

2 SSB 5225 - S AMD - 208
3 By Senator Benton

4

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

7 NEW SECTION. Sec. 1. A new section is added to chapter 43.43 RCW
8 to read as follows:

9 Any member of the retirement system who, on or after January 1,
10 1995, is on leave of absence for the purpose of serving as a state
11 legislator, may elect to continue to be a member of this retirement
12 system. The member shall continue to receive service credit subject to
13 the following:

14 (1) The member will not receive more than one month's service
15 credit in a calendar month;

16 (2) Employer contributions shall be paid by the legislature;

17 (3) Contributions shall be based on the legislative salary for the
18 leave period;

19 (4) The service and compensation credit under this section shall be
20 granted only for periods during which the legislature is in session;
21 and

22 (5) No service credit for service as a legislator will be allowed
23 after a member separates from employment with the Washington state
24 patrol.

25 NEW SECTION. Sec. 2. A new section is added to chapter 28B.10 RCW
26 to read as follows:

27 (1) On or after January 1, 1997, any employee who is on leave of
28 absence from an institution in order to serve as a state legislator may
29 elect to continue to participate in any annuity or retirement plan
30 authorized under RCW 28B.10.400 during the period of such leave.

31 (2) The institution shall pay the employee's salary attributable to
32 legislative service and shall match the employee's retirement plan
33 contributions based on the legislative salary for the leave period.
34 The state legislature shall reimburse the institution for the salary
35 and employer contributions covering the leave period.

1 (3) "Institution" for purposes of this section means any
2 institution or entity authorized to provide retirement benefits under
3 RCW 28B.10.400.

4 **Sec. 3.** RCW 41.26.030 and 1996 c 178 s 11 and 1996 c 38 s 2 are
5 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) "Retirement system" means the "Washington law enforcement
9 officers' and fire fighters' retirement system" provided herein.

10 (2)(a) "Employer" for plan I members, means the legislative
11 authority of any city, town, county, or district or the elected
12 officials of any municipal corporation that employs any law enforcement
13 officer and/or fire fighter, any authorized association of such
14 municipalities, and, except for the purposes of RCW 41.26.150, any
15 labor guild, association, or organization, which represents the fire
16 fighters or law enforcement officers of at least seven cities of over
17 20,000 population and the membership of each local lodge or division of
18 which is composed of at least sixty percent law enforcement officers or
19 fire fighters as defined in this chapter.

20 (b) "Employer" for plan II members, means the following entities to
21 the extent that the entity employs any law enforcement officer and/or
22 fire fighter:

23 (i) The legislative authority of any city, town, county, or
24 district;

25 (ii) The elected officials of any municipal corporation;

26 (iii) The governing body of any other general authority law
27 enforcement agency; or

28 (iv) A four-year institution of higher education having a fully
29 operational fire department as of January 1, 1996.

30 (3) "Law enforcement officer" beginning January 1, 1994, means any
31 person who is commissioned and employed by an employer on a full time,
32 fully compensated basis to enforce the criminal laws of the state of
33 Washington generally, with the following qualifications:

34 (a) No person who is serving in a position that is basically
35 clerical or secretarial in nature, and who is not commissioned shall be
36 considered a law enforcement officer;

37 (b) Only those deputy sheriffs, including those serving under a
38 different title pursuant to county charter, who have successfully

1 completed a civil service examination for deputy sheriff or the
2 equivalent position, where a different title is used, and those persons
3 serving in unclassified positions authorized by RCW 41.14.070 except a
4 private secretary will be considered law enforcement officers;

5 (c) Only such full time commissioned law enforcement personnel as
6 have been appointed to offices, positions, or ranks in the police
7 department which have been specifically created or otherwise expressly
8 provided for and designated by city charter provision or by ordinance
9 enacted by the legislative body of the city shall be considered city
10 police officers;

11 (d) The term "law enforcement officer" also includes the executive
12 secretary of a labor guild, association or organization (which is an
13 employer under RCW 41.26.030(2)) if that individual has five years
14 previous membership in the retirement system established in chapter
15 41.20 RCW. The provisions of this subsection (3)(d) shall not apply to
16 plan II members; and

17 (e) The term "law enforcement officer" also includes a person
18 employed on or after January 1, 1993, as a public safety officer or
19 director of public safety, so long as the job duties substantially
20 involve only either police or fire duties, or both, and no other duties
21 in a city or town with a population of less than ten thousand. The
22 provisions of this subsection (3)(e) shall not apply to any public
23 safety officer or director of public safety who is receiving a
24 retirement allowance under this chapter as of May 12, 1993.

25 (4) "Fire fighter" means:

26 (a) Any person who is serving on a full time, fully compensated
27 basis as a member of a fire department of an employer and who is
28 serving in a position which requires passing a civil service
29 examination for fire fighter, and who is actively employed as such;

30 (b) Anyone who is actively employed as a full time fire fighter
31 where the fire department does not have a civil service examination;

32 (c) Supervisory fire fighter personnel;

33 (d) Any full time executive secretary of an association of fire
34 protection districts authorized under RCW 52.12.031. The provisions of
35 this subsection (4)(d) shall not apply to plan II members;

36 (e) The executive secretary of a labor guild, association or
37 organization (which is an employer under RCW 41.26.030(2) as now or
38 hereafter amended), if such individual has five years previous
39 membership in a retirement system established in chapter 41.16 or 41.18

1 RCW. The provisions of this subsection (4)(e) shall not apply to plan
2 II members;

3 (f) Any person who is serving on a full time, fully compensated
4 basis for an employer, as a fire dispatcher, in a department in which,
5 on March 1, 1970, a dispatcher was required to have passed a civil
6 service examination for fire fighter; and

7 (g) Any person who on March 1, 1970, was employed on a full time,
8 fully compensated basis by an employer, and who on May 21, 1971, was
9 making retirement contributions under the provisions of chapter 41.16
10 or 41.18 RCW.

