
HOUSE BILL 2727

State of Washington

56th Legislature

2000 Regular Session

By Representatives Romero, Dickerson, McIntire, Fortunato, Veloria, Kenney and Santos

Read first time 01/19/2000. Referred to Committee on Appropriations.

1 AN ACT Relating to public employee benefits and work schedules;
2 amending RCW 41.40.180, 41.40.630, 41.26.190, 41.26.520, 41.32.260,
3 41.32.810, 41.32.865, 41.35.470, 41.35.650, 41.40.170, 41.40.710,
4 43.43.260, and 43.43.130; adding a new chapter to Title 41 RCW;
5 creating new sections; and providing an effective date.

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

7 **PART I**

8 **RETIREMENT INCENTIVE PROGRAMS**

9 NEW SECTION. **Sec. 1.** Unless the context clearly requires
10 otherwise, the definitions in this section apply throughout this
11 chapter.

12 (1) "Employer" means the state of Washington, counties, cities,
13 towns, or any other political subdivision, whose employees are members
14 of a retirement system enumerated under RCW 41.50.030.

15 (2) "Early retirement" means the authorization under this chapter
16 of temporary retirement eligibility under the retirement systems
17 enumerated under RCW 41.50.030.

1 (3) "Eligible position" means a position that conforms to the
2 requirements for membership in a retirement system enumerated under RCW
3 41.50.030, or a retirement system provided by the cities of Seattle,
4 Spokane, or Tacoma.

5 (4) "Normal retirement" means that retirement, based on service or
6 service and age, of a member of a retirement system where the full
7 retirement allowance is provided.

8 NEW SECTION. **Sec. 2.** An employer may temporarily utilize a
9 retirement incentive program as provided in section 3(1) of this act if
10 it has encountered or will be encountering one or more of the following
11 emergent and compelling conditions:

12 (1) A significant reduction in force due to either (a) budgetary or
13 other fiscal adjustments or (b) significant personnel restructuring;

14 (2) The closure of one or more of its facilities; and

15 (3) The privatization of one or more of its agencies or services it
16 provides.

17 NEW SECTION. **Sec. 3.** (1) An employer may offer, adhering to all
18 laws or regulations of the state or federal government:

19 (a) Retirement, without reduction in the retirement allowance, to
20 those targeted employees who are within five years of normal
21 retirement;

22 (b) Retirement, with full actuarial reduction of the retirement
23 allowance, to other targeted employees more distant to normal
24 retirement eligibility; and

25 (c) Other incentives the agency or political subdivision deems
26 appropriate, including incentives to those already eligible to retire
27 on normal retirement.

28 (2) The employer providing early retirement as a part of a
29 retirement incentive program under subsection (1)(a) or (b) of this
30 section shall be required to pay the full actuarial present value of
31 any increase in the cost to the respective retirement system or systems
32 resulting from persons taking such early retirement. Such payment must
33 be made to the department of retirement systems within ninety calendar
34 days after the closure of the early retirement program.

35 NEW SECTION. **Sec. 4.** Upon notification by a political
36 subdivision, the director of retirement systems shall, within fifteen

1 calendar days of such receipt, inform the certified or requesting
2 employer of the procedures and reporting necessary to carry out any
3 retirement incentive program.

4 **Sec. 5.** RCW 41.40.180 and 1982 1st ex.s. c 52 s 21 are each
5 amended to read as follows:

6 (1) Any member with five years of creditable service who has
7 attained age sixty and any original member who has attained age sixty
8 may retire on written application to the director, setting forth at
9 what time the member desires to be retired: PROVIDED, That in the
10 national interest, during time of war engaged in by the United States,
11 the director may extend beyond age sixty, subject to the provisions of
12 subsection (2) of this section, the age at which any member may be
13 eligible to retire.

14 (2) Any member who has completed thirty years of service may retire
15 on written application to the director setting forth at what time the
16 member desires to be retired, subject to war measures.

17 (3) Any member who has completed twenty-five years of service and
18 attained age fifty-five may retire on written application to the
19 director setting forth at what time the member desires to be retired,
20 subject to war measures.

21 (4) Any individual who is eligible to retire pursuant to
22 subsections (1) through (3) of this section shall be allowed to retire
23 while on any authorized leave of absence not in excess of one hundred
24 and twenty days.

25 (5) Subsections (1) through (3) of this section may be temporarily
26 superseded by the provisions of a certified retirement incentive
27 program initiated under section 3 of this act.

