share alike.  
6 The allowance shall be calculated with the assumption that the age of  
7 the spouse and member were equal at the time of the member's death.

8 NEW SECTION. **Sec. 8.** A new section is added to chapter 41.32 RCW  
9 under the subchapter heading "provisions applicable to plan III" to  
10 read as follows:

11 (1) Anyone who requests to transfer under RCW 41.32.817 before  
12 January 1, 1998, and establishes service credit for January 1998, shall  
13 have their member account increased by twenty percent of:

14 (a) Plan II accumulated contributions as of January 1, 1996, less  
15 fifty percent of any payments made pursuant to RCW 41.50.165(2); or

16 (b) All amounts withdrawn after January 1, 1996, which are  
17 completely restored before January 1, 1998.

18 (2) Substitute teachers shall receive the additional payment  
19 provided in subsection (1) of this section if they:

20 (a) Establish service credit for January 1998; and

21 (b) Establish any service credit from July 1996 through December  
22 1997; and

23 (c) Elect to transfer on or before March 1, 1999.

24 (3) If a member who requests to transfer dies before January 1,  
25 1998, the additional payment provided by this section shall be paid to  
26 the member's estate, or the person or persons, trust, or organization  
27 the member nominated by written designation duly executed and filed  
28 with the department.

29 (4) The legislature reserves the right to modify or discontinue the  
30 right to an incentive payment under this section for any plan II  
31 members who have not previously transferred to plan III.

32 NEW SECTION. **Sec. 9.** A new section is added to chapter 41.32 RCW  
33 under the subchapter heading "provisions applicable to plan III" to  
34 read as follows:

35 (1) Any member who elects to transfer to plan III and has eligible  
36 unrestored withdrawn contributions in plan II, may restore such  
37 contributions under the provisions of RCW 41.32.825(1) with interest as

1 determined by the department. The restored plan II service credit will  
2 be automatically transferred to plan III. Restoration payments will be  
3 transferred to the member account in plan III. If the member fails to  
4 meet the time limitations of RCW 41.32.825(1), they may restore such  
5 contributions under the provisions of RCW 41.50.165(2). The restored  
6 plan II service credit will be automatically transferred to plan III.  
7 One-half of the restoration payments under RCW 41.50.165(2) plus  
8 interest shall be allocated to the member's account.

9 (2) Any member who elects to transfer to plan III may purchase plan  
10 II service credit under RCW 41.32.810(3). Purchased plan II service  
11 credit will be automatically transferred to plan III. Contributions on  
12 behalf of the employer paid by the employee shall be allocated to the  
13 defined benefit portion of plan III and shall not be refundable when  
14 paid to the fund described in RCW 41.50.075(2). Contributions on  
15 behalf of the employee shall be allocated to the member account. If the  
16 member fails to meet the time limitations of RCW 41.32.810(3), they may  
17 subsequently restore such contributions under the provisions of RCW  
18 41.50.165(2). Purchased plan II service credit will be automatically  
19 transferred to plan III. One-half of the payments under RCW  
20 41.50.165(2), plus interest, shall be allocated to the member's  
21 account.

22 **Sec. 10.** RCW 41.32.831 and 1995 c 239 s 104 are each amended to  
23 read as follows:

24 (1) RCW 41.32.831 through 41.32.895 shall apply only to plan III  
25 members.

26 (2) Plan III shall consist of two separate elements: (a) A defined  
27 benefit portion covered under this subchapter; and (b) a defined  
28 contribution portion covered under chapter 41.34 RCW. (~~All~~  
29 ~~contributions on behalf of the employer paid by an employee shall be~~  
30 ~~made to the defined benefit portion of plan III and shall be~~  
31 ~~nonrefundable when paid to the fund described in RCW 41.50.075(3).)~~)

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

34 NEW SECTION. **Sec. 11.** A new section is added to chapter 41.32 RCW  
35 under the subchapter heading "provisions applicable to plan III" to  
36 read as follows:

1 (1) Contributions on behalf of the employer paid by the employee to  
2 purchase plan III service credit shall be allocated to the defined  
3 benefit portion of plan III and shall not be refundable when paid to  
4 the fund described in RCW 41.50.075(2). Contributions on behalf of the  
5 employee shall be allocated to the member account. If the member fails  
6 to meet the statutory time limitations to purchase plan III service  
7 credit, it may be purchased under the provisions of RCW 41.50.165(2).  
8 One-half of the purchase payments under RCW 41.50.165(2), plus  
9 interest, shall be allocated to the member's account.