11 (5) "Department" means the department of retirement systems created
12 in chapter 41.50 RCW.

13 (6) "Surviving spouse" means the surviving widow or widower of a
14 member. "Surviving spouse" shall not include the divorced spouse of a
15 member except as provided in RCW 41.26.162.

16 (7)(a) "Child" or "children" means an unmarried person who is under
17 the age of eighteen or mentally or physically handicapped as determined
18 by the department, except a handicapped person in the full time care of
19 a state institution, who is:

20 (i) A natural born child;

21 (ii) A stepchild where that relationship was in existence prior to
22 the date benefits are payable under this chapter;

23 (iii) A posthumous child;

24 (iv) A child legally adopted or made a legal ward of a member prior
25 to the date benefits are payable under this chapter; or

26 (v) An illegitimate child legitimized prior to the date any
27 benefits are payable under this chapter.

28 (b) A person shall also be deemed to be a child up to and including
29 the age of twenty years and eleven months while attending any high
30 school, college, or vocational or other educational institution
31 accredited, licensed, or approved by the state, in which it is located,
32 including the summer vacation months and all other normal and regular
33 vacation periods at the particular educational institution after which
34 the child returns to school.

35 (8) "Member" means any fire fighter, law enforcement officer, or
36 other person as would apply under subsections (3) or (4) of this
37 section whose membership is transferred to the Washington law
38 enforcement officers' and fire fighters' retirement system on or after

1 March 1, 1970, and every law enforcement officer and fire fighter who
2 is employed in that capacity on or after such date.

3 (9) "Retirement fund" means the "Washington law enforcement
4 officers' and fire fighters' retirement system fund" as provided for
5 herein.

6 (10) "Employee" means any law enforcement officer or fire fighter
7 as defined in subsections (3) and (4) of this section.

8 (11)(a) "Beneficiary" for plan I members, means any person in
9 receipt of a retirement allowance, disability allowance, death benefit,
10 or any other benefit described herein.

11 (b) "Beneficiary" for plan II members, means any person in receipt
12 of a retirement allowance or other benefit provided by this chapter
13 resulting from service rendered to an employer by another person.

14 (12)(a) "Final average salary" for plan I members, means (i) for a
15 member holding the same position or rank for a minimum of twelve months
16 preceding the date of retirement, the basic salary attached to such
17 same position or rank at time of retirement; (ii) for any other member,
18 including a civil service member who has not served a minimum of twelve
19 months in the same position or rank preceding the date of retirement,
20 the average of the greatest basic salaries payable to such member
21 during any consecutive twenty-four month period within such member's
22 last ten years of service for which service credit is allowed, computed
23 by dividing the total basic salaries payable to such member during the
24 selected twenty-four month period by twenty-four; (iii) in the case of
25 disability of any member, the basic salary payable to such member at
26 the time of disability retirement; (iv) in the case of a member who
27 hereafter vests pursuant to RCW 41.26.090, the basic salary payable to
28 such member at the time of vesting.

29 (b) "Final average salary" for plan II members, means the monthly
30 average of the member's basic salary for the highest consecutive sixty
31 service credit months of service prior to such member's retirement,
32 termination, or death. Periods constituting authorized unpaid leaves
33 of absence may not be used in the calculation of final average salary.

34 (13)(a) "Basic salary" for plan I members, means the basic monthly
35 rate of salary or wages, including longevity pay but not including
36 overtime earnings or special salary or wages, upon which pension or
37 retirement benefits will be computed and upon which employer
38 contributions and salary deductions will be based.

1 (b) "Basic salary" for plan II members, means salaries or wages
2 earned by a member during a payroll period for personal services,
3 including overtime payments, and shall include wages and salaries
4 deferred under provisions established pursuant to sections 403(b),
5 414(h), and 457 of the United States Internal Revenue Code, but shall
6 exclude lump sum payments for deferred annual sick leave, unused
7 accumulated vacation, unused accumulated annual leave, or any form of
8 severance pay. In any year in which a member serves in the legislature
9 the ~~((member shall have the option of having such member's basic salary~~
10 ~~be the greater of:~~

11 ~~(i) The basic salary the member would have received had such member~~
12 ~~not served in the legislature; or~~

13 ~~(ii) Such member's actual basic salary received for nonlegislative~~
14 ~~public employment and legislative service combined. Any additional~~
15 ~~contributions to the retirement system required because basic salary~~
16 ~~under (b)(i) of this subsection is greater than basic salary under~~
17 ~~(b)(ii) of this subsection shall be paid by the member for both member~~
18 ~~and employer contributions)) member's basic salary shall be the actual~~
19 ~~salary paid for legislative service.~~

20 (14)(a) "Service" for plan I members, means all periods of
21 employment for an employer as a fire fighter or law enforcement
22 officer, for which compensation is paid, together with periods of
23 suspension not exceeding thirty days in duration. For the purposes of
24 this chapter service shall also include service in the armed forces of
25 the United States as provided in RCW 41.26.190. Credit shall be
26 allowed for all service credit months of service rendered by a member
27 from and after the member's initial commencement of employment as a
28 fire fighter or law enforcement officer, during which the member worked
29 for seventy or more hours, or was on disability leave or disability
30 retirement. Only service credit months of service shall be counted in
31 the computation of any retirement allowance or other benefit provided
32 for in this chapter.