28 **Sec. 6.** RCW 41.40.630 and 1991 c 343 s 11 are each amended to read
29 as follows:

30 (1) NORMAL RETIREMENT. Any member with at least five service
31 credit years who has attained at least age sixty-five shall be eligible
32 to retire and to receive a retirement allowance computed according to
33 the provisions of RCW 41.40.620.

34 (2) EARLY RETIREMENT. Any member who has completed at least twenty
35 service credit years and has attained age fifty-five shall be eligible
36 to retire and to receive a retirement allowance computed according to
37 the provisions of RCW 41.40.620, except that a member retiring pursuant

1 to this subsection shall have the retirement allowance actuarially
2 reduced to reflect the difference in the number of years between age at
3 retirement and the attainment of age sixty-five.

4 (3) Subsections (1) and (2) of this section may be temporarily
5 superseded by the provisions of a certified retirement incentive
6 program initiated under section 3 of this act.

7 **PART II**

8 **FLEXIBLE-TIME WORK SCHEDULES REVIEW**

9 NEW SECTION. **Sec. 7.** The legislature finds that flexible-time
10 work schedules, which provide varying times for employees to arrive at
11 and depart from work, tend to alleviate traffic congestion during peak
12 rush hour periods and thereby reduce hazardous traffic conditions;
13 provide more efficient use of highways and other transit facilities;
14 and decrease fuel consumption. In addition, the legislature finds that
15 flexible-time work schedules provide families in which both parents
16 work outside of the home with the flexibility necessary to provide for
17 day care; provide employees with flexibility allowing them to spend
18 more time with their families; and improve employee morale and, in so
19 doing, improve productivity.

20 Under RCW 41.04.390 each agency is to prepare a flexible-time work
21 schedule or schedules and is to offer the schedule or schedules to
22 employees as an option to the traditional workday. Each agency shall
23 review its flexible-time work schedule or schedules and shall submit to
24 the office of financial management by September 1, 2000, their
25 flexible-time work schedule or schedules. In addition each agency
26 shall report to the office the number of employees utilizing a
27 flexible-time work schedule and what this represents as a percent of
28 their total employees. Each agency shall also report any difficulties
29 in administering its flexible-time work schedule or schedules. The
30 office shall perform an analysis of flexible-time work schedules and
31 report to the legislature by December 7, 2000, any agencies that do not
32 offer a flexible-time work schedule. In addition the office shall rank
33 the agencies in the percent of their employees utilizing a flexible-
34 time work schedule and categorize any reported difficulties in
35 administering flexible-time work schedules.

1 **PART III**

2 **CREDIT FOR PEACE CORPS SERVICE**

3 NEW SECTION. **Sec. 8.** For the purposes of sections 9 through 18 of
4 this act, "americorps" means the service organization founded under the
5 national and community service trust act of 1993, and includes
6 volunteers in service to America.

7 **Sec. 9.** RCW 41.26.190 and 1991 c 35 s 26 are each amended to read
8 as follows:

9 Each person affected by this chapter who at the time of entering
10 the armed services, peace corps, or americorps was a member of this
11 system, and has honorably served in the armed services of the United
12 States, peace corps, or americorps shall have added to the period of
13 service as computed under this chapter, the period of service in the
14 armed forces, peace corps, or americorps: PROVIDED, That such credited
15 service shall not exceed five years.

16 **Sec. 10.** RCW 41.26.520 and 1996 c 61 s 1 are each amended to read
17 as follows:

18 (1) A member who is on a paid leave of absence authorized by a
19 member's employer shall continue to receive service credit as provided
20 for under the provisions of RCW 41.26.410 through 41.26.550.

21 (2) A member who receives compensation from an employer while on an
22 authorized leave of absence to serve as an elected official of a labor
23 organization, and whose employer is reimbursed by the labor
24 organization for the compensation paid to the member during the period
25 of absence, may also be considered to be on a paid leave of absence.
26 This subsection shall only apply if the member's leave of absence is
27 authorized by a collective bargaining agreement that provides that the
28 member retains seniority rights with the employer during the period of
29 leave. The basic salary reported for a member who establishes service
30 credit under this subsection may not be greater than the salary paid to
31 the highest paid job class covered by the collective bargaining
32 agreement.

33 (3) Except as specified in subsection (6) of this section, a member
34 shall be eligible to receive a maximum of two years service credit
35 during a member's entire working career for those periods when a member
36 is on an unpaid leave of absence authorized by an employer. Such

1 credit may be obtained only if the member makes the employer, member,
2 and state contributions plus interest as determined by the department
3 for the period of the authorized leave of absence within five years of
4 resumption of service or prior to retirement whichever comes sooner.

