
SUBSTITUTE HOUSE BILL 3046

State of Washington

56th Legislature

2000 Regular Session

By House Committee on Education (originally sponsored by Representatives Talcott, Keiser, Quall, DeBolt, D. Schmidt, Schoesler and Thomas)

Read first time 02/02/2000. Referred to Committee on .

1 AN ACT Relating to the creation of a pilot program for teachers to
2 increase student achievement through their instructional leadership;
3 amending RCW 41.32.010; adding new sections to chapter 28A.405 RCW;
4 creating a new section; providing an expiration date; and declaring an
5 emergency.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that good teachers are
8 the foundation of the state's education system. These educators are
9 central to assuring excellence and rigor in the educational experience
10 of every student. The legislature also finds that the state has many
11 experienced and exemplary teachers who could help enrich the teaching
12 experiences of other teachers in their buildings, including beginning
13 teachers. The legislature further finds that the state lacks a career
14 advancement structure that provides substantially enhanced compensation
15 packages for outstanding teachers who continue classroom teaching while
16 they act as instructional leaders for their buildings. The legislature
17 intends to create a pilot program designed to keep lead teachers
18 working directly with students in the classroom while they are

1 providing instructional leadership and mentoring for other teachers in
2 their buildings.

3 NEW SECTION. **Sec. 2.** The teacher instructional leadership pilot
4 program is established. The purposes of the program are to:

5 (1) Provide exemplary teachers with career advancement
6 opportunities to serve as lead teachers while they remain in their own
7 classrooms part time working directly with students;

8 (2) Provide an opportunity for experienced and exemplary teachers
9 to help and mentor new teachers and other teachers in the building;

10 (3) Help beginning teachers work toward mastery of state-defined
11 knowledge and skill standards for effective teaching;

12 (4) Advance school or district student learning objectives;

13 (5) Create collaborative lead teacher selection processes that will
14 permit lead teachers to be effective instructional resources for other
15 educators in their buildings; and

16 (6) Help the state design a career advancement program for
17 educators that effectively uses and compensates the instructional
18 skills and knowledge of lead teachers, good teachers, beginning
19 teachers, and other educators.

20 NEW SECTION. **Sec. 3.** (1) The teacher instructional leadership
21 pilot program shall be administered by the office of the superintendent
22 of public instruction. The office shall design and administer the
23 program with the assistance of an advisory committee that shall
24 include, but need not be limited to teachers, administrators, school
25 directors, parents, and representatives of higher education and
26 business and labor organizations.

27 (2) The program shall include, but need not be limited to the
28 following components:

29 (a) Lead teachers shall be assigned to teach in their own
30 classrooms part time and act as instructional leaders and mentors for
31 other teachers in the building part time;

32 (b) Lead teachers should have substantially enhanced compensation
33 levels;

34 (c) Lead teachers should be selected through processes that have
35 the support of parents, teachers, principals, building staff, school
36 directors, and members of the community;

1 (d) One lead teacher may be selected for approximately every two
2 hundred fifty students;

3 (e) With very limited exceptions, lead teachers are not expected to
4 assume building level administrative duties; and

5 (f) Lead teachers will be expected to work beyond the districts'
6 contracted days for certificated personnel.

7 (3) The teacher instructional leadership pilot program established
8 in this act is not a part of basic education. Stipends paid to lead
9 teachers for their instructional leadership duties shall be provided
10 through supplemental contracts and are not basic education program
11 salaries under RCW 28A.400.200.

12 (4) If the legislature revokes any benefits granted under this
13 section, no affected employee is entitled to receive such benefits as
14 a matter of contractual right.

15 (5) The selection criteria for lead teachers shall include, but
16 need not be limited to:

17 (a) The ability to demonstrate exemplary skills and knowledge about
18 effective instructional and classroom management practices, the
19 implementation and interpretation of student assessment strategies, and
20 planning and instruction aligned with the essential academic learning
21 requirements;

22 (b) Training and experience as a coach and mentor;

23 (c) Outstanding communication skills; and

24 (d) A commitment to the purposes of the program.

