

2 **ESB 5143** - H COMM AMD **ADOPTED 4/10/01**
3 By Committee on Appropriations

4

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

7 "**Sec. 1.** RCW 43.43.040 and 1998 c 194 s 1 are each amended to read
8 as follows:

9 (1) The chief of the Washington state patrol shall relieve from
10 active duty Washington state patrol officers who, while in the
11 performance of their official duties, or while on standby or available
12 for duty, have been or hereafter may be injured or incapacitated to
13 such an extent as to be mentally or physically incapable of active
14 service: PROVIDED, That:

15 (a) Any officer disabled while performing line duty who is found by
16 the chief to be physically incapacitated shall be placed on disability
17 leave for a period not to exceed six months from the date of injury or
18 the date incapacitated. During this period, the officer shall be
19 entitled to all pay, benefits, insurance, leave, and retirement
20 contributions awarded to an officer on active status, less any
21 compensation received through the department of labor and industries.
22 No such disability leave shall be approved until an officer has been
23 unavailable for duty for more than forty consecutive work hours. Prior
24 to the end of the six-month period, the chief shall either place the
25 officer on disability status or return the officer to active status.

26 For the purposes of this section, "line duty" is active service
27 which encompasses the traffic law enforcement duties and/or other law
28 enforcement responsibilities of the state patrol. These activities
29 encompass all enforcement practices of the laws, accident and criminal
30 investigations, or actions requiring physical exertion or exposure to
31 hazardous elements.

32 The chief shall define by rule the situations where a disability
33 has occurred during line duty;

34 (b) Benefits under this section for a disability that is incurred
35 while in other employment will be reduced by any amount the officer
36 receives or is entitled to receive from workers' compensation, social

1 security, group insurance, other pension plan, or any other similar
2 source provided by another employer on account of the same disability;

3 (c) An officer injured while engaged in willfully tortious or
4 criminal conduct shall not be entitled to disability benefits under
5 this section; and

6 (d) For members commissioned prior to January 1, 2003, should a
7 disability beneficiary whose disability was not incurred in line of
8 duty, prior to attaining age fifty, engage in a gainful occupation, the
9 chief shall reduce the amount of his retirement allowance to an amount
10 which when added to the compensation earned by him in such occupation
11 shall not exceed the basic salary currently being paid for the rank the
12 retired officer held at the time he was disabled. All such disability
13 beneficiaries under age fifty shall file with the chief every six
14 months a signed and sworn statement of earnings and any person who
15 shall knowingly swear falsely on such statement shall be subject to
16 prosecution for perjury. Should the earning capacity of such
17 beneficiary be further altered, the chief may further alter his
18 disability retirement allowance as indicated above. The failure of any
19 officer to file the required statement of earnings shall be cause for
20 cancellation of retirement benefits.

21 (2) (~~Officers~~) (a) Members commissioned prior to January 1, 2003,
22 on disability status shall receive one-half of their compensation at
23 the existing wage, during the time the disability continues in effect,
24 less any compensation received through the department of labor and
25 industries. They shall be subject to mental or physical examination at
26 any state institution or otherwise under the direction of the chief of
27 the patrol at any time during such relief from duty to ascertain
28 whether or not they are able to resume active duty.

29 (b) Members commissioned on or after January 1, 2003, on disability
30 status as a result of a line duty disability shall receive a line duty
31 disability allowance of one-half of their compensation at the existing
32 wage, during the time the disability continues in effect, less any
33 compensation received through the department of labor and industries,
34 and any retirement allowance under section 2 of this act. They shall
35 be subject to such comprehensive medical examinations as required by
36 the chief of the patrol at any time during such relief from duty. If
37 these medical examinations reveal that a member has recovered from the
38 incapacitating disability and the member is offered reemployment by the

1 chief at a comparable compensation, the member shall cease to be
2 eligible for this line duty disability allowance.

3 NEW SECTION. **Sec. 2.** (1) A member of the retirement system
4 commissioned on or after January 1, 2003, who becomes totally
5 incapacitated for continued employment by an employer as determined by
6 the department upon recommendation of the department shall be eligible
7 to receive an allowance under RCW 43.43.260. The member shall receive
8 a monthly disability allowance computed as provided for in RCW
9 43.43.260 and shall have this allowance actuarially reduced to reflect
10 the difference in the number of years between age at disability and the
11 attainment of age fifty-five or from when the member could have
12 attained twenty-five years of service, whichever is less.