5 (4) If a member fails to meet the time limitations of subsection
6 (3) of this section, the member may receive a maximum of two years of
7 service credit during a member's working career for those periods when
8 a member is on unpaid leave of absence authorized by an employer. This
9 may be done by paying the amount required under RCW 41.50.165(2) prior
10 to retirement.

11 (5) For the purpose of subsection (3) of this section the
12 contribution shall not include the contribution for the unfunded
13 supplemental present value as required by RCW 41.26.450. The
14 contributions required shall be based on the average of the member's
15 basic salary at both the time the authorized leave of absence was
16 granted and the time the member resumed employment.

17 (6) A member who leaves the employ of an employer to enter the
18 armed forces, peace corps, or americorps of the United States shall be
19 entitled to retirement system service credit for up to five years of
20 military, peace corps, or americorps service. This subsection shall be
21 administered in a manner consistent with the requirements of the
22 federal uniformed services employment and reemployment rights act.

23 (a) The member qualifies for service credit under this subsection
24 if:

25 (i) Within ninety days of the member's honorable discharge from the
26 United States armed forces or separation from the peace corps or
27 americorps, the member applies for reemployment with the employer who
28 employed the member immediately prior to the member entering the United
29 States armed forces, peace corps, or americorps; and

30 (ii) The member makes the employee contributions required under RCW
31 41.26.450 within five years of resumption of service or prior to
32 retirement, whichever comes sooner; or

33 (iii) Prior to retirement and not within ninety days of the
34 member's honorable discharge or separation from the peace corps or
35 americorps or five years of resumption of service the member pays the
36 amount required under RCW 41.50.165(2).

37 (b) Upon receipt of member contributions under (a)(ii) of this
38 subsection, the department shall establish the member's service credit
39 and shall bill the employer and the state for their respective

1 contributions required under RCW 41.26.450 for the period of military,
2 peace corps, or americorps service, plus interest as determined by the
3 department.

4 (c) The contributions required under (a)(ii) of this subsection
5 shall be based on the compensation the member would have earned if not
6 on leave, or if that cannot be estimated with reasonable certainty, the
7 compensation reported for the member in the year prior to when the
8 member went on military leave or began service in the peace corps or
9 americorps.

10 (7) A member receiving benefits under Title 51 RCW who is not
11 receiving benefits under this chapter shall be deemed to be on unpaid,
12 authorized leave of absence.

13 **Sec. 11.** RCW 41.32.260 and 1992 c 212 s 8 are each amended to read
14 as follows:

15 Any member whose public school service is interrupted by active
16 service to the United States as a member of its military, naval or air
17 service, peace corps, or americorps, or to the state of Washington(~~(7)~~)
18 as a member of the legislature, may upon becoming reemployed in the
19 public schools, receive credit for that service upon presenting
20 satisfactory proof, and contributing to the member reserve, either in
21 a lump sum or installments, amounts determined by the director.
22 Except that no military, peace corps, or americorps service credit in
23 excess of five years shall be established or reestablished after July
24 1, 1961, unless the service was actually rendered during time of war.

25 **Sec. 12.** RCW 41.32.810 and 1996 c 61 s 2 are each amended to read
26 as follows:

27 (1) A member who is on a paid leave of absence authorized by a
28 member's employer shall continue to receive service credit as provided
29 for under the provisions of RCW 41.32.755 through 41.32.825.

30 (2) A member who receives compensation from an employer while on an
31 authorized leave of absence to serve as an elected official of a labor
32 organization, and whose employer is reimbursed by the labor
33 organization for the compensation paid to the member during the period
34 of absence, may also be considered to be on a paid leave of absence.
35 This subsection shall only apply if the member's leave of absence is
36 authorized by a collective bargaining agreement that provides that the
37 member retains seniority rights with the employer during the period of

1 leave. The earnable compensation reported for a member who establishes
2 service credit under this subsection may not be greater than the salary
3 paid to the highest paid job class covered by the collective bargaining
4 agreement.

5 (3) Except as specified in subsection (6) of this section, a member
6 shall be eligible to receive a maximum of two years service credit
7 during a member's entire working career for those periods when a member
8 is on an unpaid leave of absence authorized by an employer. Such
9 credit may be obtained only if the member makes both the employer and
10 member contributions plus interest as determined by the department for
11 the period of the authorized leave of absence within five years of
12 resumption of service or prior to retirement whichever comes sooner.