25 (6) At least annually, the office shall provide or fund training
26 specifically designed to train and support lead teachers.

27 (7) Participation in the pilot program shall have the demonstrated
28 support of, at a minimum, the school's board of directors,
29 superintendent, principal, and teachers.

30 (8) Participating lead teachers, beginning teachers, cooperating
31 teachers, school administrators, and others involved in the pilot
32 program shall annually evaluate the effectiveness of the program and
33 share with the office of the superintendent of public instruction
34 information on the role of lead teachers in the school, any results
35 from the program, and any recommendations for program improvements.

36 NEW SECTION. **Sec. 4.** The duties of lead teachers should include,
37 but need not be limited to:

- 1 (1) Observing and providing feedback to other teachers in the
2 building;
- 3 (2) Conducting demonstration classes;
- 4 (3) Working with teachers to develop specific knowledge and skills
5 that improve student learning;
- 6 (4) Working with teachers to measure and analyze improvements in
7 student learning;
- 8 (5) Assisting other mentors, beginning teachers, and cooperating
9 teachers;
- 10 (6) Working with other teachers in the building on school and
11 district student learning objectives;
- 12 (7) Working with teachers to formulate clear plans with specific
13 benchmarks and improvement indicators over time for the improvement of
14 knowledge and skills. The knowledge and skills should be based on
15 state-wide standards for effective teaching practices; and
- 16 (8) Instructing students part time.

17 NEW SECTION. **Sec. 5.** (1) By May 31, 2000, the office of the
18 superintendent of public instruction shall provide to interested school
19 districts a preliminary program design including a process for the
20 selection of pilot schools for the 2000-01 school year. The program
21 design shall incorporate, at a minimum, the provisions of sections 2
22 and 3 of this act, and any additional requirements contained in this
23 section or any act containing an appropriation for the program.

24 (2) By August 1, 2000, to the extent that funding is provided
25 through appropriation for this purpose, the office of the
26 superintendent of public instruction, with the assistance of the
27 advisory committee created in section 3 of this act, and subject to the
28 following conditions, shall select pilot schools for the 2000-01 school
29 year.

30 (a) The process used to select pilot schools shall be reviewed in
31 advance by the advisory committee.

32 (b) Each participating school may select a maximum of two lead
33 teachers.

34 (c) The pilot schools shall be geographically and demographically
35 varied, and until the 2003-04 school year, shall be elementary only.

36 (d) Lead teachers shall be appointed for approximately an eleven-
37 month to one-year period.

1 (e) Lead teachers shall receive the full-time salary to which they
2 would normally be entitled as certificated teachers plus an additional
3 stipend of ten thousand dollars.

4 (f) Pilot schools shall have total flexibility in the way release
5 time is provided for their lead teachers.

6 (3) By September 30, 2000, pilot schools shall select their lead
7 teachers for the 2000-01 school year and commence the program.

8 (4) By December 1, 2000, the office shall provide to the governor
9 and appropriate fiscal and policy committees of the legislature a
10 preliminary report on the program. The report shall include an
11 estimate of the number of schools that wish to participate during the
12 2001-03 biennium, the approximate cost of funding participation of
13 interested schools, and any preliminary recommendations for program
14 improvements. The report may include estimates of the cost of phasing
15 additional participation in the program.

16 (5) By November 30, 2001, the office shall provide to the governor
17 and appropriate fiscal and policy committees of the legislature a
18 report on the program with findings and recommendations based on the
19 experience of the first year of the pilots. The office shall require
20 participating schools to collect information in a uniform manner in
21 order to evaluate the effectiveness of the pilots. The report shall
22 address questions that include but need not be limited to:

23 (a) What models were used for selection and deployment of lead
24 teachers and what lessons were learned about maximizing the
25 effectiveness of the models selected, including release time, the most
26 appropriate selection processes, and appropriate workloads for lead
27 teachers?

28 (b) What roles and responsibilities of lead teachers had the most
29 effect on improving student learning? What additional research and
30 pilot testing is needed to determine that effect?

