
SENATE BILL 5996

State of Washington

56th Legislature

1999 Regular Session

By Senators Fraser, Winsley, Roach, Haugen, Bauer, Gardner, Kohl-Welles, Fairley and Kline

Read first time 02/19/1999. Referred to Committee on Ways & Means.

1 AN ACT Relating to the public retirement systems; amending RCW
2 41.40.630, 41.40.670, 41.32.765, 41.32.790, 41.32.875, 41.32.880,
3 41.26.430, 41.26.470, 41.35.420, 41.35.440, 41.35.680, and 41.35.690;
4 and providing an effective date.

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

6 **Sec. 1.** RCW 41.40.630 and 1991 c 343 s 11 are each amended to read
7 as follows:

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

12 (2) EARLY RETIREMENT. Any member who has completed at least twenty
13 service credit years and has attained age fifty-five shall be eligible
14 to retire and to receive a retirement allowance computed according to
15 the provisions of RCW 41.40.620, except that a member retiring pursuant
16 to this subsection shall have the retirement allowance ((actuarially))
17 reduced by three percent per year to reflect the difference in the
18 number of years between age at retirement and the attainment of age
19 sixty-five.

1 **Sec. 2.** RCW 41.40.670 and 1995 c 144 s 7 are each amended to read
2 as follows:

3 (1) A member of the retirement system who becomes totally
4 incapacitated for continued employment by an employer as determined by
5 the department upon recommendation of the department shall be eligible
6 to receive an allowance under the provisions of RCW 41.40.610 through
7 41.40.740. The member shall receive a monthly disability allowance
8 computed as provided for in RCW 41.40.620 and shall have this allowance
9 ((actuarially)) reduced by three percent per year to reflect the
10 difference in the number of years between age at disability and the
11 attainment of age sixty-five.

12 Any member who receives an allowance under the provisions of this
13 section shall be subject to comprehensive medical examinations as
14 required by the department. If these medical examinations reveal that
15 a member has recovered from the incapacitating disability and the
16 member is offered reemployment by an employer at a comparable
17 compensation, the member shall cease to be eligible for the allowance.

18 (2) The retirement for disability of a judge, who is a member of
19 the retirement system, by the supreme court under Article IV, section
20 31 of the Constitution of the state of Washington (Amendment 71), with
21 the concurrence of the department, shall be considered a retirement
22 under subsection (1) of this section.

23 (3)(a) If the recipient of a monthly retirement allowance under
24 this section dies before the total of the retirement allowance paid to
25 the recipient equals the amount of the accumulated contributions at the
26 date of retirement, then the balance shall be paid to the member's
27 estate, or the person or persons, trust, or organization as the
28 recipient has nominated by written designation duly executed and filed
29 with the director, or, if there is no designated person or persons
30 still living at the time of the recipient's death, then to the
31 surviving spouse, or, if there is no designated person or persons still
32 living at the time of his or her death nor a surviving spouse, then to
33 his or her legal representative.

34 (b) If a recipient of a monthly retirement allowance under this
35 section died before April 27, 1989, and before the total of the
36 retirement allowance paid to the recipient equaled the amount of his or
37 her accumulated contributions at the date of retirement, then the
38 department shall pay the balance of the accumulated contributions to
39 the member's surviving spouse or, if there is no surviving spouse, then

1 in equal shares to the member's children. If there is no surviving
2 spouse or children, the department shall retain the contributions.

3 **Sec. 3.** RCW 41.32.765 and 1991 c 343 s 5 are each amended to read
4 as follows:

5 (1) NORMAL RETIREMENT. Any member with at least five service
6 credit years of service who has attained at least age sixty-five shall
7 be eligible to retire and to receive a retirement allowance computed
8 according to the provisions of RCW 41.32.760.

9 (2) EARLY RETIREMENT. Any member who has completed at least twenty
10 service credit years of service who has attained at least age fifty-
11 five shall be eligible to retire and to receive a retirement allowance
12 computed according to the provisions of RCW 41.32.760, except that a
13 member retiring pursuant to this subsection shall have the retirement
14 allowance ((actuarially)) reduced by three percent per year to reflect
15 the difference in the number of years between age at retirement and the
16 attainment of age sixty-five.