13 (4) If a member fails to meet the time limitations of subsection
14 (3) of this section, the member may receive a maximum of two years of
15 service credit during a member's working career for those periods when
16 a member is on unpaid leave of absence authorized by an employer. This
17 may be done by paying the amount required under RCW 41.50.165(2) prior
18 to retirement.

19 (5) For the purpose of subsection (3) of this section, the
20 contribution shall not include the contribution for the unfunded
21 supplemental present value as required by RCW 41.32.775. The
22 contributions required shall be based on the average of the member's
23 earnable compensation at both the time the authorized leave of absence
24 was granted and the time the member resumed employment.

25 (6) A member who leaves the employ of an employer to enter the
26 armed forces, peace corps, or americorps of the United States shall be
27 entitled to retirement system service credit for up to five years of
28 military, peace corps, or americorps service. This subsection shall be
29 administered in a manner consistent with the requirements of the
30 federal uniformed services employment and reemployment rights act.

31 (a) The member qualifies for service credit under this subsection
32 if:

33 (i) Within ninety days of the member's honorable discharge from the
34 United States armed forces or separation from the peace corps or
35 americorps, the member applies for reemployment with the employer who
36 employed the member immediately prior to the member entering the United
37 States armed forces, peace corps, or americorps; and

1 (ii) The member makes the employee contributions required under RCW
2 41.32.775 within five years of resumption of service or prior to
3 retirement, whichever comes sooner; or

4 (iii) Prior to retirement and not within ninety days of the
5 member's honorable discharge or separation from the peace corps or
6 americorps or five years of resumption of service the member pays the
7 amount required under RCW 41.50.165(2).

8 (b) Upon receipt of member contributions under (a)(ii) of this
9 subsection, the department shall establish the member's service credit
10 and shall bill the employer for its contribution required under RCW
11 41.32.775 for the period of military, peace corps, or americorps
12 service, plus interest as determined by the department.

13 (c) The contributions required under (a)(ii) of this subsection
14 shall be based on the compensation the member would have earned if not
15 on leave, or if that cannot be estimated with reasonable certainty, the
16 compensation reported for the member in the year prior to when the
17 member went on military leave or began service in the peace corps or
18 americorps.

19 **Sec. 13.** RCW 41.32.865 and 1996 c 61 s 3 are each amended to read
20 as follows:

21 (1) A member who is on a paid leave of absence authorized by a
22 member's employer shall continue to receive service credit.

23 (2) A member who receives compensation from an employer while on an
24 authorized leave of absence to serve as an elected official of a labor
25 organization, and whose employer is reimbursed by the labor
26 organization for the compensation paid to the member during the period
27 of absence, may also be considered to be on a paid leave of absence.
28 This subsection shall only apply if the member's leave of absence is
29 authorized by a collective bargaining agreement that provides that the
30 member retains seniority rights with the employer during the period of
31 leave. The earnable compensation reported for a member who establishes
32 service credit under this subsection may not be greater than the salary
33 paid to the highest paid job class covered by the collective bargaining
34 agreement.

35 (3) Except as specified in subsection (4) of this section, a member
36 shall be eligible to receive a maximum of two years service credit
37 during a member's entire working career for those periods when a member

1 is on an unpaid leave of absence authorized by an employer. Such
2 credit may be obtained only if:

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

5 (b) The member makes the employee contribution, plus interest, as
6 determined by the department, to the defined contribution portion.

7 The contributions required shall be based on the average of the
8 member's earnable compensation at both the time the authorized leave of
9 absence was granted and the time the member resumed employment.

10 (4) A member who leaves the employ of an employer to enter the
11 armed forces, peace corps, or americorps of the United States shall be
12 entitled to retirement system service credit for up to five years of
13 military, peace corps, or americorps service if within ninety days of
14 the member's honorable discharge from the United States armed forces or
15 separation from the peace corps or americorps, the member applies for
16 reemployment with the employer who employed the member immediately
17 prior to the member entering the United States armed forces, peace
18 corps, or americorps. This subsection shall be administered in a
19 manner consistent with the requirements of the federal uniformed
20 services employment and reemployment rights act.

21 The department shall establish the member's service credit and
22 shall bill the employer for its contribution required under chapter
23 239, Laws of 1995 for the period of military, peace corps, or
24 americorps service, plus interest as determined by the department.
25 Service credit under this subsection may be obtained only if the member
26 makes the employee contribution to the defined contribution portion as
27 determined by the department.

