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SENATE BILL 6016

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State of Washington

55th Legislature

1997 Regular Session

By Senators Benton and Strannigan

Read first time 02/26/97. Referred to Committee on Ways & Means.

1 AN ACT Relating to certain members of the retirement systems who  
2 are elected or appointed to the legislature or state elective  
3 positions; amending RCW 41.32.010; and reenacting and amending RCW  
4 41.26.030 and 41.40.010.

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

6 **Sec. 1.** RCW 41.26.030 and 1996 c 178 s 11 and 1996 c 38 s 2 are  
7 each reenacted and amended to read as follows:

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

10 (1) "Retirement system" means the "Washington law enforcement  
11 officers' and fire fighters' retirement system" provided herein.

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

1 which is composed of at least sixty percent law enforcement officers or  
2 fire fighters as defined in this chapter.

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

6 (i) The legislative authority of any city, town, county, or  
7 district;

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

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

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

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

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

20 (b) Only those deputy sheriffs, including those serving under a  
21 different title pursuant to county charter, who have successfully  
22 completed a civil service examination for deputy sheriff or the  
23 equivalent position, where a different title is used, and those persons  
24 serving in unclassified positions authorized by RCW 41.14.070 except a  
25 private secretary will be considered law enforcement officers;

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

32 (d) The term "law enforcement officer" also includes the executive  
33 secretary of a labor guild, association or organization (which is an  
34 employer under RCW 41.26.030(2)) if that individual has five years  
35 previous membership in the retirement system established in chapter  
36 41.20 RCW. The provisions of this subsection (3)(d) shall not apply to  
37 plan II members; and

38 (e) The term "law enforcement officer" also includes a person  
39 employed on or after January 1, 1993, as a public safety officer or

1 director of public safety, so long as the job duties substantially  
2 involve only either police or fire duties, or both, and no other duties  
3 in a city or town with a population of less than ten thousand. The  
4 provisions of this subsection (3)(e) shall not apply to any public  
5 safety officer or director of public safety who is receiving a  
6 retirement allowance under this chapter as of May 12, 1993.

7 (4) "Fire fighter" means:

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

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

14 (c) Supervisory fire fighter personnel;

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

18 (e) The executive secretary of a labor guild, association or  
19 organization (which is an employer under RCW 41.26.030(2) as now or  
20 hereafter amended), if such individual has five years previous  
21 membership in a retirement system established in chapter 41.16 or 41.18  
22 RCW. The provisions of this subsection (4)(e) shall not apply to plan  
23 II members;

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

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

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

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

37 (7)(a) "Child" or "children" means an unmarried person who is under  
38 the age of eighteen or mentally or physically handicapped as determined

1 by the department, except a handicapped person in the full time care of  
2 a state institution, who is:

3 (i) A natural born child;

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

6 (iii) A posthumous child;

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

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

11 (b) A person shall also be deemed to be a child up to and including  
12 the age of twenty years and eleven months while attending any high  
13 school, college, or vocational or other educational institution  
14 accredited, licensed, or approved by the state, in which it is located,  
15 including the summer vacation months and all other normal and regular  
16 vacation periods at the particular educational institution after which  
17 the child returns to school.

18 (8) "Member" means any fire fighter, law enforcement officer, or  
19 other person as would apply under subsections (3) or (4) of this  
20 section whose membership is transferred to the Washington law  
21 enforcement officers' and fire fighters' retirement system on or after  
22 March 1, 1970, and every law enforcement officer and fire fighter who  
23 is employed in that capacity on or after such date.

24 (9) "Retirement fund" means the "Washington law enforcement  
25 officers' and fire fighters' retirement system fund" as provided for  
26 herein.