10 (2) No purchased plan III membership service will be credited until  
11 all payments required of the member are made, with interest. Upon  
12 receipt of all payments owed by the member, the department shall bill  
13 the employer for any contributions, plus interest, required to purchase  
14 membership service.

15 NEW SECTION. **Sec. 12.** A new section is added to chapter 41.34 RCW  
16 to read as follows:

17 A member who separates from service and then reestablishes  
18 membership may restore contributions to the member account.

19 **Sec. 13.** RCW 41.34.020 and 1995 c 239 s 202 are each amended to  
20 read as follows:

21 As used in this chapter, the following terms have the meanings  
22 indicated:

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

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

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

28 (4) "Compensation" for purposes of this chapter is the same as  
29 "earnable compensation" for plan III in chapter 41.32 RCW, except that  
30 the compensation may be reported when paid, rather than when earned.

31 (5) "Employer" means the same as "employer" for plan III in chapter  
32 41.32 RCW.

33 (6) "Member" means any employee included in the membership of a  
34 retirement system as provided for (~~plan III~~) in chapter 41.32 RCW of  
35 plan III.

36 (~~(+6)~~) (7) "Member account" or "member's account" means the sum of  
37 the contributions and earnings on behalf of the member.

1        ~~((7))~~ (8) "Retiree" means any member in receipt of an allowance  
2 or other benefit provided by this chapter resulting from service  
3 rendered to an employer by such member.

4        **Sec. 14.** RCW 41.34.040 and 1995 c 239 s 204 are each amended to  
5 read as follows:

6        (1) A member shall contribute from his or her compensation  
7 according to one of the following rate structures:

| 8 <u>Option A</u>         | <u>Contribution Rate</u> |
|---------------------------|--------------------------|
| 9        All Ages         | 5.0% fixed               |
| 10 <u>Option B</u>        |                          |
| 11       Up to Age 35     | 5.0%                     |
| 12       Age 35 to 44     | 6.0%                     |
| 13       Age 45 and above | 7.5%                     |
| 14 <u>Option C</u>        |                          |
| 15       Up to Age 35     | 6.0%                     |
| 16       Age 35 to 44     | 7.5%                     |
| 17       Age 45 and above | 8.5%                     |

18       (2) The board shall have the right to offer contribution rate  
19 options in addition to those listed in subsection (1) of this section,  
20 provided that no significant additional administrative costs are  
21 created. All options offered by the board shall conform to the  
22 requirements stated in subsections (3) and (4) of this section.

23       (3) Within ninety days of the date that an employee becomes a  
24 member of plan III or changes employers, he or she has an irrevocable  
25 option to choose one of the above contribution rate structures. If the  
26 member does not select an option within this ninety-day period, he or  
27 she shall be assigned option A. Such assignment shall be irrevocable.

28       (4) Contributions shall begin the first day of the ~~((month~~  
29 ~~immediately following the earlier of the selection of an option or the~~  
30 ~~end of the ninety-day period))~~ pay cycle in which the rate option is  
31 made, or the first day of the pay cycle in which the end of the ninety-  
32 day period occurs.

33       **Sec. 15.** RCW 41.34.060 and 1995 c 239 s 206 are each amended to  
34 read as follows:

35       (1) Except as provided in subsection (2) of this section, the  
36 member's account shall be invested by the state investment board



1 (~~unless the member elects to self direct investments as authorized by~~  
2 ~~the board~~)). All contributions under this subsection shall be invested  
3 in the same portfolio as that of the teachers' retirement system  
4 combined plan II and III fund under RCW 41.50.075(2).

5 (2) ~~Members (who make this election shall pay the expenses for~~  
6 ~~self directed investment)~~ may elect to self direct their investments  
7 as authorized by the board, other than as provided in subsection (1) of  
8 this section. Expenses caused by self-directed investment shall be  
9 paid by the member in accordance with rules established by the board  
10 under RCW 41.50.088.

11 **Sec. 16.** RCW 41.50.075 and 1995 c 239 s 312 are each amended to  
12 read as follows:

13 (1) Two funds are hereby created and established in the state  
14 treasury to be known as the Washington law enforcement officers' and  
15 fire fighters' system plan I retirement fund, and the Washington law  
16 enforcement officers' and fire fighters' system plan II retirement fund  
17 which shall consist of all moneys paid into them in accordance with the  
18 provisions of this chapter and chapter 41.26 RCW, whether such moneys  
19 take the form of cash, securities, or other assets. The plan I fund  
20 shall consist of all moneys paid to finance the benefits provided to  
21 members of the law enforcement officers' and fire fighters' retirement  
22 system plan I, and the plan II fund shall consist of all moneys paid to  
23 finance the benefits provided to members of the law enforcement  
24 officers' and fire fighters' retirement system plan II.