33 (i) For members retiring after May 21, 1971 who were employed under
34 the coverage of a prior pension act before March 1, 1970, "service"
35 shall also include (A) such military service not exceeding five years
36 as was creditable to the member as of March 1, 1970, under the member's
37 particular prior pension act, and (B) such other periods of service as
38 were then creditable to a particular member under the provisions of RCW
39 41.18.165, 41.20.160 or 41.20.170. However, in no event shall credit

1 be allowed for any service rendered prior to March 1, 1970, where the
2 member at the time of rendition of such service was employed in a
3 position covered by a prior pension act, unless such service, at the
4 time credit is claimed therefor, is also creditable under the
5 provisions of such prior act.

6 (ii) A member who is employed by two employers at the same time
7 shall only be credited with service to one such employer for any month
8 during which the member rendered such dual service.

9 (b) "Service" for plan II members, means periods of employment by
10 a member for one or more employers for which basic salary is earned for
11 ninety or more hours per calendar month which shall constitute a
12 service credit month. Periods of employment by a member for one or
13 more employers for which basic salary is earned for at least seventy
14 hours but less than ninety hours per calendar month shall constitute
15 one-half service credit month. Periods of employment by a member for
16 one or more employers for which basic salary is earned for less than
17 seventy hours shall constitute a one-quarter service credit month.

18 Members of the retirement system who are elected or appointed to a
19 state elective position may elect to continue to be members of this
20 retirement system.

21 Service credit years of service shall be determined by dividing the
22 total number of service credit months of service by twelve. Any
23 fraction of a service credit year of service as so determined shall be
24 taken into account in the computation of such retirement allowance or
25 benefits.

26 If a member receives basic salary from two or more employers during
27 any calendar month, the individual shall receive one service credit
28 month's service credit during any calendar month in which multiple
29 service for ninety or more hours is rendered; or one-half service
30 credit month's service credit during any calendar month in which
31 multiple service for at least seventy hours but less than ninety hours
32 is rendered; or one-quarter service credit month during any calendar
33 month in which multiple service for less than seventy hours is
34 rendered.

35 (15) "Accumulated contributions" means the employee's contributions
36 made by a member, including any amount paid under RCW 41.50.165(2),
37 plus accrued interest credited thereon.

38 (16) "Actuarial reserve" means a method of financing a pension or
39 retirement plan wherein reserves are accumulated as the liabilities for

1 benefit payments are incurred in order that sufficient funds will be
2 available on the date of retirement of each member to pay the member's
3 future benefits during the period of retirement.

4 (17) "Actuarial valuation" means a mathematical determination of
5 the financial condition of a retirement plan. It includes the
6 computation of the present monetary value of benefits payable to
7 present members, and the present monetary value of future employer and
8 employee contributions, giving effect to mortality among active and
9 retired members and also to the rates of disability, retirement,
10 withdrawal from service, salary and interest earned on investments.

11 (18) "Disability board" for plan I members means either the county
12 disability board or the city disability board established in RCW
13 41.26.110.

14 (19) "Disability leave" means the period of six months or any
15 portion thereof during which a member is on leave at an allowance equal
16 to the member's full salary prior to the commencement of disability
17 retirement. The definition contained in this subsection shall apply
18 only to plan I members.

19 (20) "Disability retirement" for plan I members, means the period
20 following termination of a member's disability leave, during which the
21 member is in receipt of a disability retirement allowance.

22 (21) "Position" means the employment held at any particular time,
23 which may or may not be the same as civil service rank.

24 (22) "Medical services" for plan I members, shall include the
25 following as minimum services to be provided. Reasonable charges for
26 these services shall be paid in accordance with RCW 41.26.150.

27 (a) Hospital expenses: These are the charges made by a hospital,
28 in its own behalf, for

29 (i) Board and room not to exceed semiprivate room rate unless
30 private room is required by the attending physician due to the
31 condition of the patient.

32 (ii) Necessary hospital services, other than board and room,
33 furnished by the hospital.

34 (b) Other medical expenses: The following charges are considered
35 "other medical expenses", provided that they have not been considered
36 as "hospital expenses".

37 (i) The fees of the following:

38 (A) A physician or surgeon licensed under the provisions of chapter
39 18.71 RCW;

1 (B) An osteopathic physician and surgeon licensed under the
2 provisions of chapter 18.57 RCW;

3 (C) A chiropractor licensed under the provisions of chapter 18.25
4 RCW.

5 (ii) The charges of a registered graduate nurse other than a nurse
6 who ordinarily resides in the member's home, or is a member of the
7 family of either the member or the member's spouse.