28 The contributions required shall be based on the compensation the
29 member would have earned if not on leave, or if that cannot be
30 estimated with reasonable certainty, the compensation reported for the
31 member in the year prior to when the member went on military leave or
32 began service in the peace corps or americorps.

33 **Sec. 14.** RCW 41.35.470 and 1998 c 341 s 108 are each amended to
34 read as follows:

35 (1) A member who is on a paid leave of absence authorized by a
36 member's employer shall continue to receive service credit as provided
37 for under the provisions of RCW 41.35.400 through 41.35.599.

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

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

18 (a) The member makes both the plan II employer and member
19 contributions plus interest as determined by the department for the
20 period of the authorized leave of absence within five years of
21 resumption of service or prior to retirement whichever comes sooner; or

22 (b) If not within five years of resumption of service but prior to
23 retirement, pay the amount required under RCW 41.50.165(2).

24 The contributions required under (a) of this subsection shall be
25 based on the average of the member's compensation earnable at both the
26 time the authorized leave of absence was granted and the time the
27 member resumed employment.

28 (4) A member who leaves the employ of an employer to enter the
29 armed forces, peace corps, or americorps of the United States shall be
30 entitled to retirement system service credit for up to five years of
31 military, peace corps, or americorps service. This subsection shall
32 be administered in a manner consistent with the requirements of the
33 federal uniformed services employment and reemployment rights act.

34 (a) The member qualifies for service credit under this subsection
35 if:

36 (i) Within ninety days of the member's honorable discharge from the
37 United States armed forces or separation from the peace corps or
38 americorps, the member applies for reemployment with the employer who

1 employed the member immediately prior to the member entering the United
2 States armed forces, peace corps, or americorps; and

3 (ii) The member makes the employee contributions required under RCW
4 41.35.430 within five years of resumption of service or prior to
5 retirement, whichever comes sooner; or

6 (iii) Prior to retirement and not within ninety days of the
7 member's honorable discharge or separation from the peace corps or
8 americorps or five years of resumption of service the member pays the
9 amount required under RCW 41.50.165(2).

10 (b) Upon receipt of member contributions under (a)(ii) of this
11 subsection, the department shall establish the member's service credit
12 and shall bill the employer for its contribution required under RCW
13 41.35.430 for the period of military, peace corps, or americorps
14 service, plus interest as determined by the department.

15 (c) The contributions required under (a)(ii) of this subsection
16 shall be based on the compensation the member would have earned if not
17 on leave, or if that cannot be estimated with reasonable certainty, the
18 compensation reported for the member in the year prior to when the
19 member went on military leave or began service in the peace corps or
20 americorps.

21 **Sec. 15.** RCW 41.35.650 and 1998 c 341 s 206 are each amended to
22 read as follows:

23 (1) A member who is on a paid leave of absence authorized by a
24 member's employer shall continue to receive service credit.

25 (2) A member who receives compensation from an employer while on an
26 authorized leave of absence to serve as an elected official of a labor
27 organization, and whose employer is reimbursed by the labor
28 organization for the compensation paid to the member during the period
29 of absence, may also be considered to be on a paid leave of absence.
30 This subsection shall only apply if the member's leave of absence is
31 authorized by a collective bargaining agreement that provides that the
32 member retains seniority rights with the employer during the period of
33 leave. The earnable compensation reported for a member who establishes
34 service credit under this subsection may not be greater than the salary
35 paid to the highest paid job class covered by the collective bargaining
36 agreement.

37 (3) Except as specified in subsection (4) of this section, a member
38 shall be eligible to receive a maximum of two years service credit

1 during a member's entire working career for those periods when a member
2 is on an unpaid leave of absence authorized by an employer. Such
3 credit may be obtained only if:

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

6 (b) The member makes the employee contribution, plus interest, as
7 determined by the department, to the defined contribution portion.

8 The contributions required shall be based on the average of the
9 member's earnable compensation at both the time the authorized leave of
10 absence was granted and the time the member resumed employment.

11 (4) A member who leaves the employ of an employer to enter the
12 armed forces, peace corps, or americorps of the United States shall be
13 entitled to retirement system service credit for up to five years of
14 military, peace corps, or americorps service if within ninety days of
15 the member's honorable discharge from the United States armed forces or
16 separation from the peace corps or americorps, the member applies for
17 reemployment with the employer who employed the member immediately
18 prior to the member entering the United States armed forces, peace
19 corps, or americorps. This subsection shall be administered in a
20 manner consistent with the requirements of the federal uniformed
21 services employment and reemployment rights act.