25 (2) All of the assets of the Washington state teachers' retirement  
26 system shall be credited according to the purposes for which they are  
27 held, to two funds to be maintained in the state treasury, namely, the  
28 teachers' retirement system plan I fund and the teachers' retirement  
29 system combined plan II and III fund. The plan I fund shall consist of  
30 all moneys paid to finance the benefits provided to members of the  
31 Washington state teachers' retirement system plan I, and the combined  
32 plan II and III fund shall consist of all moneys paid to finance the  
33 benefits provided to members of the Washington state teachers'  
34 retirement system plan II and III.

35 (3) There is hereby established in the state treasury two separate  
36 funds, namely the public employees' retirement system plan I fund and  
37 the public employees' retirement system plan II fund. The plan I fund  
38 shall consist of all moneys paid to finance the benefits provided to

1 members of the public employees' retirement system plan I, and the plan  
2 II fund shall consist of all moneys paid to finance the benefits  
3 provided to members of the public employees' retirement system plan II.

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

7 **Sec. 17.** RCW 41.50.110 and 1995 c 239 s 313 are each amended to  
8 read as follows:

9 (1) ~~((Notwithstanding any provision of law to the contrary, the  
10 retirement system expense fund is hereby redesignated as the department  
11 of retirement systems expense fund from which shall be paid the))~~  
12 Except as provided by RCW 41.50.255 and subsection (6) of this section,  
13 all expenses of the administration of the department and the expenses  
14 of administration of the retirement systems created in chapters 2.10,  
15 2.12, 41.26, 41.32, 41.40, 41.34, and 43.43 RCW shall be paid from the  
16 department of retirement systems expense fund.

17 (2) In order to reimburse the department of retirement systems  
18 expense fund on an equitable basis the department shall ascertain and  
19 report to each employer, as defined in RCW 41.26.030, 41.32.010, or  
20 41.40.010, the sum necessary to defray its proportional share of the  
21 entire expense of the administration of the retirement system that the  
22 employer participates in during the ensuing biennium or fiscal year  
23 whichever may be required. Such sum is to be computed in an amount  
24 directly proportional to the estimated entire expense of the  
25 administration as the ratio of monthly salaries of the employer's  
26 members bears to the total salaries of all members in the entire  
27 system. It shall then be the duty of all such employers to include in  
28 their budgets or otherwise provide the amounts so required.

29 (3) The department shall compute and bill each employer, as defined  
30 in RCW 41.26.030, 41.32.010, or 41.40.010, at the end of each month for  
31 the amount due for that month to the department of retirement systems  
32 expense fund and the same shall be paid as are its other obligations.  
33 Such computation as to each employer shall be made on a percentage rate  
34 of salary established by the department. However, the department may  
35 at its discretion establish a system of billing based upon calendar  
36 year quarters in which event the said billing shall be at the end of  
37 each such quarter.

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

4 (5) An employer who fails to submit timely and accurate reports to  
5 the department may be assessed an additional fee related to the  
6 increased costs incurred by the department in processing the deficient  
7 reports. Fees paid under this subsection shall be deposited in the  
8 retirement system expense fund.

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

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

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

17 (6) Expenses (~~incurred pursuant to RCW 41.34.060 shall be deducted~~  
18 ~~from the defined contribution fund in accordance with rules established~~  
19 ~~by the board under RCW 41.50.088~~) other than those under RCW  
20 41.34.060(2) shall be paid pursuant to subsection (1) of this section.