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

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

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

35 (12)(a) "Final average salary" for plan I members, means (i) for a  
36 member holding the same position or rank for a minimum of twelve months  
37 preceding the date of retirement, the basic salary attached to such  
38 same position or rank at time of retirement; (ii) for any other member,  
39 including a civil service member who has not served a minimum of twelve

1 months in the same position or rank preceding the date of retirement,  
2 the average of the greatest basic salaries payable to such member  
3 during any consecutive twenty-four month period within such member's  
4 last ten years of service for which service credit is allowed, computed  
5 by dividing the total basic salaries payable to such member during the  
6 selected twenty-four month period by twenty-four; (iii) in the case of  
7 disability of any member, the basic salary payable to such member at  
8 the time of disability retirement; (iv) in the case of a member who  
9 hereafter vests pursuant to RCW 41.26.090, the basic salary payable to  
10 such member at the time of vesting.

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

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

21 (b) "Basic salary" for plan II members, means salaries or wages  
22 earned by a member during a payroll period for personal services,  
23 including overtime payments, and shall include wages and salaries  
24 deferred under provisions established pursuant to sections 403(b),  
25 414(h), and 457 of the United States Internal Revenue Code, but shall  
26 exclude lump sum payments for deferred annual sick leave, unused  
27 accumulated vacation, unused accumulated annual leave, or any form of  
28 severance pay. In any year in which a member serves in the legislature  
29 the member shall have the option of having such member's basic salary  
30 be the greater of:

31 (i) The basic salary the member would have received had such member  
32 not served in the legislature; or

33 (ii) Such member's actual basic salary received for nonlegislative  
34 public employment and legislative service combined. Any additional  
35 contributions to the retirement system required because basic salary  
36 under (b)(i) of this subsection is greater than basic salary under  
37 (b)(ii) of this subsection shall be paid by the member for both member  
38 and employer contributions.

1 (14)(a) "Service" for plan I members, means all periods of  
2 employment for an employer as a fire fighter or law enforcement  
3 officer, for which compensation is paid, together with periods of  
4 suspension not exceeding thirty days in duration. For the purposes of  
5 this chapter service shall also include service in the armed forces of  
6 the United States as provided in RCW 41.26.190. Credit shall be  
7 allowed for all service credit months of service rendered by a member  
8 from and after the member's initial commencement of employment as a  
9 fire fighter or law enforcement officer, during which the member worked  
10 for seventy or more hours, or was on disability leave or disability  
11 retirement. Only service credit months of service shall be counted in  
12 the computation of any retirement allowance or other benefit provided  
13 for in this chapter.

14 (i) For members retiring after May 21, 1971 who were employed under  
15 the coverage of a prior pension act before March 1, 1970, "service"  
16 shall also include (A) such military service not exceeding five years  
17 as was creditable to the member as of March 1, 1970, under the member's  
18 particular prior pension act, and (B) such other periods of service as  
19 were then creditable to a particular member under the provisions of RCW  
20 41.18.165, 41.20.160 or 41.20.170. However, in no event shall credit  
21 be allowed for any service rendered prior to March 1, 1970, where the  
22 member at the time of rendition of such service was employed in a  
23 position covered by a prior pension act, unless such service, at the  
24 time credit is claimed therefor, is also creditable under the  
25 provisions of such prior act.

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

29 (b) "Service" for plan II members, means periods of employment by  
30 a member for one or more employers for which basic salary is earned for  
31 ninety or more hours per calendar month which shall constitute a  
32 service credit month. Periods of employment by a member for one or  
33 more employers for which basic salary is earned for at least seventy  
34 hours but less than ninety hours per calendar month shall constitute  
35 one-half service credit month. Periods of employment by a member for  
36 one or more employers for which basic salary is earned for less than  
37 seventy hours shall constitute a one-quarter service credit month.

1 Members of the retirement system who are elected or appointed to a  
2 state elective position prior to the effective date of this act, may  
3 elect to continue to be members of this retirement system.

4 Service credit years of service shall be determined by dividing the  
5 total number of service credit months of service by twelve. Any  
6 fraction of a service credit year of service as so determined shall be  
7 taken into account in the computation of such retirement allowance or  
8 benefits.