22 The department shall establish the member's service credit and
23 shall bill the employer for its contribution required under RCW
24 41.35.720 for the period of military, peace corps, or americorps
25 service, plus interest as determined by the department. Service credit
26 under this subsection may be obtained only if the member makes the
27 employee contribution to the defined contribution portion as determined
28 by the department.

29 The contributions required shall be based on the compensation the
30 member would have earned if not on leave, or if that cannot be
31 estimated with reasonable certainty, the compensation reported for the
32 member in the year prior to when the member went on military leave or
33 began service in the peace corps or americorps.

34 **Sec. 16.** RCW 41.40.170 and 1991 c 35 s 78 are each amended to read
35 as follows:

36 (1) A member who has served or shall serve on active federal
37 service in the military ~~((or))~~, naval forces, peace corps, or
38 americorps of the United States and who left or shall leave an employer

1 to enter such service shall be deemed to be on military, peace corps,
2 or americorps leave of absence if he or she has resumed or shall resume
3 employment as an employee within one year from termination thereof.

4 (2) If he or she has applied or shall apply for reinstatement of
5 employment, within one year from termination of the military, peace
6 corps, or americorps service, and is refused employment for reasons
7 beyond his or her control, he or she shall, upon resumption of service
8 within ten years have such service credited to him or her.

9 (3) In any event, after completing twenty-five years of creditable
10 service, any member may have service in the armed forces, peace corps,
11 or americorps credited to him or her as a member whether or not he or
12 she left the employ of an employer to enter the armed service:
13 PROVIDED, That in no instance, described in this section, shall
14 military, peace corps, or americorps service in excess of five years be
15 credited: AND PROVIDED FURTHER, That in each instance the member must
16 restore all withdrawn accumulated contributions, which restoration must
17 be completed within five years of membership service following the
18 first resumption of employment or complete twenty-five years of
19 creditable service: AND PROVIDED FURTHER, That this section will not
20 apply to any individual, not a veteran within the meaning of RCW
21 41.04.005 or a former member of the peace corps or americorps as
22 defined by federal regulation, as now or hereafter amended: AND
23 PROVIDED FURTHER, That in no instance, described in this section, shall
24 military service be credited to any member who is receiving full
25 military retirement benefits pursuant to Title 10 United States Code.

26 **Sec. 17.** RCW 41.40.710 and 1996 c 61 s 4 are each amended to read
27 as follows:

28 (1) A member who is on a paid leave of absence authorized by a
29 member's employer shall continue to receive service credit as provided
30 for under the provisions of RCW 41.40.610 through 41.40.740.

31 (2) A member who receives compensation from an employer while on an
32 authorized leave of absence to serve as an elected official of a labor
33 organization, and whose employer is reimbursed by the labor
34 organization for the compensation paid to the member during the period
35 of absence, may also be considered to be on a paid leave of absence.
36 This subsection shall only apply if the member's leave of absence is
37 authorized by a collective bargaining agreement that provides that the
38 member retains seniority rights with the employer during the period of

1 leave. The compensation earnable reported for a member who establishes
2 service credit under this subsection may not be greater than the salary
3 paid to the highest paid job class covered by the collective bargaining
4 agreement.

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

10 (a) The member makes both the plan II employer and member
11 contributions plus interest as determined by the department for the
12 period of the authorized leave of absence within five years of
13 resumption of service or prior to retirement whichever comes sooner; or

14 (b) If not within five years of resumption of service but prior to
15 retirement, pay the amount required under RCW 41.50.165(2).

16 The contributions required under (a) of this subsection shall be
17 based on the average of the member's compensation earnable at both the
18 time the authorized leave of absence was granted and the time the
19 member resumed employment.

20 (4) A member who leaves the employ of an employer to enter the
21 armed forces, peace corps, or americorps of the United States shall be
22 entitled to retirement system service credit for up to five years of
23 military, peace corps, or americorps service. This subsection shall be
24 administered in a manner consistent with the requirements of the
25 federal uniformed services employment and reemployment rights act.

26 (a) The member qualifies for service credit under this subsection
27 if:

28 (i) Within ninety days of the member's honorable discharge from the
29 United States armed forces or separation from the peace corps or
30 americorps, the member applies for reemployment with the employer who
31 employed the member immediately prior to the member entering the United
32 States armed forces, peace corps, or americorps; and

33 (ii) The member makes the employee contributions required under RCW
34 41.40.650 within five years of resumption of service or prior to
35 retirement, whichever comes sooner; or

36 (iii) Prior to retirement and not within ninety days of the
37 member's honorable discharge or separation from the peace corps or
38 americorps or five years of resumption of service the member pays the
39 amount required under RCW 41.50.165(2).