21 **Sec. 18.** RCW 41.50.670 and 1991 c 365 s 13 are each amended to  
22 read as follows:

23 (1) Nothing in this chapter regarding mandatory assignment of  
24 benefits to enforce a spousal maintenance obligation shall abridge the  
25 right of an obligee to direct payments of retirement benefits to  
26 satisfy a property division obligation ordered pursuant to a court  
27 decree of dissolution or legal separation or any court order or court-  
28 approved property settlement agreement incident to any court decree of  
29 dissolution or legal separation as provided in RCW 2.10.180, 2.12.090,  
30 41.04.310, 41.04.320, 41.04.330, (~~41.26.180~~) 41.26.053, 41.32.052,  
31 41.34.070(3), 41.40.052, 43.43.310, or 26.09.138, as those statutes  
32 existed before July 1, 1987, and as those statutes exist on and after  
33 July 28, 1991. The department shall pay benefits under this chapter in  
34 a lump sum or as a portion of periodic retirement payments as expressly  
35 provided by the dissolution order. A dissolution order may not order  
36 the department to pay a periodic retirement payment or lump sum unless  
37 that payment is specifically authorized under the provisions of chapter  
38 2.10, 2.12, 41.26, 41.32, 41.34, 41.40, or 43.43 RCW, as applicable.

1 (2) The department shall pay directly to an obligee the amount of  
2 periodic retirement payments or lump sum payment, as appropriate,  
3 specified in the dissolution order if the dissolution order filed with  
4 the department pursuant to subsection (1) of this section includes a  
5 provision that states in the following form:

6 If . . . . . (the obligor) receives periodic retirement payments  
7 as defined in RCW 41.50.500, the department of retirement systems shall  
8 pay to . . . . . (the obligee) . . . . . dollars from such payments  
9 or . . . percent of such payments. If the obligor's debt is expressed  
10 as a percentage of his or her periodic retirement payment and the  
11 obligee does not have a survivorship interest in the obligor's benefit,  
12 the amount received by the obligee shall be the percentage of the  
13 periodic retirement payment that the obligor would have received had he  
14 or she selected a standard allowance.

15 If . . . . . (the obligor) requests or has requested a withdrawal  
16 of accumulated contributions as defined in RCW 41.50.500, or becomes  
17 eligible for a lump sum death benefit, the department of retirement  
18 systems shall pay to . . . . . (the obligee) . . . . . dollars plus  
19 interest at the rate paid by the department of retirement systems on  
20 member contributions. Such interest to accrue from the date of this  
21 order's entry with the court of record.

22 (3) This section does not require a member to select a standard  
23 allowance upon retirement nor does it require the department to  
24 recalculate the amount of a retiree's periodic retirement payment based  
25 on a change in survivor option.

26 (4) A court order under this section may not order the department  
27 to pay more than seventy-five percent of an obligor's periodic  
28 retirement payment to an obligee.

29 (5) Persons whose court decrees were entered between July 1, 1987,  
30 and July 28, 1991, shall also be entitled to receive direct payments of  
31 retirement benefits to satisfy court-ordered property divisions if the  
32 dissolution orders comply or are modified to comply with this section  
33 and RCW 41.50.680 through 41.50.720 and, as applicable, RCW 2.10.180,  
34 2.12.090, (~~41.26.180~~) 41.26.053, 41.32.052, 41.34.070, 41.40.052,  
35 43.43.310, and 26.09.138.

36 (6) The obligee must file a copy of the dissolution order with the  
37 department within ninety days of that order's entry with the court of  
38 record.

1 (7) A division of benefits pursuant to a dissolution order under  
2 this section shall be based upon the obligor's gross benefit prior to  
3 any deductions. If the department is required to withhold a portion of  
4 the member's benefit pursuant to 26 U.S.C. Sec. 3402 and the sum of  
5 that amount plus the amount owed to the obligee exceeds the total  
6 benefit, the department shall satisfy the withholding requirements  
7 under 26 U.S.C. Sec. 3402 and then pay the remainder to the obligee.  
8 The provisions of this subsection do not apply to amounts withheld  
9 pursuant to 26 U.S.C. Sec. 3402(i).

10 **Sec. 19.** RCW 41.54.030 and 1995 c 239 s 319 are each amended to  
11 read as follows:

12 (1) A dual member may combine service in all systems for the  
13 purpose of:

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

16 (b) Qualifying for a benefit under RCW ~~((41.32.885(3)))~~  
17 41.32.840(2).

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

24 (3) The service retirement allowances from a system which, but for  
25 this section, would not be allowed to be paid at this date based on the  
26 dual member's age shall be either actuarially adjusted from the  
27 earliest age upon which the combined service would have made such dual  
28 member eligible in that system, or the dual member may choose to defer  
29 the benefit until fully eligible.