9 If a member receives basic salary from two or more employers during  
10 any calendar month, the individual shall receive one service credit  
11 month's service credit during any calendar month in which multiple  
12 service for ninety or more hours is rendered; or one-half service  
13 credit month's service credit during any calendar month in which  
14 multiple service for at least seventy hours but less than ninety hours  
15 is rendered; or one-quarter service credit month during any calendar  
16 month in which multiple service for less than seventy hours is  
17 rendered.

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

21 (16) "Actuarial reserve" means a method of financing a pension or  
22 retirement plan wherein reserves are accumulated as the liabilities for  
23 benefit payments are incurred in order that sufficient funds will be  
24 available on the date of retirement of each member to pay the member's  
25 future benefits during the period of retirement.

26 (17) "Actuarial valuation" means a mathematical determination of  
27 the financial condition of a retirement plan. It includes the  
28 computation of the present monetary value of benefits payable to  
29 present members, and the present monetary value of future employer and  
30 employee contributions, giving effect to mortality among active and  
31 retired members and also to the rates of disability, retirement,  
32 withdrawal from service, salary and interest earned on investments.

33 (18) "Disability board" for plan I members means either the county  
34 disability board or the city disability board established in RCW  
35 41.26.110.

36 (19) "Disability leave" means the period of six months or any  
37 portion thereof during which a member is on leave at an allowance equal  
38 to the member's full salary prior to the commencement of disability

1 retirement. The definition contained in this subsection shall apply  
2 only to plan I members.

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

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

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

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

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

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

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

21 (i) The fees of the following:

22 (A) A physician or surgeon licensed under the provisions of chapter  
23 18.71 RCW;

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

26 (C) A chiropractor licensed under the provisions of chapter 18.25  
27 RCW.

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

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

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

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

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

35 (D) Anesthesia and oxygen;

36 (E) Rental of iron lung and other durable medical and surgical  
37 equipment;

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



1 (G) Professional ambulance service when used to transport the  
2 member to or from a hospital when injured by an accident or stricken by  
3 a disease;

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

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

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

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

11 (L) An optometrist licensed under the provisions of chapter 18.53  
12 RCW.

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

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

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

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

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

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

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

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

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

37 (32) "General authority law enforcement agency" means any agency,  
38 department, or division of a municipal corporation, political  
39 subdivision, or other unit of local government of this state, and any

1 agency, department, or division of state government, having as its  
2 primary function the detection and apprehension of persons committing  
3 infractions or violating the traffic or criminal laws in general, but  
4 not including the Washington state patrol. Such an agency, department,  
5 or division is distinguished from a limited authority law enforcement  
6 agency having as one of its functions the apprehension or detection of  
7 persons committing infractions or violating the traffic or criminal  
8 laws relating to limited subject areas, including but not limited to,  
9 the state departments of natural resources, fish and wildlife, and  
10 social and health services, the state gambling commission, the state  
11 lottery commission, the state parks and recreation commission, the  
12 state utilities and transportation commission, the state liquor control  
13 board, and the state department of corrections.

14 **Sec. 2.** RCW 41.32.010 and 1996 c 39 s 1 are each amended to read  
15 as follows:

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

18 (1)(a) "Accumulated contributions" for plan I members, means the  
19 sum of all regular annuity contributions and, except for the purpose of  
20 withdrawal at the time of retirement, any amount paid under RCW  
21 41.50.165(2) with regular interest thereon.

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

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

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

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

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

36 (b) "Beneficiary" for plan II and plan III members, means any  
37 person in receipt of a retirement allowance or other benefit provided

1 by this chapter resulting from service rendered to an employer by  
2 another person.