8 (iii) The charges for the following medical services and supplies:

9 (A) Drugs and medicines upon a physician's prescription;

10 (B) Diagnostic x-ray and laboratory examinations;

11 (C) X-ray, radium, and radioactive isotopes therapy;

12 (D) Anesthesia and oxygen;

13 (E) Rental of iron lung and other durable medical and surgical
14 equipment;

15 (F) Artificial limbs and eyes, and casts, splints, and trusses;

16 (G) Professional ambulance service when used to transport the
17 member to or from a hospital when injured by an accident or stricken by
18 a disease;

19 (H) Dental charges incurred by a member who sustains an accidental
20 injury to his or her teeth and who commences treatment by a legally
21 licensed dentist within ninety days after the accident;

22 (I) Nursing home confinement or hospital extended care facility;

23 (J) Physical therapy by a registered physical therapist;

24 (K) Blood transfusions, including the cost of blood and blood
25 plasma not replaced by voluntary donors;

26 (L) An optometrist licensed under the provisions of chapter 18.53
27 RCW.

28 (23) "Regular interest" means such rate as the director may
29 determine.

30 (24) "Retiree" for persons who establish membership in the
31 retirement system on or after October 1, 1977, means any member in
32 receipt of a retirement allowance or other benefit provided by this
33 chapter resulting from service rendered to an employer by such member.

34 (25) "Director" means the director of the department.

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

37 (27) "State elective position" means any position held by any
38 person elected or appointed to state-wide office or elected or
39 appointed as a member of the legislature.

1 (28) "Plan I" means the law enforcement officers' and fire
2 fighters' retirement system, plan I providing the benefits and funding
3 provisions covering persons who first became members of the system
4 prior to October 1, 1977.

5 (29) "Plan II" means the law enforcement officers' and fire
6 fighters' retirement system, plan II providing the benefits and funding
7 provisions covering persons who first became members of the system on
8 and after October 1, 1977.

9 (30) "Service credit year" means an accumulation of months of
10 service credit which is equal to one when divided by twelve.

11 (31) "Service credit month" means a full service credit month or an
12 accumulation of partial service credit months that are equal to one.

13 (32) "General authority law enforcement agency" means any agency,
14 department, or division of a municipal corporation, political
15 subdivision, or other unit of local government of this state, and any
16 agency, department, or division of state government, having as its
17 primary function the detection and apprehension of persons committing
18 infractions or violating the traffic or criminal laws in general, but
19 not including the Washington state patrol. Such an agency, department,
20 or division is distinguished from a limited authority law enforcement
21 agency having as one of its functions the apprehension or detection of
22 persons committing infractions or violating the traffic or criminal
23 laws relating to limited subject areas, including but not limited to,
24 the state departments of natural resources, fish and wildlife, and
25 social and health services, the state gambling commission, the state
26 lottery commission, the state parks and recreation commission, the
27 state utilities and transportation commission, the state liquor control
28 board, and the state department of corrections.

29 **Sec. 4.** RCW 41.32.010 and 1996 c 39 s 1 are each amended to read
30 as follows:

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

33 (1)(a) "Accumulated contributions" for plan I members, means the
34 sum of all regular annuity contributions and, except for the purpose of
35 withdrawal at the time of retirement, any amount paid under RCW
36 41.50.165(2) with regular interest thereon.

37 (b) "Accumulated contributions" for plan II members, means the sum
38 of all contributions standing to the credit of a member in the member's

1 individual account, including any amount paid under RCW 41.50.165(2),
2 together with the regular interest thereon.

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

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

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

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

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

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

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

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

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

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

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

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

35 (A) Retroactive payments to an individual by an employer on
36 reinstatement of the employee in a position, or payments by an employer
37 to an individual in lieu of reinstatement in a position which are
38 awarded or granted as the equivalent of the salary or wages which the
39 individual would have earned during a payroll period shall be

1 considered earnable compensation and the individual shall receive the
2 equivalent service credit.

3 (B) If a leave of absence, without pay, is taken by a member for
4 the purpose of serving as a member of the state legislature, and such
5 member has served in the legislature five or more years, the actual
6 legislative salary (~~((which would have been))~~) received for the position
7 from which the leave of absence was taken shall be considered as
8 compensation earnable if the employee's contribution thereon is paid by
9 the employee. In addition, where a member has been a member of the
10 state legislature for five or more years, earnable compensation for the
11 member's two highest compensated consecutive years of service shall
12 include a sum not to exceed thirty-six hundred dollars for each of such
13 two consecutive years, regardless of whether or not legislative service
14 was rendered during those two years.

15 (iii) For members employed less than full time under written
16 contract with a school district, or community college district, in an
17 instructional position, for which the member receives service credit of
18 less than one year in all of the years used to determine the earnable
19 compensation used for computing benefits due under RCW 41.32.497,
20 41.32.498, and 41.32.520, the member may elect to have earnable
21 compensation defined as provided in RCW 41.32.345. For the purposes of
22 this subsection, the term "instructional position" means a position in
23 which more than seventy-five percent of the member's time is spent as
24 a classroom instructor (including office hours), a librarian, or a
25 counselor. Earnable compensation shall be so defined only for the
26 purpose of the calculation of retirement benefits and only as necessary
27 to insure that members who receive fractional service credit under RCW
28 41.32.270 receive benefits proportional to those received by members
29 who have received full-time service credit.