1 (b) Upon receipt of member contributions under (a)(ii) of this
2 subsection, the department shall establish the member's service credit
3 and shall bill the employer for its contribution required under RCW
4 41.40.650 for the period of military, peace corps, or americorps
5 service, plus interest as determined by the department.

6 (c) The contributions required under (a)(ii) of this subsection
7 shall be based on the compensation the member would have earned if not
8 on leave, or if that cannot be estimated with reasonable certainty, the
9 compensation reported for the member in the year prior to when the
10 member went on military leave or began service in the peace corps or
11 americorps.

12 **Sec. 18.** RCW 43.43.260 and 1994 c 197 s 34 are each amended to
13 read as follows:

14 Upon retirement from service as provided in RCW 43.43.250, a member
15 shall be granted a retirement allowance which shall consist of:

16 (1) A prior service allowance which shall be equal to two percent
17 of the member's average final salary multiplied by the number of years
18 of prior service rendered by the member.

19 (2) A current service allowance which shall be equal to two percent
20 of the member's average final salary multiplied by the number of years
21 of service rendered while a member of the retirement system.

22 (3) Any member with twenty-five years service in the Washington
23 state patrol may have the member's service in the armed forces, peace
24 corps, or americorps credited as a member whether or not the individual
25 left the employ of the Washington state patrol to enter such armed
26 forces, peace corps, or americorps: PROVIDED, That in no instance
27 shall military, peace corps, or americorps service in excess of five
28 years be credited: AND PROVIDED FURTHER, That in each instance, a
29 member must restore all withdrawn accumulated contributions, which
30 restoration must be completed on the date of the member's retirement,
31 or as provided under RCW 43.43.130, whichever occurs first: AND
32 PROVIDED FURTHER, That this section shall not apply to any individual,
33 not a veteran within the meaning of RCW 41.06.150 or a former member of
34 the peace corps or americorps as defined by federal regulation, as now
35 or hereafter amended: AND PROVIDED FURTHER, That in no instance shall
36 military, peace corps, or americorps service be credited to any member
37 who is receiving full military retirement benefits pursuant to Title 10
38 United States Code, as now or hereafter amended.

1 (4) In no event shall the total retirement benefits from
2 subsections (1), (2), and (3) of this section, of any member exceed
3 seventy-five percent of the member's average final salary.

4 (5) A yearly increase in retirement allowance which shall amount to
5 two percent of the retirement allowance computed at the time of
6 retirement. This yearly increase shall be added to the retirement
7 allowance on July 1st of each calendar year.

8 The provisions of this section shall apply to all members presently
9 retired and to all members who shall retire in the future.

10 **Sec. 19.** RCW 43.43.130 and 1994 c 197 s 33 are each amended to
11 read as follows:

12 (1) A Washington state patrol retirement fund is hereby established
13 for members of the Washington state patrol which shall include funds
14 created and placed under the management of a retirement board for the
15 payment of retirement allowances and other benefits under the
16 provisions hereof.

17 (2) Any employee of the Washington state patrol, upon date of
18 commissioning, shall be eligible to participate in the retirement plan
19 and shall start contributing to the fund immediately. Any employee of
20 the Washington state patrol employed by the state of Washington or any
21 of its political subdivisions prior to August 1, 1947, unless such
22 service has been credited in another public retirement or pension
23 system operating in the state of Washington shall receive full credit
24 for such prior service but after that date each new commissioned
25 employee must automatically participate in the fund. If a member shall
26 terminate service in the patrol and later reenter, he shall be treated
27 in all respects as a new employee.

28 (3)(a) A member who reenters or has reentered service within ten
29 years from the date of his termination, shall upon completion of six
30 months of continuous service and upon the restoration of all withdrawn
31 contributions, plus interest as determined by the director, which
32 restoration must be completed within five years after resumption of
33 service, be returned to the status of membership he earned at the time
34 of termination.

35 (b) A member who does not meet the time limitations for restoration
36 under (a) of this subsection, may restore the service credit destroyed
37 by the withdrawn contributions by paying the amount required under RCW
38 41.50.165(2) prior to retirement.