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

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

30 **Sec. 3.** RCW 43.43.120 and 1999 c 74 s 1 are each amended to read
31 as follows:

32 As used in the following sections, unless a different meaning is
33 plainly required by the context:

34 (1) "Retirement system" means the Washington state patrol
35 retirement system.

36 (2) "Retirement fund" means the Washington state patrol retirement
37 fund.

1 (3) "State treasurer" means the treasurer of the state of
2 Washington.

3 (4) "Member" means any person included in the membership of the
4 retirement fund.

5 (5) "Employee" means any commissioned employee of the Washington
6 state patrol.

7 (6)(a) "Cadet," for a person who became a member of the retirement
8 system after June 12, 1980, is a person who has passed the Washington
9 state patrol's entry-level oral, written, physical performance, and
10 background examinations and is, thereby, appointed by the chief as a
11 candidate to be a commissioned officer of the Washington state patrol.

12 (b) "Cadet," for a person who became a member of the retirement
13 system before June 12, 1980, is a trooper cadet, patrol cadet, or
14 employee of like classification, employed for the express purpose of
15 receiving the on-the-job training required for attendance at the state
16 patrol academy and for becoming a commissioned trooper. "Like
17 classification" includes: Radio operators or dispatchers; persons
18 providing security for the governor or legislature; patrolmen; drivers'
19 license examiners; weighmasters; vehicle safety inspectors; central
20 wireless operators; and warehousemen.

21 (7) "Beneficiary" means any person in receipt of retirement
22 allowance or any other benefit allowed by this chapter.

23 (8) "Regular interest" means interest compounded annually at such
24 rates as may be determined by the director.

25 (9) "Retirement board" means the board provided for in this
26 chapter.

27 (10) "Insurance commissioner" means the insurance commissioner of
28 the state of Washington.

29 (11) "Lieutenant governor" means the lieutenant governor of the
30 state of Washington.

31 (12) "Service" shall mean services rendered to the state of
32 Washington or any political subdivisions thereof for which compensation
33 has been paid. Full time employment for seventy or more hours in any
34 given calendar month shall constitute one month of service. An
35 employee who is reinstated in accordance with RCW 43.43.110 shall
36 suffer no loss of service for the period reinstated subject to the
37 contribution requirements of this chapter. Only months of service
38 shall be counted in the computation of any retirement allowance or
39 other benefit provided for herein. Years of service shall be

1 determined by dividing the total number of months of service by twelve.
2 Any fraction of a year of service as so determined shall be taken into
3 account in the computation of such retirement allowance or benefit.

4 (13) "Prior service" shall mean all services rendered by a member
5 to the state of Washington, or any of its political subdivisions prior
6 to August 1, 1947, unless such service has been credited in another
7 public retirement or pension system operating in the state of
8 Washington.

9 (14) "Current service" shall mean all service as a member rendered
10 on or after August 1, 1947.

11 (15)(a) "Average final salary," for members commissioned prior to
12 January 1, 2003, shall mean the average monthly salary received by a
13 member during the member's last two years of service or any consecutive
14 two-year period of service, whichever is the greater, as an employee of
15 the Washington state patrol; or if the member has less than two years
16 of service, then the average monthly salary received by the member
17 during the member's total years of service.

18 (b) "Average final salary," for members commissioned on or after
19 January 1, 2003, shall mean the average monthly salary received by a
20 member for the highest consecutive sixty service credit months; or if
21 the member has less than sixty months of service, then the average
22 monthly salary received by the member during the member's total months
23 of service.

24 (16) "Actuarial equivalent" shall mean a benefit of equal value
25 when computed upon the basis of such mortality table as may be adopted
26 and such interest rate as may be determined by the director.

27 (17) Unless the context expressly indicates otherwise, words
28 importing the masculine gender shall be extended to include the
29 feminine gender and words importing the feminine gender shall be
30 extended to include the masculine gender.

31 (18) "Director" means the director of the department of retirement
32 systems.

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

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

37 (21) "Contributions" means the deduction from the compensation of
38 each member in accordance with the contribution rates established under
39 (~~RCW 43.43.300~~) chapter 41.45 RCW.

1 (22) "Annual increase" means as of July 1, 1999, seventy-seven
2 cents per month per year of service which amount shall be increased
3 each subsequent July 1st by three percent, rounded to the nearest cent.