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

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

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

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

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

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

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

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

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

1 (iii) For members employed less than full time under written  
2 contract with a school district, or community college district, in an  
3 instructional position, for which the member receives service credit of  
4 less than one year in all of the years used to determine the earnable  
5 compensation used for computing benefits due under RCW 41.32.497,  
6 41.32.498, and 41.32.520, the member may elect to have earnable  
7 compensation defined as provided in RCW 41.32.345. For the purposes of  
8 this subsection, the term "instructional position" means a position in  
9 which more than seventy-five percent of the member's time is spent as  
10 a classroom instructor (including office hours), a librarian, or a  
11 counselor. Earnable compensation shall be so defined only for the  
12 purpose of the calculation of retirement benefits and only as necessary  
13 to insure that members who receive fractional service credit under RCW  
14 41.32.270 receive benefits proportional to those received by members  
15 who have received full-time service credit.

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

17 (A) Remuneration for unused sick leave authorized under RCW  
18 41.04.340, 28A.400.210, or 28A.310.490;

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

21 (b) "Earnable compensation" for plan II and plan III members, means  
22 salaries or wages earned by a member during a payroll period for  
23 personal services, including overtime payments, and shall include wages  
24 and salaries deferred under provisions established pursuant to sections  
25 403(b), 414(h), and 457 of the United States Internal Revenue Code, but  
26 shall exclude lump sum payments for deferred annual sick leave, unused  
27 accumulated vacation, unused accumulated annual leave, or any form of  
28 severance pay.

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

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

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

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

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

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

14 (12) "Fiscal year" means a year which begins July 1st and ends June  
15 30th of the following year.

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

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

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

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

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

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

38 (19) "Prior service" means service rendered prior to the first date  
39 of eligibility to membership in the retirement system for which credit

1 is allowable. The provisions of this subsection shall apply only to  
2 plan I members.

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

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

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

14 (23) "Regular interest" means such rate as the director may  
15 determine.

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

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

22 (25) "Retirement system" means the Washington state teachers'  
23 retirement system.

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

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

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

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

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

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

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

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

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

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

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

24 (iv) Any person who is a member of the teachers' retirement system  
25 and who is elected or appointed to a state elective position prior to  
26 the effective date of this act may continue to be a member of the  
27 retirement system and continue to receive a service credit month for  
28 each of the months in a state elective position by making the required  
29 member contributions.

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

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

1 of sick leave is creditable as allowed under this subsection as  
2 follows:

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

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

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

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

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

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

15 (viii) The department shall adopt rules implementing this  
16 subsection.

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

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

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

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

35 (31) "Retiree" means any person in receipt of a retirement  
36 allowance or other benefit provided by this chapter resulting from  
37 service rendered to an employer while a member. A person is in receipt  
38 of a retirement allowance as defined in subsection (24) of this section  
39 or other benefit as provided by this chapter when the department mails,



1 causes to be mailed, or otherwise transmits the retirement allowance  
2 warrant.

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

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

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

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

11 (36) "Substitute teacher" means:

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

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

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

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

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

30 (d) The elected position of the superintendent of public  
31 instruction is an eligible position.

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

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

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

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

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

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

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

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

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

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

22 **Sec. 3.** RCW 41.40.010 and 1995 c 345 s 10, 1995 c 286 s 1, and  
23 1995 c 244 s 3 are each reenacted and amended to read as follows:

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

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

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

30 (3) "State treasurer" means the treasurer of the state of  
31 Washington.

32 (4)(a) "Employer" for plan I members, means every branch,  
33 department, agency, commission, board, and office of the state, any  
34 political subdivision or association of political subdivisions of the  
35 state admitted into the retirement system, and legal entities  
36 authorized by RCW 35.63.070 and 36.70.060 or chapter 39.34 RCW; and the  
37 term shall also include any labor guild, association, or organization  
38 the membership of a local lodge or division of which is comprised of at

1 least forty percent employees of an employer (other than such labor  
2 guild, association, or organization) within this chapter. The term may  
3 also include any city of the first class that has its own retirement  
4 system.