30 **Sec. 20.** RCW 2.14.080 and 1991 sp.s. c 13 s 103 are each amended  
31 to read as follows:

32 (1) The administrator for the courts shall:

33 (a) Deposit or invest the contributions under RCW 2.14.090 in a  
34 credit union, savings and loan association, bank, or mutual savings  
35 bank;

1 (b) Purchase life insurance, shares of an investment company, or  
2 fixed and/or variable annuity contracts from any insurance company or  
3 investment company licensed to contract business in this state; or

4 (c) Invest in any of the class of investments described in RCW  
5 43.84.150.

6 (2) The state investment board or the (~~committee for deferred~~  
7 ~~compensation~~) department of retirement systems, at the request of the  
8 administrator for the courts, may invest moneys in the principal  
9 account. Moneys invested by the investment board shall be invested in  
10 accordance with RCW 43.84.150. Moneys invested by the (~~committee for~~  
11 ~~deferred compensation~~) department of retirement systems shall be  
12 invested in accordance with (~~RCW 41.04.250~~) applicable law. Except  
13 as provided in RCW 43.33A.160 or as necessary to pay a pro rata share  
14 of expenses incurred by the (~~committee for deferred compensation~~)  
15 department of retirement systems, one hundred percent of all earnings  
16 from these investments, exclusive of investment income pursuant to RCW  
17 43.84.080, shall accrue directly to the principal account.

18 **Sec. 21.** RCW 41.05.011 and 1995 1st sp.s. c 6 s 2 are each amended  
19 to read as follows:

20 Unless the context clearly requires otherwise, the definitions in  
21 this section shall apply throughout this chapter.

22 (1) "Administrator" means the administrator of the authority.

23 (2) "State purchased health care" or "health care" means medical  
24 and health care, pharmaceuticals, and medical equipment purchased with  
25 state and federal funds by the department of social and health  
26 services, the department of health, the basic health plan, the state  
27 health care authority, the department of labor and industries, the  
28 department of corrections, the department of veterans affairs, and  
29 local school districts.

30 (3) "Authority" means the Washington state health care authority.

31 (4) "Insuring entity" means an insurer as defined in chapter 48.01  
32 RCW, a health care service contractor as defined in chapter 48.44 RCW,  
33 or a health maintenance organization as defined in chapter 48.46 RCW.

34 (5) "Flexible benefit plan" means a benefit plan that allows  
35 employees to choose the level of health care coverage provided and the  
36 amount of employee contributions from among a range of choices offered  
37 by the authority.

1 (6) "Employee" includes all full-time and career seasonal employees  
2 of the state, whether or not covered by civil service; elected and  
3 appointed officials of the executive branch of government, including  
4 full-time members of boards, commissions, or committees; and includes  
5 any or all part-time and temporary employees under the terms and  
6 conditions established under this chapter by the authority; justices of  
7 the supreme court and judges of the court of appeals and the superior  
8 courts; and members of the state legislature or of the legislative  
9 authority of any county, city, or town who are elected to office after  
10 February 20, 1970. "Employee" also includes: (a) Employees of a  
11 county, municipality, or other political subdivision of the state if  
12 the legislative authority of the county, municipality, or other  
13 political subdivision of the state seeks and receives the approval of  
14 the authority to provide any of its insurance programs by contract with  
15 the authority, as provided in RCW 41.04.205; (b) employees of employee  
16 organizations representing state civil service employees, at the option  
17 of each such employee organization, and, effective October 1, 1995,  
18 employees of employee organizations currently pooled with employees of  
19 school districts for the purpose of purchasing insurance benefits, at  
20 the option of each such employee organization; and (c) employees of a  
21 school district if the authority agrees to provide any of the school  
22 districts' insurance programs by contract with the authority as  
23 provided in RCW 28A.400.350.

24 (7) "Board" means the public employees' benefits board established  
25 under RCW 41.05.055.

26 (8) "Retired or disabled school employee" means:

27 (a) Persons who separated from employment with a school district or  
28 educational service district and are receiving a retirement allowance  
29 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

30 (b) Persons who separate from employment with a school district or  
31 educational service district on or after October 1, 1993, and  
32 immediately upon separation receive a retirement allowance under  
33 chapter 41.32 or 41.40 RCW;

34 (c) Persons who separate from employment with a school district or  
35 educational service district due to a total and permanent disability,  
36 and are eligible to receive a deferred retirement allowance under  
37 chapter 41.32 or 41.40 RCW.

38 (9) "Benefits contribution plan" means a premium only contribution  
39 plan, a medical flexible spending arrangement, or a cafeteria plan

1 whereby state and public employees may agree to a contribution to  
2 benefit costs which will allow the employee to participate in benefits  
3 offered pursuant to 26 U.S.C. Sec. 125 or other sections of the  
4 internal revenue code.