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

31 (A) Remuneration for unused sick leave authorized under RCW
32 41.04.340, 28A.400.210, or 28A.310.490;

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

35 (b) "Earnable compensation" for plan II and plan III members, means
36 salaries or wages earned by a member during a payroll period for
37 personal services, including overtime payments, and shall include wages
38 and salaries deferred under provisions established pursuant to sections
39 403(b), 414(h), and 457 of the United States Internal Revenue Code, but

1 shall exclude lump sum payments for deferred annual sick leave, unused
2 accumulated vacation, unused accumulated annual leave, or any form of
3 severance pay.

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

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

15 (ii) In any year in which a member serves in the legislature the
16 (~~member shall have the option of having such member's earnable~~
17 ~~compensation be the greater of:~~

18 ~~(A) The earnable compensation the member would have received had~~
19 ~~such member not served in the legislature; or~~

20 ~~(B) Such member's actual earnable compensation received for~~
21 ~~teaching and legislative service combined. Any additional~~
22 ~~contributions to the retirement system required because compensation~~
23 ~~earnable under (b)(ii)(A) of this subsection is greater than~~
24 ~~compensation earnable under (b)(ii)(B) of this subsection shall be paid~~
25 ~~by the member for both member and employer contributions)) earnable~~
26 ~~compensation shall be the member's actual legislative salary.~~

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

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

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

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

36 (15) "Member" means any teacher included in the membership of the
37 retirement system. Also, any other employee of the public schools who,
38 on July 1, 1947, had not elected to be exempt from membership and who,

1 prior to that date, had by an authorized payroll deduction, contributed
2 to the member reserve.

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

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

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

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

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

22 (21) "Public school" means any institution or activity operated by
23 the state of Washington or any instrumentality or political subdivision
24 thereof employing teachers, except the University of Washington and
25 Washington State University.

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

30 (23) "Regular interest" means such rate as the director may
31 determine.

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

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

38 (25) "Retirement system" means the Washington state teachers'
39 retirement system.

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

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

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

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

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

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

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

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

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

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

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

1 (iv) Any person who is a member of the teachers' retirement system
2 and who is elected or appointed to a state elective position may
3 continue to be a member of the retirement system and continue to
4 receive a service credit month for each of the months in a state
5 elective position by making the required member contributions.

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

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

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

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

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

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

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

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

29 (viii) The department shall adopt rules implementing this
30 subsection.

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

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

35 (29) "Teacher" means any person qualified to teach who is engaged
36 by a public school in an instructional, administrative, or supervisory
37 capacity. The term includes state, educational service district, and
38 school district superintendents and their assistants and all employees
39 certificated by the superintendent of public instruction; and in

1 addition thereto any full time school doctor who is employed by a
2 public school and renders service of an instructional or educational
3 nature.

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

10 (31) "Retiree" means any person in receipt of a retirement
11 allowance or other benefit provided by this chapter resulting from
12 service rendered to an employer while a member. A person is in receipt
13 of a retirement allowance as defined in subsection (24) of this section
14 or other benefit as provided by this chapter when the department mails,
15 causes to be mailed, or otherwise transmits the retirement allowance
16 warrant.

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

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

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

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

25 (36) "Substitute teacher" means:

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

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

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

36 (b) "Eligible position" for plan II and plan III on and after
37 September 1, 1991, means a position that, as defined by the employer,
38 normally requires five or more months of at least seventy hours of

1 earnable compensation during September through August of the following
2 year.

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

6 (d) The elected position of the superintendent of public
7 instruction is an eligible position.

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

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

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

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

23 (42) "Index A" means the index for the year prior to the
24 determination of a postretirement adjustment.

25 (43) "Index B" means the index for the year prior to index A.

26 (44) "Index year" means the earliest calendar year in which the
27 index is more than sixty percent of index A.

28 (45) "Adjustment ratio" means the value of index A divided by index
29 B.

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

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

36 **Sec. 5.** RCW 41.40.010 and 1995 c 345 s 10, 1995 c 286 s 1, and
37 1995 c 244 s 3 are each reenacted and amended to read as follows:

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

3 (1) "Retirement system" means the public employees' retirement
4 system provided for in this chapter.

5 (2) "Department" means the department of retirement systems created
6 in chapter 41.50 RCW.

7 (3) "State treasurer" means the treasurer of the state of
8 Washington.

9 (4)(a) "Employer" for plan I members, means every branch,
10 department, agency, commission, board, and office of the state, any
11 political subdivision or association of political subdivisions of the
12 state admitted into the retirement system, and legal entities
13 authorized by RCW 35.63.070 and 36.70.060 or chapter 39.34 RCW; and the
14 term shall also include any labor guild, association, or organization
15 the membership of a local lodge or division of which is comprised of at
16 least forty percent employees of an employer (other than such labor
17 guild, association, or organization) within this chapter. The term may
18 also include any city of the first class that has its own retirement
19 system.

20 (b) "Employer" for plan II members, means every branch, department,
21 agency, commission, board, and office of the state, and any political
22 subdivision and municipal corporation of the state admitted into the
23 retirement system, including public agencies created pursuant to RCW
24 35.63.070, 36.70.060, and 39.34.030.