4 (23)(a) "Salary," for members commissioned prior to July 1, 2001,
5 shall exclude any overtime earnings related to RCW 47.46.040, or any
6 voluntary overtime, earned on or after July 1, 2001.

7 (b) "Salary," for members commissioned on or after July 1, 2001,
8 shall exclude any overtime earnings related to RCW 47.46.040 or any
9 voluntary overtime, lump sum payments for deferred annual sick leave,
10 unused accumulated vacation, unused accumulated annual leave, holiday
11 pay, or any form of severance pay.

12 (24) "Plan 2" means the Washington state patrol retirement system
13 plan 2, providing the benefits and funding provisions covering
14 commissioned employees who first become members of the system on or
15 after January 1, 2003.

16 **Sec. 4.** RCW 43.43.260 and 1994 c 197 s 34 are each amended to read
17 as follows:

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

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

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

26 (3)(a) Any member commissioned prior to January 1, 2003, with
27 twenty-five years service in the Washington state patrol may have the
28 member's service in the armed forces credited as a member whether or
29 not the individual left the employ of the Washington state patrol to
30 enter such armed forces: PROVIDED, That in no instance shall military
31 service in excess of five years be credited: AND PROVIDED FURTHER,
32 That in each instance, a member must restore all withdrawn accumulated
33 contributions, which restoration must be completed on the date of the
34 member's retirement, or as provided under RCW 43.43.130, whichever
35 occurs first: AND PROVIDED FURTHER, That this section shall not apply
36 to any individual, not a veteran within the meaning of RCW 41.06.150,
37 as now or hereafter amended: AND PROVIDED FURTHER, That in no instance
38 shall military service be credited to any member who is receiving full

1 military retirement benefits pursuant to Title 10 United States Code,
2 as now or hereafter amended.

3 (b) A member who leaves the Washington state patrol to enter the
4 armed forces of the United States shall be entitled to retirement
5 system service credit for up to five years of military service. This
6 subsection shall be administered in a manner consistent with the
7 requirements of the federal uniformed services employment and
8 reemployment rights act.

9 (i) The member qualifies for service credit under this subsection
10 if:

11 (A) Within ninety days of the member's honorable discharge from the
12 United States armed forces, the member applies for reemployment with
13 the employer who employed the member immediately prior to the member
14 entering the United States armed forces; and

15 (B) The member makes the employee contributions required under
16 section 11 of this act and RCW 41.45.067 within five years of
17 resumption of service or prior to retirement, whichever comes sooner;
18 or

19 (C) Prior to retirement and not within ninety days of the member's
20 honorable discharge or five years of resumption of service the member
21 pays the amount required under RCW 41.50.165(2).

22 (ii) Upon receipt of member contributions under (b)(i)(B) of this
23 subsection, the department shall establish the member's service credit
24 and shall bill the employer for its contribution required under RCW
25 41.45.060 for the period of military service, plus interest as
26 determined by the department.

27 (iii) The contributions required under (b)(i)(B) of this subsection
28 shall be based on the compensation the member would have earned if not
29 on leave, or if that cannot be estimated with reasonable certainty, the
30 compensation reported for the member in the year prior to when the
31 member went on military leave.

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

35 (5) ((A yearly increase in retirement allowance which shall amount
36 to two percent of the retirement allowance computed at the time of
37 retirement. This yearly increase shall be added to the retirement
38 allowance on July 1st of each calendar year.)) Beginning July 1, 2001,
39 and every year thereafter, the department shall determine the following

1 information for each retired member or beneficiary whose retirement
2 allowance has been in effect for at least one year:

3 (a) The original dollar amount of the retirement allowance;

4 (b) The index for the calendar year prior to the effective date of
5 the retirement allowance, to be known as "index A";

6 (c) The index for the calendar year prior to the date of
7 determination, to be known as "index B"; and

8 (d) The ratio obtained when index B is divided by index A.

9 The value of the ratio obtained shall be the annual adjustment to
10 the original retirement allowance and shall be applied beginning with
11 the July payment. In no event, however, shall the annual adjustment:

12 (i) Produce a retirement allowance which is lower than the original
13 retirement allowance;

14 (ii) Exceed three percent in the initial annual adjustment; or

15 (iii) Differ from the previous year's annual adjustment by more
16 than three percent.