17 **Sec. 4.** RCW 41.32.790 and 1995 c 144 s 15 are each amended to read
18 as follows:

19 (1) A member of the retirement system who becomes totally
20 incapacitated for continued employment by an employer as determined by
21 the department upon recommendation of the department shall be eligible
22 to receive an allowance under the provisions of RCW 41.32.755 through
23 41.32.825. The member shall receive a monthly disability allowance
24 computed as provided for in RCW 41.32.760 and shall have the allowance
25 ((actuarially)) reduced by three percent per year to reflect the
26 difference in the number of years between age at disability and the
27 attainment of age sixty-five.

28 Any member who receives an allowance under the provisions of this
29 section shall be subject to comprehensive medical examinations as
30 required by the department. If medical examinations reveal that a
31 member has recovered from the incapacitating disability and the member
32 is offered reemployment by an employer at a comparable compensation,
33 the member shall cease to be eligible for the allowance.

34 (2)(a) If the recipient of a monthly retirement allowance under
35 this section dies before the total of the retirement allowance paid to
36 the recipient equals the amount of the accumulated contributions at the
37 date of retirement, then the balance shall be paid to the member's

1 estate, or the person or persons, trust, or organization as the
2 recipient has nominated by written designation duly executed and filed
3 with the director, or, if there is no designated person or persons
4 still living at the time of the recipient's death, then to the
5 surviving spouse, or, if there is neither a designated person or
6 persons still living at the time of his or her death nor a surviving
7 spouse, then to his or her legal representative.

8 (b) If a recipient of a monthly retirement allowance under this
9 section died before April 27, 1989, and before the total of the
10 retirement allowance paid to the recipient equaled the amount of his or
11 her accumulated contributions at the date of retirement, then the
12 department shall pay the balance of the accumulated contributions to
13 the member's surviving spouse or, if there is no surviving spouse, then
14 in equal shares to the member's children. If there is no surviving
15 spouse or children, the department shall retain the contributions.

16 **Sec. 5.** RCW 41.32.875 and 1996 c 39 s 6 are each amended to read
17 as follows:

18 (1) NORMAL RETIREMENT. Any member who is at least age sixty-five
19 and who has:

20 (a) Completed ten service credit years; or

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

23 (c) Completed five service credit years by July 1, 1996, under plan
24 2 and who transferred to plan 3 under RCW 41.32.817;

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

27 (2) EARLY RETIREMENT. Any member who has attained at least age
28 fifty-five and has completed at least ten years of service shall be
29 eligible to retire and to receive a retirement allowance computed
30 according to the provisions of RCW 41.32.840, except that a member
31 retiring pursuant to this subsection shall have the retirement
32 allowance ((actuarially)) reduced by three percent per year to reflect
33 the difference in the number of years between age at retirement and the
34 attainment of age sixty-five.

35 **Sec. 6.** RCW 41.32.880 and 1995 c 239 s 114 are each amended to
36 read as follows:

1 (1) A member of the retirement system who becomes totally
2 incapacitated for continued employment by an employer as determined by
3 the department shall be eligible to receive an allowance under the
4 provisions of plan 3. The member shall receive a monthly disability
5 allowance computed as provided for in RCW 41.32.840 and shall have this
6 allowance ((actuarially)) reduced by three percent per year to reflect
7 the difference in the number of years between age at disability and the
8 attainment of age sixty-five.

9 Any member who receives an allowance under the provisions of this
10 section shall be subject to comprehensive medical examinations as
11 required by the department. If these medical examinations reveal that
12 a member has recovered from the incapacitating disability and the
13 member is offered reemployment by an employer at a comparable
14 compensation, the member shall cease to be eligible for the allowance.

15 (2) If the recipient of a monthly retirement allowance under this
16 section dies, any further benefit payments shall be conditioned by the
17 payment option selected by the retiree as provided in RCW 41.32.851.

18 **Sec. 7.** RCW 41.26.430 and 1993 c 517 s 3 are each amended to read
19 as follows:

20 (1) NORMAL RETIREMENT. Any member with at least five service
21 credit years of service who has attained at least age fifty-five shall
22 be eligible to retire and to receive a retirement allowance computed
23 according to the provisions of RCW 41.26.420.