5 (b) "Employer" for plan II members, means every branch, department,  
6 agency, commission, board, and office of the state, and any political  
7 subdivision and municipal corporation of the state admitted into the  
8 retirement system, including public agencies created pursuant to RCW  
9 35.63.070, 36.70.060, and 39.34.030.

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

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

16 (a) Any person who became a member of the system prior to April 1,  
17 1949;

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

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

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

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

37 (f) Any member who has been a contributor under the system for two  
38 or more years and who has restored all contributions that may have been  
39 withdrawn as provided by RCW 41.40.150 and who on the effective date of

1 the individual's retirement has rendered five or more years of service  
2 for the state or any political subdivision prior to the time of the  
3 admission of the employer into the system; except that the provisions  
4 relating to the minimum amount of retirement allowance for the member  
5 upon retirement at age seventy as found in RCW 41.40.190(4) shall not  
6 apply to the member.

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

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

14 (i) "Compensation earnable" 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 wage which the  
21 individual would have earned during a payroll period shall be  
22 considered compensation earnable and the individual shall receive the  
23 equivalent service credit;

24 (B) If a leave of absence is taken by an individual for the purpose  
25 of serving in the state legislature, the salary which would have been  
26 received for the position from which the leave of absence was taken,  
27 shall be considered as compensation earnable if the employee's  
28 contribution is paid by the employee and the employer's contribution is  
29 paid by the employer or employee;

30 (C) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and  
31 72.09.240;

32 (D) Compensation that a member would have received but for a  
33 disability occurring in the line of duty only as authorized by RCW  
34 41.40.038;

35 (E) Compensation that a member receives due to participation in the  
36 leave sharing program only as authorized by RCW 41.04.650 through  
37 41.04.670; and

38 (F) Compensation that a member receives for being in standby  
39 status. For the purposes of this section, a member is in standby

1 status when not being paid for time actually worked and the employer  
2 requires the member to be prepared to report immediately for work, if  
3 the need arises, although the need may not arise. Standby compensation  
4 is regular salary for the purposes of RCW 41.50.150(2).

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

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

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

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

18 "Compensation earnable" for plan II members also includes the  
19 following actual or imputed payments, which are not paid for personal  
20 services:

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

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

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

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

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

3 (iv) Compensation that a member would have received but for a  
4 disability occurring in the line of duty only as authorized by RCW  
5 41.40.038;

6 (v) Compensation that a member receives due to participation in the  
7 leave sharing program only as authorized by RCW 41.04.650 through  
8 41.04.670; and

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

15 (9)(a) "Service" for plan I members, except as provided in RCW  
16 41.40.088, means periods of employment in an eligible position or  
17 positions for one or more employers rendered to any employer for which  
18 compensation is paid, and includes time spent in office as an elected  
19 or appointed official of an employer. Compensation earnable earned in  
20 full time work for seventy hours or more in any given calendar month  
21 shall constitute one service credit month except as provided in RCW  
22 41.40.088. Compensation earnable earned for less than seventy hours in  
23 any calendar month shall constitute one-quarter service credit month of  
24 service except as provided in RCW 41.40.088. Only service credit  
25 months and one-quarter service credit months shall be counted in the  
26 computation of any retirement allowance or other benefit provided for  
27 in this chapter. Any fraction of a year of service shall be taken into  
28 account in the computation of such retirement allowance or benefits.  
29 Time spent in standby status, whether compensated or not, is not  
30 service.

31 (i) Service by a state employee officially assigned by the state on  
32 a temporary basis to assist another public agency, shall be considered  
33 as service as a state employee: PROVIDED, That service to any other  
34 public agency shall not be considered service as a state employee if  
35 such service has been used to establish benefits in any other public  
36 retirement system.