17 For the purposes of this section, "index" means, for any calendar
18 year, that year's average consumer price index for the Seattle-Tacoma-
19 Bremerton Washington area for urban wage earners and clerical workers,
20 all items, compiled by the bureau of labor statistics, United States
21 department of labor.

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

24 NEW SECTION. Sec. 5. (1) A member commissioned on or after
25 January 1, 2003, upon retirement for service as prescribed in RCW
26 43.43.250 or disability retirement under RCW 43.43.040, shall elect to
27 have the retirement allowance paid pursuant to the following options,
28 calculated so as to be actuarially equivalent to each other.

29 (a) Standard allowance. A member electing this option shall
30 receive a retirement allowance payable throughout the member's life.
31 However, if the retiree dies before the total of the retirement
32 allowance paid to the retiree equals the amount of the retiree's
33 accumulated contributions at the time of retirement, then the balance
34 shall be paid to the member's estate, or such person or persons, trust,
35 or organization as the retiree shall have nominated by written
36 designation duly executed and filed with the department; or if there be
37 no such designated person or persons still living at the time of the
38 retiree's death, then to the surviving spouse; or if there be neither

1 such designated person or persons still living at the time of death nor
2 a surviving spouse, then to the retiree's legal representative.

3 (b) The department shall adopt rules that allow a member to select
4 a retirement option that pays the member a reduced retirement allowance
5 and upon death, such portion of the member's reduced retirement
6 allowance as the department by rule designates shall be continued
7 throughout the life of and paid to a designated person. Such person
8 shall be nominated by the member by written designation duly executed
9 and filed with the department at the time of retirement. The options
10 adopted by the department shall include, but are not limited to, a
11 joint and one hundred percent survivor option and a joint and fifty
12 percent survivor option.

13 (2)(a) A member, if married, must provide the written consent of
14 his or her spouse to the option selected under this section, except as
15 provided in (b) of this subsection. If a member is married and both
16 the member and member's spouse do not give written consent to an option
17 under this section, the department will pay the member a joint and
18 fifty percent survivor benefit and record the member's spouse as the
19 beneficiary. This benefit shall be calculated to be actuarially
20 equivalent to the benefit options available under subsection (1) of
21 this section unless spousal consent is not required as provided in (b)
22 of this subsection.

23 (b) If a copy of a dissolution order designating a survivor
24 beneficiary under RCW 41.50.790 has been filed with the department at
25 least thirty days prior to a member's retirement:

26 (i) The department shall honor the designation as if made by the
27 member under subsection (1) of this section; and

28 (ii) The spousal consent provisions of (a) of this subsection do
29 not apply.

30 (3) No later than January 1, 2003, the department shall adopt rules
31 that allow a member additional actuarially equivalent survivor benefit
32 options, and shall include, but are not limited to:

33 (a)(i) A retired member who retired without designating a survivor
34 beneficiary shall have the opportunity to designate their spouse from
35 a postretirement marriage as a survivor during a one-year period
36 beginning one year after the date of the postretirement marriage
37 provided the retirement allowance payable to the retiree is not subject
38 to periodic payments pursuant to a property division obligation as
39 provided for in RCW 41.50.670.

1 (ii) A member who entered into a postretirement marriage prior to
2 the effective date of the rules adopted pursuant to this subsection and
3 satisfies the conditions of (a)(i) of this subsection shall have one
4 year to designate their spouse as a survivor beneficiary following the
5 adoption of the rules.

6 (b) A retired member who elected to receive a reduced retirement
7 allowance under this section and designated a nonspouse as survivor
8 beneficiary shall have the opportunity to remove the survivor
9 designation and have their future benefit adjusted.

10 (c) The department may make an additional charge, if necessary, to
11 ensure that the benefits provided under this subsection remain
12 actuarially equivalent.

13 **Sec. 6.** RCW 43.43.270 and 1989 c 108 s 1 are each amended to read
14 as follows:

15 For members commissioned prior to January 1, 2003:

16 (1) The normal form of retirement allowance shall be an allowance
17 which shall continue as long as the member lives.