24 (2) EARLY RETIREMENT. Any member who has completed at least twenty
25 service credit years of service and has attained age fifty shall be
26 eligible to retire and to receive a retirement allowance computed
27 according to the provisions of RCW 41.26.420, except that a member
28 retiring pursuant to this subsection shall have the retirement
29 allowance ((actuarially)) reduced by three percent per year to reflect
30 the difference in the number of years between age at retirement and the
31 attainment of age fifty-five.

32 **Sec. 8.** RCW 41.26.470 and 1995 c 144 s 18 are each amended to read
33 as follows:

34 (1) A member of the retirement system who becomes totally
35 incapacitated for continued employment by an employer as determined by
36 the director shall be eligible to receive an allowance under the
37 provisions of RCW 41.26.410 through 41.26.550. Such member shall

1 receive a monthly disability allowance computed as provided for in RCW
2 41.26.420 and shall have such allowance (~~(actuarially)~~) reduced by
3 three percent per year to reflect the difference in the number of years
4 between age at disability and the attainment of age fifty-five.

5 (2) Any member who receives an allowance under the provisions of
6 this section shall be subject to such comprehensive medical
7 examinations as required by the department. If such medical
8 examinations reveal that such a member has recovered from the
9 incapacitating disability and the member is no longer entitled to
10 benefits under Title 51 RCW, the retirement allowance shall be canceled
11 and the member shall be restored to duty in the same civil service
12 rank, if any, held by the member at the time of retirement or, if
13 unable to perform the duties of the rank, then, at the member's
14 request, in such other like or lesser rank as may be or become open and
15 available, the duties of which the member is then able to perform. In
16 no event shall a member previously drawing a disability allowance be
17 returned or be restored to duty at a salary or rate of pay less than
18 the current salary attached to the rank or position held by the member
19 at the date of the retirement for disability. If the department
20 determines that the member is able to return to service, the member is
21 entitled to notice and a hearing. Both the notice and the hearing
22 shall comply with the requirements of chapter 34.05 RCW, the
23 Administrative Procedure Act.

24 (3) Those members subject to this chapter who became disabled in
25 the line of duty on or after July 23, 1989, and who receive benefits
26 under RCW 41.04.500 through 41.04.530 or similar benefits under RCW
27 41.04.535 shall receive or continue to receive service credit subject
28 to the following:

29 (a) No member may receive more than one month's service credit in
30 a calendar month.

31 (b) No service credit under this section may be allowed after a
32 member separates or is separated without leave of absence.

33 (c) Employer contributions shall be paid by the employer at the
34 rate in effect for the period of the service credited.

35 (d) Employee contributions shall be collected by the employer and
36 paid to the department at the rate in effect for the period of service
37 credited.

38 (e) State contributions shall be as provided in RCW 41.26.450.

1 (f) Contributions shall be based on the regular compensation which
2 the member would have received had the disability not occurred.

3 (g) The service and compensation credit under this section shall be
4 granted for a period not to exceed six consecutive months.

5 (h) Should the legislature revoke the service credit authorized
6 under this section or repeal this section, no affected employee is
7 entitled to receive the credit as a matter of contractual right.

8 (4)(a) If the recipient of a monthly retirement allowance under
9 this section dies before the total of the retirement allowance paid to
10 the recipient equals the amount of the accumulated contributions at the
11 date of retirement, then the balance shall be paid to the member's
12 estate, or such person or persons, trust, or organization as the
13 recipient has nominated by written designation duly executed and filed
14 with the director, or, if there is no such designated person or persons
15 still living at the time of the recipient's death, then to the
16 surviving spouse, or, if there is neither such designated person or
17 persons still living at the time of his or her death nor a surviving
18 spouse, then to his or her legal representative.

19 (b) If a recipient of a monthly retirement allowance under this
20 section died before April 27, 1989, and before the total of the
21 retirement allowance paid to the recipient equaled the amount of his or
22 her accumulated contributions at the date of retirement, then the
23 department shall pay the balance of the accumulated contributions to
24 the member's surviving spouse or, if there is no surviving spouse, then
25 in equal shares to the member's children. If there is no surviving
26 spouse or children, the department shall retain the contributions.

27 **Sec. 9.** RCW 41.35.420 and 1998 c 341 s 103 are each amended to
28 read as follows:

29 (1) NORMAL RETIREMENT. Any member with at least five service
30 credit years who has attained at least age sixty-five shall be eligible
31 to retire and to receive a retirement allowance computed according to
32 the provisions of RCW 41.35.400.