1 (4)(a) An employee of the Washington state patrol who becomes a
2 member of the retirement system after June 12, 1980, and who has
3 service as a cadet in the patrol training program may make an
4 irrevocable election to transfer the service to the retirement system.
5 Any member upon making such election shall have transferred all
6 existing service credited in a prior public retirement system in this
7 state for periods of employment as a cadet. Transfer of credit under
8 this subsection is contingent on completion of the transfer of funds
9 specified in (b) of this subsection.

10 (b) Within sixty days of notification of a member's cadet service
11 transfer as provided in (a) of this subsection, the department of
12 retirement systems shall transfer the employee's accumulated
13 contributions attributable to the periods of service as a cadet,
14 including accumulated interest.

15 (5) A member of the retirement system who has served or shall serve
16 on active federal service in the armed forces, peace corps, or
17 americorps of the United States pursuant to and by reason of orders, or
18 permission by competent federal authority, who left or shall leave the
19 Washington state patrol to enter such service, and who within one year
20 from termination of such active federal service, resumes employment as
21 a state employee, shall have his or her service in such armed forces,
22 peace corps, or americorps credited to him or her as a member of the
23 retirement system: PROVIDED, That no such service in excess of five
24 years shall be credited unless such service was actually rendered
25 during time of war or emergency.

26 (6) An active employee of the Washington state patrol who either
27 became a member of the retirement system prior to June 12, 1980, and
28 who has prior service as a cadet in the public employees' retirement
29 system may make an irrevocable election to transfer such service to the
30 retirement system within a period ending June 30, 1985, or, if not an
31 active employee on July 1, 1983, within one year of returning to
32 commissioned service, whichever date is later. Any member upon making
33 such election shall have transferred all existing service credited in
34 the public employees' retirement system which constituted service as a
35 cadet together with the employee's contributions plus credited
36 interest. If the employee has withdrawn the employee's contributions,
37 the contributions must be restored to the public employees' retirement
38 system before the transfer of credit can occur and such restoration

1 must be completed within the time limits specified in this subsection
2 for making the elective transfer.

3 (7) An active employee of the Washington state patrol who either
4 became a member of the retirement system prior to June 12, 1980, or who
5 has prior service as a cadet in the public employees' retirement system
6 may make an irrevocable election to transfer such service to the
7 retirement system if they have not met the time limitations of
8 subsection (6) of this section by paying the amount required under RCW
9 41.50.165(2) less the contributions transferred. Any member upon
10 making such election shall have transferred all existing service
11 credited in the public employees' retirement system that constituted
12 service as a cadet together with the employee's contributions plus
13 credited interest. If the employee has withdrawn the employee's
14 contributions, the contributions must be restored to the public
15 employees' retirement system before the transfer of credit can occur
16 and such restoration must be completed within the time limits specified
17 in subsection (6) of this section for making the elective transfer.

18 (8) An active employee of the Washington state patrol may establish
19 up to six months' retirement service credit in the state patrol
20 retirement system for any period of employment by the Washington state
21 patrol as a cadet if service credit for such employment was not
22 previously established in the public employees' retirement system,
23 subject to the following:

24 (a) Certification by the patrol that such employment as a cadet was
25 for the express purpose of receiving on-the-job training required for
26 attendance at the state patrol academy and for becoming a commissioned
27 trooper.

28 (b) Payment by the member of employee contributions in the amount
29 of seven percent of the total salary paid for each month of service to
30 be established, plus interest at seven percent from the date of the
31 probationary service to the date of payment. This payment shall be
32 made by the member no later than July 1, 1988.

33 (c) If the payment required under (b) of this subsection was not
34 made by July 1, 1988, the member may establish the probationary service
35 by paying the amount required under RCW 41.50.165(2).

36 (d) A written waiver by the member of the member's right to ever
37 establish the same service in the public employees' retirement system
38 at any time in the future.

1 (9) The department of retirement systems shall make the requested
2 transfer subject to the conditions specified in subsections (6) and (7)
3 of this section or establish additional credit as provided in
4 subsection (8) of this section. Employee contributions and credited
5 interest transferred shall be credited to the employee's account in the
6 Washington state patrol retirement system.

7 NEW SECTION. **Sec. 20.** Sections 1 through 4 of this act constitute
8 a new chapter in Title 41 RCW.

9 NEW SECTION. **Sec. 21.** Sections 14 and 15 of this act take effect
10 September 1, 2000.

11 NEW SECTION. **Sec. 22.** Part headings as used in this act
12 constitute no part of the law.

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