18 (2) If a member should die while in service the member's lawful
19 spouse shall be paid an allowance which shall be equal to fifty percent
20 of the average final salary of the member. If the member should die
21 after retirement the member's lawful spouse shall be paid an allowance
22 which shall be equal to the retirement allowance then payable to the
23 member or fifty percent of the final average salary used in computing
24 the member's retirement allowance, whichever is less. The allowance
25 paid to the lawful spouse shall continue as long as the spouse lives:
26 PROVIDED, That if a surviving spouse who is receiving benefits under
27 this subsection marries another member of this retirement system who
28 subsequently predeceases such spouse, the spouse shall then be entitled
29 to receive the higher of the two survivors' allowances for which
30 eligibility requirements were met, but a surviving spouse shall not
31 receive more than one survivor's allowance from this system at the same
32 time under this subsection. To be eligible for an allowance the lawful
33 surviving spouse of a retired member shall have been married to the
34 member prior to the member's retirement and continuously thereafter
35 until the date of the member's death or shall have been married to the
36 retired member at least two years prior to the member's death.

1 (3) If a member should die, either while in service or after
2 retirement, the member's surviving unmarried children under the age of
3 eighteen years shall be provided for in the following manner:

4 (a) If there is a surviving spouse, each child shall be entitled to
5 a benefit equal to five percent of the final average salary of the
6 member or retired member. The combined benefits to the surviving
7 spouse and all children shall not exceed sixty percent of the final
8 average salary of the member or retired member; and

9 (b) If there is no surviving spouse or the spouse should die, the
10 child or children shall be entitled to a benefit equal to thirty
11 percent of the final average salary of the member or retired member for
12 one child and an additional ten percent for each additional child. The
13 combined benefits to the children under this subsection shall not
14 exceed sixty percent of the final average salary of the member or
15 retired member. Payments under this subsection shall be prorated
16 equally among the children, if more than one.

17 (4) If a member should die in the line of duty while employed by
18 the Washington state patrol, the member's surviving children under the
19 age of twenty years and eleven months if attending any high school,
20 college, university, or vocational or other educational institution
21 accredited or approved by the state of Washington shall be provided for
22 in the following manner:

23 (a) If there is a surviving spouse, each child shall be entitled to
24 a benefit equal to five percent of the final average salary of the
25 member. The combined benefits to the surviving spouse and all children
26 shall not exceed sixty percent of the final average salary of the
27 member;

28 (b) If there is no surviving spouse or the spouse should die, the
29 unmarried child or children shall be entitled to receive a benefit
30 equal to thirty percent of the final average salary of the member or
31 retired member for one child and an additional ten percent for each
32 additional child. The combined benefits to the children under this
33 subsection shall not exceed sixty percent of the final average salary.
34 Payments under this subsection shall be prorated equally among the
35 children, if more than one; and

36 (c) If a beneficiary under this subsection reaches the age of
37 twenty-one years during the middle of a term of enrollment the benefit
38 shall continue until the end of that term.

1 (5) The provisions of this section shall apply to members who have
2 been retired on disability as provided in RCW 43.43.040 if the officer
3 was a member of the Washington state patrol retirement system at the
4 time of such disability retirement.

5 NEW SECTION. **Sec. 7.** (1) For members commissioned on or after
6 January 1, 2003, except as provided in RCW 11.07.010, if a member or a
7 vested member who has not completed at least ten years of service dies,
8 the amount of the accumulated contributions standing to such member's
9 credit in the retirement system at the time of such member's death,
10 less any amount identified as owing to an obligee upon withdrawal of
11 accumulated contributions pursuant to a court order filed under RCW
12 41.50.670, shall be paid to the member's estate, or such person or
13 persons, trust, or organization as the member shall have nominated by
14 written designation duly executed and filed with the department. If
15 there be no such designated person or persons still living at the time
16 of the member's death, such member's accumulated contributions standing
17 to such member's credit in the retirement system, less any amount
18 identified as owing to an obligee upon withdrawal of accumulated
19 contributions pursuant to a court order filed under RCW 41.50.670,
20 shall be paid to the member's estate, or such person or persons, trust,
21 or organization as the member shall have nominated by written
22 designation duly executed and filed with the department. If there be
23 no such designated person or persons still living at the time of the
24 member's death, such member's accumulated contributions standing to
25 such member's credit in the retirement system, less any amount
26 identified as owing to an obligee upon withdrawal of accumulated
27 contributions pursuant to a court order filed under RCW 41.50.670,
28 shall be paid to the member's surviving spouse as if in fact such
29 spouse had been nominated by written designation, or if there be no
30 such surviving spouse, then to such member's legal representatives.