31 (c) What are the benefits and costs of having a lead teacher
32 available at the building level compared to having such resources
33 deployed from the district level? Which of the two organizational
34 models is more effective for improving student learning and under what
35 circumstances is the model selected most effective?

36 (d) What did you learn at the elementary level about the issues of
37 training, assignment, selection, roles, and responsibilities that must
38 be addressed in order for lead teachers to be effective in middle
39 schools and high schools?

1 (e) What are the issues that must be addressed to make lead
2 teaching assignments viable career paths for exemplary teachers across
3 the state?

4 (f) Would participating school districts continue the program if
5 funding is not an issue? What data supports the decision? To what
6 extent did districts contribute resources to the pilot to augment the
7 funds provided through the program?

8 (6) By December 1, 2006, the office of the superintendent of public
9 instruction shall provide to the governor and the appropriate fiscal
10 and policy committees of the house of representatives and the senate a
11 final report on the teacher instructional leadership pilot program.
12 The report shall include an analysis of the effectiveness of the
13 program for improving both student learning and the teaching
14 experiences of teachers in pilot schools. The report shall also
15 include one or more possible designs for articulated, educator career
16 advancement programs that create opportunities for and recognize the
17 skills and contributions of all classroom educators, including
18 paraprofessionals, beginning teachers, good teachers, and lead
19 teachers. At least one of the designs shall include a model in which
20 lead teachers need not be selected from certificated staff already
21 assigned to a particular school or building. Instead, teachers may
22 apply to become lead teachers in another school or school district.
23 The report shall also include the findings and recommendations of the
24 office and of the advisory committee for continuation, modification, or
25 elimination of the program.

26 **Sec. 6.** RCW 41.32.010 and 1997 c 254 s 3 are each amended to read
27 as follows:

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

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

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

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

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

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

8 (5)(a) "Beneficiary" for plan 1 members, means any person in
9 receipt of a retirement allowance or other benefit provided by this
10 chapter.

11 (b) "Beneficiary" for plan 2 and plan 3 members, means any person
12 in receipt of a retirement allowance or other benefit provided by this
13 chapter resulting from service rendered to an employer by another
14 person.

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

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

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

22 (9) "Disability allowance" means monthly payments during
23 disability. This subsection shall apply only to plan 1 members.

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

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

30 (ii) "Earnable compensation" for plan 1 members also includes the
31 following actual or imputed payments, which are not paid for personal
32 services:

33 (A) 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 and the individual shall receive the
39 equivalent service credit.

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

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

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

29 (A) Remuneration for unused sick leave authorized under RCW
30 41.04.340, 28A.400.210, or 28A.310.490;

31 (B) Remuneration for unused annual leave in excess of thirty days
32 as authorized by RCW 43.01.044 and 43.01.041;

33 (C) Stipends provided to lead teachers under sections 2 through 5
34 of this act.

35 (b) "Earnable compensation" for plan 2 and plan 3 members, means
36 salaries or wages earned by a member during a payroll period for
37 personal services, including overtime payments, and shall include wages
38 and salaries deferred under provisions established pursuant to sections
39 403(b), 414(h), and 457 of the United States Internal Revenue Code, but

1 shall exclude stipends provided to lead teachers under sections 2
2 through 5 of this act, lump sum payments for deferred annual sick
3 leave, unused accumulated vacation, unused accumulated annual leave, or
4 any form of severance pay.

5 "Earnable compensation" for plan 2 and plan 3 members also includes
6 the following actual or imputed payments which, except in the case of
7 (b)(ii)(B) of this subsection, are not paid for personal services:

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

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

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

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

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

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

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

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

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

1 (16) "Membership service" means service rendered subsequent to the
2 first day of eligibility of a person to membership in the retirement
3 system: PROVIDED, That where a member is employed by two or more
4 employers the individual shall receive no more than one service credit
5 month during any calendar month in which multiple service is rendered.
6 The provisions of this subsection shall apply only to plan 1 members.

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

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

13 (19) "Prior service" means service rendered prior to the first date
14 of eligibility to membership in the retirement system for which credit
15 is allowable. The provisions of this subsection shall apply only to
16 plan 1 members.