25 (5) "Member" means any employee included in the membership of the
26 retirement system, as provided for in RCW 41.40.023. RCW 41.26.045
27 does not prohibit a person otherwise eligible for membership in the
28 retirement system from establishing such membership effective when he
29 or she first entered an eligible position.

30 (6) "Original member" of this retirement system means:

31 (a) Any person who became a member of the system prior to April 1,
32 1949;

33 (b) Any person who becomes a member through the admission of an
34 employer into the retirement system on and after April 1, 1949, and
35 prior to April 1, 1951;

36 (c) Any person who first becomes a member by securing employment
37 with an employer prior to April 1, 1951, provided the member has
38 rendered at least one or more years of service to any employer prior to
39 October 1, 1947;

1 (d) Any person who first becomes a member through the admission of
2 an employer into the retirement system on or after April 1, 1951,
3 provided, such person has been in the regular employ of the employer
4 for at least six months of the twelve-month period preceding the said
5 admission date;

6 (e) Any member who has restored all contributions that may have
7 been withdrawn as provided by RCW 41.40.150 and who on the effective
8 date of the individual's retirement becomes entitled to be credited
9 with ten years or more of membership service except that the provisions
10 relating to the minimum amount of retirement allowance for the member
11 upon retirement at age seventy as found in RCW 41.40.190(4) shall not
12 apply to the member;

13 (f) Any member who has been a contributor under the system for two
14 or more years and who has restored all contributions that may have been
15 withdrawn as provided by RCW 41.40.150 and who on the effective date of
16 the individual's retirement has rendered five or more years of service
17 for the state or any political subdivision prior to the time of the
18 admission of the employer into the system; except that the provisions
19 relating to the minimum amount of retirement allowance for the member
20 upon retirement at age seventy as found in RCW 41.40.190(4) shall not
21 apply to the member.

22 (7) "New member" means a person who becomes a member on or after
23 April 1, 1949, except as otherwise provided in this section.

24 (8)(a) "Compensation earnable" for plan I members, means salaries
25 or wages earned during a payroll period for personal services and where
26 the compensation is not all paid in money, maintenance compensation
27 shall be included upon the basis of the schedules established by the
28 member's employer.

29 (i) "Compensation earnable" for plan I members also includes the
30 following actual or imputed payments, which are not paid for personal
31 services:

32 (A) Retroactive payments to an individual by an employer on
33 reinstatement of the employee in a position, or payments by an employer
34 to an individual in lieu of reinstatement in a position which are
35 awarded or granted as the equivalent of the salary or wage which the
36 individual would have earned during a payroll period shall be
37 considered compensation earnable and the individual shall receive the
38 equivalent service credit;

1 (B) If a leave of absence is taken by an individual for the purpose
2 of serving in the state legislature, the actual legislative salary
3 (~~which would have been~~) received for the position from which the
4 leave of absence was taken, shall be considered as compensation
5 earnable if the employee's contribution is paid by the employee and the
6 employer's contribution is paid by the employer or employee;

7 (C) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and
8 72.09.240;

9 (D) Compensation that a member would have received but for a
10 disability occurring in the line of duty only as authorized by RCW
11 41.40.038;

12 (E) Compensation that a member receives due to participation in the
13 leave sharing program only as authorized by RCW 41.04.650 through
14 41.04.670; and

15 (F) Compensation that a member receives for being in standby
16 status. For the purposes of this section, a member is in standby
17 status when not being paid for time actually worked and the employer
18 requires the member to be prepared to report immediately for work, if
19 the need arises, although the need may not arise. Standby compensation
20 is regular salary for the purposes of RCW 41.50.150(2).

21 (ii) "Compensation earnable" does not include:

22 (A) Remuneration for unused sick leave authorized under RCW
23 41.04.340, 28A.400.210, or 28A.310.490;

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

26 (b) "Compensation earnable" for plan II members, means salaries or
27 wages earned by a member during a payroll period for personal services,
28 including overtime payments, and shall include wages and salaries
29 deferred under provisions established pursuant to sections 403(b),
30 414(h), and 457 of the United States Internal Revenue Code, but shall
31 exclude nonmoney maintenance compensation and lump sum or other
32 payments for deferred annual sick leave, unused accumulated vacation,
33 unused accumulated annual leave, or any form of severance pay.

34 "Compensation earnable" for plan II members also includes the
35 following actual or imputed payments, which are not paid for personal
36 services:

37 (i) Retroactive payments to an individual by an employer on
38 reinstatement of the employee in a position, or payments by an employer
39 to an individual in lieu of reinstatement in a position which are

1 awarded or granted as the equivalent of the salary or wage which the
2 individual would have earned during a payroll period shall be
3 considered compensation earnable to the extent provided above, and the
4 individual shall receive the equivalent service credit;

5 (ii) In any year in which a member serves in the legislature, the
6 ~~((member shall have the option of having such member's compensation~~
7 ~~earnable be the greater of:~~

8 ~~(A) The compensation earnable the member would have received had~~
9 ~~such member not served in the legislature; or~~

10 ~~(B) Such member's actual compensation earnable received for~~
11 ~~nonlegislative public employment and legislative service combined. Any~~
12 ~~additional contributions to the retirement system required because~~
13 ~~compensation earnable under (b)(ii)(B) of this subsection is greater~~
14 ~~than compensation earnable under (b)(ii)(A) of this subsection shall be~~
15 ~~paid by the member for both member and employer contributions))~~
16 compensation earnable shall be the member's actual legislative salary
17 paid for legislative service;