37 (ii) An individual shall receive no more than a total of twelve  
38 service credit months of service during any calendar year. If an  
39 individual is employed in an eligible position by one or more employers

1 the individual shall receive no more than one service credit month  
2 during any calendar month in which multiple service for seventy or more  
3 hours is rendered.

4 (iii) A school district employee may count up to forty-five days of  
5 sick leave as creditable service solely for the purpose of determining  
6 eligibility to retire under RCW 41.40.180 as authorized by RCW  
7 28A.400.300. For purposes of plan I "forty-five days" as used in RCW  
8 28A.400.300 is equal to two service credit months. Use of less than  
9 forty-five days of sick leave is creditable as allowed under this  
10 subsection as follows:

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

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

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

16 (b) "Service" for plan II members, means periods of employment by  
17 a member in an eligible position or positions for one or more employers  
18 for which compensation earnable is paid. Compensation earnable earned  
19 for ninety or more hours in any calendar month shall constitute one  
20 service credit month except as provided in RCW 41.40.088. Compensation  
21 earnable earned for at least seventy hours but less than ninety hours  
22 in any calendar month shall constitute one-half service credit month of  
23 service. Compensation earnable earned for less than seventy hours in  
24 any calendar month shall constitute one-quarter service credit month of  
25 service. Time spent in standby status, whether compensated or not, is  
26 not service.

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

29 (i) Service in any state elective position shall be deemed to be  
30 full time service, except that persons serving in state elective  
31 positions who are members of the teachers' retirement system or law  
32 enforcement officers' and fire fighters' retirement system at the time  
33 of election or appointment to such position prior to the effective date  
34 of this act may elect to continue membership in the teachers'  
35 retirement system or law enforcement officers' and fire fighters'  
36 retirement system.

37 (ii) A member shall receive a total of not more than twelve service  
38 credit months of service for such calendar year. If an individual is  
39 employed in an eligible position by one or more employers the

1 individual shall receive no more than one service credit month during  
2 any calendar month in which multiple service for ninety or more hours  
3 is rendered.

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

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

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

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

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

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

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

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

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

24 (13) "Membership service" means:

25 (a) All service rendered, as a member, after October 1, 1947;

26 (b) All service after October 1, 1947, to any employer prior to the  
27 time of its admission into the retirement system for which member and  
28 employer contributions, plus interest as required by RCW 41.50.125,  
29 have been paid under RCW 41.40.056 or 41.40.057;

30 (c) Service not to exceed six consecutive months of probationary  
31 service rendered after April 1, 1949, and prior to becoming a member,  
32 in the case of any member, upon payment in full by such member of the  
33 total amount of the employer's contribution to the retirement fund  
34 which would have been required under the law in effect when such  
35 probationary service was rendered if the member had been a member  
36 during such period, except that the amount of the employer's  
37 contribution shall be calculated by the director based on the first  
38 month's compensation earnable as a member;



1 (d) Service not to exceed six consecutive months of probationary  
2 service, rendered after October 1, 1947, and before April 1, 1949, and  
3 prior to becoming a member, in the case of any member, upon payment in  
4 full by such member of five percent of such member's salary during said  
5 period of probationary service, except that the amount of the  
6 employer's contribution shall be calculated by the director based on  
7 the first month's compensation earnable as a member.

8 (14)(a) "Beneficiary" for plan I members, means any person in  
9 receipt of a retirement allowance, pension or other benefit provided by  
10 this chapter.

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 (15) "Regular interest" means such rate as the director may  
15 determine.

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

20 (17)(a) "Average final compensation" for plan I members, means the  
21 annual average of the greatest compensation earnable by a member during  
22 any consecutive two year period of service credit months for which  
23 service credit is allowed; or if the member has less than two years of  
24 service credit months then the annual average compensation earnable  
25 during the total years of service for which service credit is allowed.

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

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

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

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

1 (21) "Retirement allowance" means the sum of the annuity and the  
2 pension.

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

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

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

10 (25) "Eligible position" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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