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

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

24 (22) "Regular contributions" means the amounts required to be
25 deducted from the compensation of a member and credited to the member's
26 individual account in the member reserve. This subsection shall apply
27 only to plan 1 members.

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

30 (24)(a) "Retirement allowance" for plan 1 members, means monthly
31 payments based on the sum of annuity and pension, or any optional
32 benefits payable in lieu thereof.

33 (b) "Retirement allowance" for plan 2 and plan 3 members, means
34 monthly payments to a retiree or beneficiary as provided in this
35 chapter.

36 (25) "Retirement system" means the Washington state teachers'
37 retirement system.

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

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

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

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

11 (b) "Service" for plan 2 and plan 3 members, means periods of
12 employment by a member for one or more employers for which earnable
13 compensation is earned subject to the following conditions:

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

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

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

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

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

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

37 (iv) Any person who is a member of the teachers' retirement system
38 and who is elected or appointed to a state elective position may
39 continue to be a member of the retirement system and continue to

1 receive a service credit month for each of the months in a state
2 elective position by making the required member contributions.

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

7 (vi) As authorized by RCW 28A.400.300, up to forty-five days of
8 sick leave may be creditable as service solely for the purpose of
9 determining eligibility to retire under RCW 41.32.470. For purposes of
10 plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal
11 to two service credit months. Use of less than forty-five days of sick
12 leave is creditable as allowed under this subsection as follows:

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

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

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

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

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

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

25 (viii) The department shall adopt rules implementing this
26 subsection.

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

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

31 (29) "Teacher" means any person qualified to teach who is engaged
32 by a public school in an instructional, administrative, or supervisory
33 capacity. The term includes state, educational service district, and
34 school district superintendents and their assistants and all employees
35 certificated by the superintendent of public instruction; and in
36 addition thereto any full time school doctor who is employed by a
37 public school and renders service of an instructional or educational
38 nature.

1 (30) "Average final compensation" for plan 2 and plan 3 members,
2 means the member's average earnable compensation of the highest
3 consecutive sixty service credit months prior to such member's
4 retirement, termination, or death. Periods constituting authorized
5 leaves of absence may not be used in the calculation of average final
6 compensation except under RCW 41.32.810(2).

7 (31) "Retiree" means any person who has begun accruing a retirement
8 allowance or other benefit provided by this chapter resulting from
9 service rendered to an employer while a member.

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

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

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

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

18 (36) "Substitute teacher" means:

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

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

25 (37)(a) "Eligible position" for plan 2 members from June 7, 1990,
26 through September 1, 1991, means a position which normally requires two
27 or more uninterrupted months of creditable service during September
28 through August of the following year.

29 (b) "Eligible position" for plan 2 and plan 3 on and after
30 September 1, 1991, means a position that, as defined by the employer,
31 normally requires five or more months of at least seventy hours of
32 earnable compensation during September through August of the following
33 year.

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

37 (d) The elected position of the superintendent of public
38 instruction is an eligible position.

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

4 (39) "Plan 2" means the teachers' retirement system, plan 2
5 providing the benefits and funding provisions covering persons who
6 first became members of the system on and after October 1, 1977, and
7 prior to July 1, 1996.

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

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

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

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

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

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

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

26 (47) "Member account" or "member's account" for purposes of plan 3
27 means the sum of the contributions and earnings on behalf of the member
28 in the defined contribution portion of plan 3.

29 (48) "Separation from service or employment" occurs when a person
30 has terminated all employment with an employer.

31 (49) "Employed" or "employee" means a person who is providing
32 services for compensation to an employer, unless the person is free
33 from the employer's direction and control over the performance of work.
34 The department shall adopt rules and interpret this subsection
35 consistent with common law.

36 NEW SECTION. **Sec. 7.** Sections 2 through 5 of this act are each
37 added to chapter 28A.405 RCW.

1 NEW SECTION. **Sec. 8.** Sections 1 through 5 of this act expire June
2 30, 2007.

3 NEW SECTION. **Sec. 9.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

7 NEW SECTION. **Sec. 10.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of the
9 state government and its existing public institutions, and takes effect
10 immediately.

--- END ---