33 (2) EARLY RETIREMENT. Any member who has completed at least twenty
34 service credit years and has attained age fifty-five shall be eligible
35 to retire and to receive a retirement allowance computed according to
36 the provisions of RCW 41.35.400, except that a member retiring pursuant
37 to this subsection shall have the retirement allowance ((actuarially))
38 reduced by three percent per year to reflect the difference in the

1 number of years between age at retirement and the attainment of age
2 sixty-five.

3 **Sec. 10.** RCW 41.35.440 and 1998 c 341 s 105 are each amended to
4 read as follows:

5 (1) A member of the retirement system who becomes totally
6 incapacitated for continued employment by an employer as determined by
7 the department upon recommendation of the department shall be eligible
8 to receive an allowance under the provisions of RCW 41.35.400 through
9 41.35.599. The member shall receive a monthly disability allowance
10 computed as provided for in RCW 41.35.400 and shall have this allowance
11 ((actuarially)) reduced by three percent per year to reflect the
12 difference in the number of years between age at disability and the
13 attainment of age sixty-five.

14 Any member who receives an allowance under the provisions of this
15 section shall be subject to comprehensive medical examinations as
16 required by the department. If these medical examinations reveal that
17 a member has recovered from the incapacitating disability and the
18 member is offered reemployment by an employer at a comparable
19 compensation, the member shall cease to be eligible for the allowance.

20 (2) If the recipient of a monthly retirement allowance under this
21 section dies before the total of the retirement allowance paid to the
22 recipient equals the amount of the accumulated contributions at the
23 date of retirement, then the balance shall be paid to the member's
24 estate, or the person or persons, trust, or organization as the
25 recipient has nominated by written designation duly executed and filed
26 with the director, or, if there is no designated person or persons
27 still living at the time of the recipient's death, then to the
28 surviving spouse, or, if there is no designated person or persons still
29 living at the time of his or her death nor a surviving spouse, then to
30 his or her legal representative.

31 **Sec. 11.** RCW 41.35.680 and 1998 c 341 s 209 are each amended to
32 read as follows:

33 (1) NORMAL RETIREMENT. Any member who is at least age sixty-five
34 and who has:

35 (a) Completed ten service credit years; or

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

1 (c) Completed five service credit years by September 1, 2000, under
2 the public employees' retirement system plan 2 and who transferred to
3 plan 3 under RCW 41.35.510;
4 shall be eligible to retire and to receive a retirement allowance
5 computed according to the provisions of RCW 41.35.620.

6 (2) EARLY RETIREMENT. Any member who has attained at least age
7 fifty-five and has completed at least ten years of service shall be
8 eligible to retire and to receive a retirement allowance computed
9 according to the provisions of RCW 41.35.620, except that a member
10 retiring pursuant to this subsection shall have the retirement
11 allowance ((actuarially)) reduced by three percent per year to reflect
12 the difference in the number of years between age at retirement and the
13 attainment of age sixty-five.

14 **Sec. 12.** RCW 41.35.690 and 1998 c 341 s 210 are each amended to
15 read as follows:

16 (1) A member of the retirement system who becomes totally
17 incapacitated for continued employment by an employer as determined by
18 the department shall be eligible to receive an allowance under the
19 provisions of plan 3. The member shall receive a monthly disability
20 allowance computed as provided for in RCW 41.35.620 and shall have this
21 allowance ((actuarially)) reduced by three percent per year to reflect
22 the difference in the number of years between age at disability and the
23 attainment of age sixty-five.

24 Any member who receives an allowance under the provisions of this
25 section shall be subject to comprehensive medical examinations as
26 required by the department. If these medical examinations reveal that
27 a member has recovered from the incapacitating disability and the
28 member is offered reemployment by an employer at a comparable
29 compensation, the member shall cease to be eligible for the allowance.

30 (2) If the recipient of a monthly retirement allowance under this
31 section dies, any further benefit payments shall be conditioned by the
32 payment option selected by the retiree as provided in RCW 41.35.220.

33 NEW SECTION. **Sec. 13.** Sections 9 through 12 of this act take
34 effect September 1, 2000.

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