5 (10) "Salary" means a state employee's monthly salary or wages.

6 (11) "Participant" means an individual who fulfills the eligibility  
7 and enrollment requirements under the benefits contribution plan.

8 (12) "Plan year" means the time period established by the  
9 authority.

10 (13) "Separated employees" means persons who separate from  
11 employment with an employer as defined in RCW 41.32.010(11) on or after  
12 July 1, 1996, and who are at least age fifty-five and have at least ten  
13 years of service under the teachers' retirement system plan III as  
14 defined in RCW 41.32.010(40).

15 **Sec. 22.** RCW 41.05.080 and 1994 c 153 s 7 are each amended to read  
16 as follows:

17 (1) Under the qualifications, terms, conditions, and benefits set  
18 by the board:

19 (a) Retired or disabled state employees, retired or disabled school  
20 employees, or employees of county, municipal, or other political  
21 subdivisions covered by this chapter who are retired may continue their  
22 participation in insurance plans and contracts after retirement or  
23 disablement( (, under the qualifications, terms, conditions, and  
24 benefits set by the board: PROVIDED, That the))i

25 (b) Separated employees may continue their participation in  
26 insurance plans and contracts if participation is selected immediately  
27 upon separation from employment.

28 (2) Rates charged retired or disabled employees, separated  
29 employees, spouses, or dependent children who are not eligible for  
30 parts A and B of medicare shall be based on the experience of the  
31 community rated risk pool established under RCW 41.05.022( (: PROVIDED  
32 FURTHER, That))).

33 (3) Rates charged to retired or disabled employees, separated  
34 employees, spouses, or children who are eligible for parts A and B of  
35 medicare shall be calculated from a separate experience risk pool  
36 comprised only of individuals eligible for parts A and B of medicare;  
37 however, the premiums charged to medicare-eligible retirees and



1 disabled employees shall be reduced by the amount of the subsidy  
2 provided under RCW 41.05.085(~~(: PROVIDED FURTHER, That)~~).

3 (4) Retired or disabled and separated employees shall be  
4 responsible for payment of premium rates developed by the authority  
5 which shall include the cost to the authority of providing insurance  
6 coverage including any amounts necessary for reserves and  
7 administration in accordance with this chapter(~~(: PROVIDED FURTHER,~~  
8 ~~That such)~~). These self pay rates will be established based on a  
9 separate rate for the employee, the spouse, and the children.

10 (5) The term "retired state employees" for the purpose of this  
11 section shall include but not be limited to members of the legislature  
12 whether voluntarily or involuntarily leaving state office.

13 **Sec. 23.** 1995 c 239 s 327 (uncodified) is amended to read as  
14 follows:

15 This act shall take effect July 1, 1996, except that sections 301  
16 and 302 of this act shall take effect immediately.

17 NEW SECTION. **Sec. 24.** The following acts or parts of acts are  
18 each repealed:

19 (1) RCW 41.32.890 and 1995 c 239 s 116;

20 (2) RCW 41.32.885 and 1995 c 239 s 115; and

21 (3) RCW 41.54.035 and 1995 c 239 s 320.

22 NEW SECTION. **Sec. 25.** This act is necessary for the immediate  
23 preservation of the public peace, health, or safety, or support of the  
24 state government and its existing public institutions, and shall take  
25 effect July 1, 1996, with the exception of section 23 of this act,  
26 which shall take effect immediately."

27 **SHB 2192** - S COMM AMD  
28 By Committee on Ways & Means

29 ADOPTED 2/28/96

30 On page 1, line 2 of the title, after "system;" strike the  
31 remainder of the title and insert "amending RCW 41.32.817, 41.32.818,  
32 41.32.840, 41.32.855, 41.32.875, 41.32.895, 41.32.831, 41.34.020,  
33 41.34.040, 41.34.060, 41.50.075, 41.50.110, 41.50.670, 41.54.030,  
34 2.14.080, 41.05.011, and 41.05.080; amending 1995 c 239 s 327  
35 (uncodified); reenacting and amending RCW 41.32.010; adding new

1 sections to chapter 41.32 RCW; adding a new section to chapter 41.34  
2 RCW; repealing RCW 41.32.890, 41.32.885, and 41.54.035; providing an  
3 effective date; and declaring an emergency."

--- **END** ---