18 (iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045,
19 and 72.09.240;

20 (iv) Compensation that a member would have received but for a
21 disability occurring in the line of duty only as authorized by RCW
22 41.40.038;

23 (v) Compensation that a member receives due to participation in the
24 leave sharing program only as authorized by RCW 41.04.650 through
25 41.04.670; and

26 (vi) Compensation that a member receives for being in standby
27 status. For the purposes of this section, a member is in standby
28 status when not being paid for time actually worked and the employer
29 requires the member to be prepared to report immediately for work, if
30 the need arises, although the need may not arise. Standby compensation
31 is regular salary for the purposes of RCW 41.50.150(2).

32 (9)(a) "Service" for plan I members, except as provided in RCW
33 41.40.088, means periods of employment in an eligible position or
34 positions for one or more employers rendered to any employer for which
35 compensation is paid, and includes time spent in office as an elected
36 or appointed official of an employer. Compensation earnable earned in
37 full time work for seventy hours or more in any given calendar month
38 shall constitute one service credit month except as provided in RCW
39 41.40.088. Compensation earnable earned for less than seventy hours in

1 any calendar month shall constitute one-quarter service credit month of
2 service except as provided in RCW 41.40.088. Only service credit
3 months and one-quarter service credit months shall be counted in the
4 computation of any retirement allowance or other benefit provided for
5 in this chapter. Any fraction of a year of service shall be taken into
6 account in the computation of such retirement allowance or benefits.
7 Time spent in standby status, whether compensated or not, is not
8 service.

9 (i) Service by a state employee officially assigned by the state on
10 a temporary basis to assist another public agency, shall be considered
11 as service as a state employee: PROVIDED, That service to any other
12 public agency shall not be considered service as a state employee if
13 such service has been used to establish benefits in any other public
14 retirement system.

15 (ii) An individual shall receive no more than a total of twelve
16 service credit months of service during any calendar year. If an
17 individual is employed in an eligible position by one or more employers
18 the individual shall receive no more than one service credit month
19 during any calendar month in which multiple service for seventy or more
20 hours is rendered.

21 (iii) A school district employee may count up to forty-five days of
22 sick leave as creditable service solely for the purpose of determining
23 eligibility to retire under RCW 41.40.180 as authorized by RCW
24 28A.400.300. For purposes of plan I "forty-five days" as used in RCW
25 28A.400.300 is equal to two service credit months. Use of less than
26 forty-five days of sick leave is creditable as allowed under this
27 subsection as follows:

28 (A) Less than twenty-two days equals one-quarter service credit
29 month;

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

31 (C) More than twenty-two days but less than forty-five days equals
32 one and one-quarter service credit month.

33 (b) "Service" for plan II members, means periods of employment by
34 a member in an eligible position or positions for one or more employers
35 for which compensation earnable is paid. Compensation earnable earned
36 for ninety or more hours in any calendar month shall constitute one
37 service credit month except as provided in RCW 41.40.088. Compensation
38 earnable earned for at least seventy hours but less than ninety hours
39 in any calendar month shall constitute one-half service credit month of

1 service. Compensation earnable earned for less than seventy hours in
2 any calendar month shall constitute one-quarter service credit month of
3 service. Time spent in standby status, whether compensated or not, is
4 not service.

5 Any fraction of a year of service shall be taken into account in
6 the computation of such retirement allowance or benefits.

7 (i) Service in any state elective position shall be deemed to be
8 full time service, except that persons serving in state elective
9 positions who are members of the teachers' retirement system or law
10 enforcement officers' and fire fighters' retirement system at the time
11 of election or appointment to such position may elect to continue
12 membership in the teachers' retirement system or law enforcement
13 officers' and fire fighters' retirement system.

14 (ii) A member shall receive a total of not more than twelve service
15 credit months of service for such calendar year. If an individual is
16 employed in an eligible position by one or more employers the
17 individual shall receive no more than one service credit month during
18 any calendar month in which multiple service for ninety or more hours
19 is rendered.

20 (iii) Up to forty-five days of sick leave may be creditable as
21 service solely for the purpose of determining eligibility to retire
22 under RCW 41.40.180 as authorized by RCW 28A.400.300. For purposes of
23 plan II "forty-five days" as used in RCW 28A.400.300 is equal to two
24 service credit months. Use of less than forty-five days of sick leave
25 is creditable as allowed under this subsection as follows:

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

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

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

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

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

34 (10) "Service credit year" means an accumulation of months of
35 service credit which is equal to one when divided by twelve.

36 (11) "Service credit month" means a month or an accumulation of
37 months of service credit which is equal to one.

38 (12) "Prior service" means all service of an original member
39 rendered to any employer prior to October 1, 1947.