31 (2) If a member who is eligible for retirement or a member who has
32 completed at least ten years of service dies, the surviving spouse or
33 eligible child or children shall elect to receive either:

34 (a) A retirement allowance computed as provided for in RCW
35 43.43.260, actuarially reduced by the amount of any lump sum benefit
36 identified as owing to an obligee upon withdrawal of accumulated
37 contributions pursuant to a court order filed under RCW 41.50.670 and
38 actuarially adjusted to reflect a joint and one hundred percent

1 survivor option under RCW 43.43.278 and if the member was not eligible
2 for normal retirement at the date of death a further reduction from age
3 fifty-five or when the member could have attained twenty-five years of
4 service, whichever is less; if a surviving spouse who is receiving a
5 retirement allowance dies leaving a child or children of the member
6 under the age of majority, then such child or children shall continue
7 to receive an allowance in an amount equal to that which was being
8 received by the surviving spouse, share and share alike, until such
9 child or children reach the age of majority; if there is no surviving
10 spouse eligible to receive an allowance at the time of the member's
11 death, such member's child or children under the age of majority shall
12 receive an allowance share and share alike calculated under this
13 section making the assumption that the ages of the spouse and member
14 were equal at the time of the member's death; or

15 (b)(i) The member's accumulated contributions, less any amount
16 identified as owing to an obligee upon withdrawal of accumulated
17 contributions pursuant to a court order filed under RCW 41.50.670; or

18 (ii) If the member dies, one hundred fifty percent of the member's
19 accumulated contributions, less any amount identified as owing to an
20 obligee upon withdrawal of accumulated contributions pursuant to a
21 court order filed under RCW 41.50.670. Any accumulated contributions
22 attributable to restorations made under RCW 41.50.165(2) shall be
23 refunded at one hundred percent.

24 (3) If a member who is eligible for retirement or a member who has
25 completed at least ten years of service dies, and is not survived by a
26 spouse or an eligible child, then the accumulated contributions
27 standing to the member's credit, less any amount identified as owing to
28 an obligee upon withdrawal of accumulated contributions pursuant to a
29 court order filed under RCW 41.50.670, shall be paid:

30 (a) To an estate, a person or persons, trust, or organization as
31 the member shall have nominated by written designation duly executed
32 and filed with the department; or

33 (b) If there is no such designated person or persons still living
34 at the time of the member's death, then to the member's legal
35 representatives.

36 **Sec. 8.** RCW 43.43.274 and 1999 c 74 s 3 are each amended to read
37 as follows:

1 Effective (~~(July 1, 1997)~~) January 1, 2003, the minimum retirement
2 allowance under RCW 43.43.260 and 43.43.270(2) in effect on January 1,
3 2002, shall (~~(not be less than twenty dollars per month for each year~~
4 ~~of service. Effective July 1, 1999, and annually thereafter, the~~
5 ~~retirement allowance provided under this section shall be adjusted by~~
6 ~~the annual increase amount. If the member has elected to receive a~~
7 ~~reduced retirement allowance under RCW 43.43.280(2), the minimum~~
8 ~~retirement allowance under this section shall be reduced accordingly))~~
9 be increased by three percent. Each January 1st thereafter, the
10 minimum retirement allowance of the preceding year shall be increased
11 by three percent.

12 **Sec. 9.** RCW 43.43.278 and 2000 c 186 s 9 are each amended to read
13 as follows:

14 By July 1, 2000, the department of retirement systems shall adopt
15 rules that allow a member to select an actuarially equivalent
16 retirement option that pays the member a reduced retirement allowance
17 and upon death shall be continued throughout the life of a lawful
18 surviving spouse. The continuing allowance to the lawful surviving
19 spouse shall be subject to the yearly increase provided by RCW
20 43.43.260(5) (~~(in lieu of the annual increase provided in RCW~~
21 ~~43.43.272)). The allowance to the lawful surviving spouse under this~~
22 ~~section, and the allowance for an eligible child or children under RCW~~
23 ~~43.43.270, shall not be subject to the limit for combined benefits~~
24 ~~under RCW 43.43.270.~~

25 **Sec. 10.** RCW 41.45.060 and 2000 2nd sp.s. c 1 s 905 are each
26 amended to read as follows:

27 (1) The state actuary shall provide actuarial valuation results
28 based on the assumptions adopted under RCW 41.45.030.