1 (13) "Membership service" means:
2 (a) All service rendered, as a member, after October 1, 1947;
3 (b) All service after October 1, 1947, to any employer prior to the
4 time of its admission into the retirement system for which member and
5 employer contributions, plus interest as required by RCW 41.50.125,
6 have been paid under RCW 41.40.056 or 41.40.057;
7 (c) Service not to exceed six consecutive months of probationary
8 service rendered after April 1, 1949, and prior to becoming a member,
9 in the case of any member, upon payment in full by such member of the
10 total amount of the employer's contribution to the retirement fund
11 which would have been required under the law in effect when such
12 probationary service was rendered if the member had been a member
13 during such period, except that the amount of the employer's
14 contribution shall be calculated by the director based on the first
15 month's compensation earnable as a member;
16 (d) Service not to exceed six consecutive months of probationary
17 service, rendered after October 1, 1947, and before April 1, 1949, and
18 prior to becoming a member, in the case of any member, upon payment in
19 full by such member of five percent of such member's salary during said
20 period of probationary service, except that the amount of the
21 employer's contribution shall be calculated by the director based on
22 the first month's compensation earnable as a member.
23 (14)(a) "Beneficiary" for plan I members, means any person in
24 receipt of a retirement allowance, pension or other benefit provided by
25 this chapter.
26 (b) "Beneficiary" for plan II members, means any person in receipt
27 of a retirement allowance or other benefit provided by this chapter
28 resulting from service rendered to an employer by another person.
29 (15) "Regular interest" means such rate as the director may
30 determine.
31 (16) "Accumulated contributions" means the sum of all contributions
32 standing to the credit of a member in the member's individual account,
33 including any amount paid under RCW 41.50.165(2), together with the
34 regular interest thereon.
35 (17)(a) "Average final compensation" for plan I members, means the
36 annual average of the greatest compensation earnable by a member during
37 any consecutive two year period of service credit months for which
38 service credit is allowed; or if the member has less than two years of

1 service credit months then the annual average compensation earnable
2 during the total years of service for which service credit is allowed.

3 (b) "Average final compensation" for plan II members, means the
4 member's average compensation earnable of the highest consecutive sixty
5 months of service credit months prior to such member's retirement,
6 termination, or death. Periods constituting authorized leaves of
7 absence may not be used in the calculation of average final
8 compensation except under RCW 41.40.710(2).

9 (18) "Final compensation" means the annual rate of compensation
10 earnable by a member at the time of termination of employment.

11 (19) "Annuity" means payments for life derived from accumulated
12 contributions of a member. All annuities shall be paid in monthly
13 installments.

14 (20) "Pension" means payments for life derived from contributions
15 made by the employer. All pensions shall be paid in monthly
16 installments.

17 (21) "Retirement allowance" means the sum of the annuity and the
18 pension.

19 (22) "Employee" means any person who may become eligible for
20 membership under this chapter, as set forth in RCW 41.40.023.

21 (23) "Actuarial equivalent" means a benefit of equal value when
22 computed upon the basis of such mortality and other tables as may be
23 adopted by the director.

24 (24) "Retirement" means withdrawal from active service with a
25 retirement allowance as provided by this chapter.

26 (25) "Eligible position" means:

27 (a) Any position that, as defined by the employer, normally
28 requires five or more months of service a year for which regular
29 compensation for at least seventy hours is earned by the occupant
30 thereof. For purposes of this chapter an employer shall not define
31 "position" in such a manner that an employee's monthly work for that
32 employer is divided into more than one position;

33 (b) Any position occupied by an elected official or person
34 appointed directly by the governor for which compensation is paid.

35 (26) "Ineligible position" means any position which does not
36 conform with the requirements set forth in subsection (25) of this
37 section.

1 (27) "Leave of absence" means the period of time a member is
2 authorized by the employer to be absent from service without being
3 separated from membership.

4 (28) "Totally incapacitated for duty" means total inability to
5 perform the duties of a member's employment or office or any other work
6 for which the member is qualified by training or experience.

7 (29) "Retiree" means any person in receipt of a retirement
8 allowance or other benefit provided by this chapter resulting from
9 service rendered to an employer while a member. A person is in receipt
10 of a retirement allowance as defined in subsection (21) of this section
11 or other benefit as provided by this chapter when the department mails,
12 causes to be mailed, or otherwise transmits the retirement allowance
13 warrant.

14 (30) "Director" means the director of the department.

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

18 (32) "State actuary" or "actuary" means the person appointed
19 pursuant to RCW 44.44.010(2).

20 (33) "Plan I" means the public employees' retirement system, plan
21 I providing the benefits and funding provisions covering persons who
22 first became members of the system prior to October 1, 1977.

23 (34) "Plan II" means the public employees' retirement system, plan
24 II providing the benefits and funding provisions covering persons who
25 first became members of the system on and after October 1, 1977.

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

30 (36) "Index A" means the index for the year prior to the
31 determination of a postretirement adjustment.

32 (37) "Index B" means the index for the year prior to index A.

33 (38) "Index year" means the earliest calendar year in which the
34 index is more than sixty percent of index A.

35 (39) "Adjustment ratio" means the value of index A divided by index
36 B.

37 (40) "Annual increase" means, initially, fifty-nine cents per month
38 per year of service which amount shall be increased each July 1st by
39 three percent, rounded to the nearest cent."

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2 By Senator Benton

3

4 On page 1, line 2 of the title, after "service;" strike the
5 remainder of the title and insert "amending RCW 41.32.010; reenacting
6 and amending RCW 41.26.030 and 41.40.010; adding a new section to
7 chapter 43.43 RCW; and adding a new section to chapter 28B.10 RCW."

--- END ---