29 (2) Not later than September 30, 1998, and every two years
30 thereafter, consistent with the assumptions adopted under RCW
31 41.45.030, the council shall adopt and may make changes to:

32 (a) A basic state contribution rate for the law enforcement
33 officers' and fire fighters' retirement system;

34 (b) Basic employer contribution rates for the public employees'
35 retirement system, the teachers' retirement system, and the Washington
36 state patrol retirement system to be used in the ensuing biennial
37 period; and

1 (c) A basic employer contribution rate for the school employees'
2 retirement system for funding the public employees' retirement system
3 plan 1.

4 For the 1999-2001 fiscal biennium, the rates adopted by the council
5 shall be effective for the period designated in section 902, chapter 1,
6 Laws of 2000 2nd sp. sess. and RCW 41.45.0602.

7 (3) The employer and state contribution rates adopted by the
8 council shall be the level percentages of pay that are needed:

9 (a) To fully amortize the total costs of the public employees'
10 retirement system plan 1, the teachers' retirement system plan 1, and
11 the law enforcement officers' and fire fighters' retirement system plan
12 1(~~(, and the unfunded liability of the Washington state patrol~~
13 ~~retirement system)) not later than June 30, 2024, except as provided in
14 subsection (5) of this section;~~

15 (b) To also continue to fully fund the public employees' retirement
16 system plans 2 and 3, the teachers' retirement system plans 2 and 3,
17 the school employees' retirement system plans 2 and 3, and the law
18 enforcement officers' and fire fighters' retirement system plan 2 in
19 accordance with RCW 41.45.061, 41.45.067, and this section; and

20 (c) For the law enforcement officers' and fire fighters' system
21 plan 2 the rate charged to employers, except as provided in RCW
22 41.26.450, shall be thirty percent of the cost of the retirement system
23 and the rate charged to the state shall be twenty percent of the cost
24 of the retirement system.

25 (4) The aggregate actuarial cost method shall be used to calculate
26 a combined plan 2 and 3 employer contribution rate and a Washington
27 state patrol retirement system contribution rate.

28 (5) An amount equal to the amount of extraordinary investment gains
29 as defined in RCW 41.31.020 shall be used to shorten the amortization
30 period for the public employees' retirement system plan 1 and the
31 teachers' retirement system plan 1.

32 (6) The council shall immediately notify the directors of the
33 office of financial management and department of retirement systems of
34 the state and employer contribution rates adopted.

35 (7) The director of the department of retirement systems shall
36 collect those rates adopted by the council.

37 NEW SECTION. **Sec. 11.** Beginning July 1, 2001, the required
38 contribution rate for members of the Washington state patrol retirement

1 system shall be two percent or equal to the employer rate adopted under
2 RCW 41.45.060 and 41.45.070 for the Washington state patrol retirement
3 system, whichever is greater.

4 NEW SECTION. **Sec. 12.** The following acts or parts of acts are
5 each repealed:

6 (1) RCW 43.43.272 (Surviving spouse allowance--Annual adjustment)
7 and 1999 c 74 s 2;

8 (2) RCW 43.43.276 (Retirement and beneficiary allowances--Post-
9 retirement adjustment--Minimum adjustment) and 1983 1st ex.s. c 56 s 5;
10 and

11 (3) RCW 43.43.300 (Contributions by members--State contributions
12 remain in fund if member leaves patrol) and 2000 c 17 s 1 & 1965 c 8 s
13 43.43.300.

14 NEW SECTION. **Sec. 13.** (1) Sections 2, 5, and 7 of this act are
15 each added to chapter 43.43 RCW.

16 (2) Section 11 of this act is added to chapter 41.45 RCW.

17 NEW SECTION. **Sec. 14.** This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of the
19 state government and its existing public institutions, and takes effect
20 July 1, 2001."

21 **ESB 5143** - H COMM AMD
22 By Committee on Appropriations

23

24 On page 1, line 2 of the title, after "benefits;" strike the
25 remainder of the title and insert "amending RCW 43.43.040, 43.43.120,
26 43.43.260, 43.43.270, 43.43.274, 43.43.278, and 41.45.060; adding new
27 sections to chapter 43.43 RCW; adding a new section to chapter 41.45
28 RCW; repealing RCW 43.43.272, 43.43.276, and 43.43.300; providing an
29 effective date; and declaring an emergency."

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