
HOUSE BILL 2952

State of Washington 58th Legislature 2004 Regular Session

By Representatives Alexander, Schindler, Romero, McCoy and Edwards

Read first time 01/23/2004. Referred to Committee on Local Government.

1 AN ACT Relating to leave sharing policies for local government
2 employers; amending RCW 41.35.010 and 41.40.010; and adding a new
3 section to chapter 41.04 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.04 RCW
6 to read as follows:

7 Any county, municipality, or other political subdivision of the
8 state that offers its employees paid leave for vacation, injuries,
9 illness, bereavement, emergencies, or personal holidays may establish
10 a leave sharing policy. The leave sharing policy must permit employees
11 to voluntarily transfer leave to a fellow employee who is suffering
12 from, or has a relative suffering from, an extraordinary or severe
13 illness, injury, impairment, or physical or mental condition, which has
14 caused or is likely to cause the employee to take leave without pay or
15 terminate his or her employment. The leave sharing policy must include
16 eligibility criteria for employees to transfer or receive leave.

17 **Sec. 2.** RCW 41.35.010 and 2003 c 157 s 1 are each amended to read
18 as follows:

1 The definitions in this section apply throughout this chapter,
2 unless the context clearly requires otherwise.

3 (1) "Retirement system" means the Washington school employees'
4 retirement system provided for in this chapter.

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

7 (3) "State treasurer" means the treasurer of the state of
8 Washington.

9 (4) "Employer," for plan 2 and plan 3 members, means a school
10 district or an educational service district.

11 (5) "Member" means any employee included in the membership of the
12 retirement system, as provided for in RCW 41.35.030.

13 (6)(a) "Compensation earnable" for plan 2 and plan 3 members, means
14 salaries or wages earned by a member during a payroll period for
15 personal services, including overtime payments, and shall include wages
16 and salaries deferred under provisions established pursuant to sections
17 403(b), 414(h), and 457 of the United States internal revenue code, but
18 shall exclude nonmoney maintenance compensation and lump sum or other
19 payments for deferred annual sick leave, unused accumulated vacation,
20 unused accumulated annual leave, or any form of severance pay.

21 (b) "Compensation earnable" for plan 2 and plan 3 members also
22 includes the following actual or imputed payments, which are not paid
23 for personal services:

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

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

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

36 (B) Such member's actual compensation earnable received for
37 nonlegislative public employment and legislative service combined. Any
38 additional contributions to the retirement system required because

1 compensation earnable under (b)(ii)(A) of this subsection is greater
2 than compensation earnable under this (b)(ii)(B) of this subsection
3 shall be paid by the member for both member and employer contributions;

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

6 (iv) Compensation that a member would have received but for a
7 disability occurring in the line of duty only as authorized by RCW
8 41.40.038;

9 (v) Compensation that a member receives due to participation in the
10 leave sharing program (~~(only as)~~) authorized by RCW 41.04.650 through
11 41.04.670 or in a leave sharing program authorized by section 1 of this
12 act; and

13 (vi) Compensation that a member receives for being in standby
14 status. For the purposes of this section, a member is in standby
15 status when not being paid for time actually worked and the employer
16 requires the member to be prepared to report immediately for work, if
17 the need arises, although the need may not arise.

18 (7) "Service" for plan 2 and plan 3 members means periods of
19 employment by a member in an eligible position or positions for one or
20 more employers for which compensation earnable is paid. Compensation
21 earnable earned for ninety or more hours in any calendar month shall
22 constitute one service credit month except as provided in RCW
23 41.35.180. Compensation earnable earned for at least seventy hours but
24 less than ninety hours in any calendar month shall constitute one-half
25 service credit month of service. Compensation earnable earned for less
26 than seventy hours in any calendar month shall constitute one-quarter
27 service credit month of service. Time spent in standby status, whether
28 compensated or not, is not service.

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

31 (a) Service in any state elective position shall be deemed to be
32 full-time service.

33 (b) A member shall receive a total of not more than twelve service
34 credit months of service for such calendar year. If an individual is
35 employed in an eligible position by one or more employers the
36 individual shall receive no more than one service credit month during
37 any calendar month in which multiple service for ninety or more hours
38 is rendered.

1 (c) For purposes of plan 2 and 3 "forty-five days" as used in RCW
2 28A.400.300 is equal to two service credit months. Use of less than
3 forty-five days of sick leave is creditable as allowed under this
4 subsection as follows:

5 (i) Less than eleven days equals one-quarter service credit month;

6 (ii) Eleven or more days but less than twenty-two days equals one-
7 half service credit month;

8 (iii) Twenty-two days equals one service credit month;

9 (iv) More than twenty-two days but less than thirty-three days
10 equals one and one-quarter service credit month; and

11 (v) Thirty-three or more days but less than forty-five days equals
12 one and one-half service credit month.

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

15 (9) "Service credit month" means a month or an accumulation of
16 months of service credit which is equal to one.

17 (10) "Membership service" means all service rendered as a member.

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

22 (12) "Regular interest" means such rate as the director may
23 determine.

24 (13) "Accumulated contributions" means the sum of all contributions
25 standing to the credit of a member in the member's individual account,
26 including any amount paid under RCW 41.50.165(2), together with the
27 regular interest thereon.

28 (14) "Average final compensation" for plan 2 and plan 3 members
29 means the member's average compensation earnable of the highest
30 consecutive sixty months of service credit months prior to such
31 member's retirement, termination, or death. Periods constituting
32 authorized leaves of absence may not be used in the calculation of
33 average final compensation except under RCW 41.40.710(2).

34 (15) "Final compensation" means the annual rate of compensation
35 earnable by a member at the time of termination of employment.

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

1 (17) "Pension" means payments for life derived from contributions
2 made by the employer. All pensions shall be paid in monthly
3 installments.

4 (18) "Retirement allowance" for plan 2 and plan 3 members means
5 monthly payments to a retiree or beneficiary as provided in this
6 chapter.

7 (19) "Employee" or "employed" means a person who is providing
8 services for compensation to an employer, unless the person is free
9 from the employer's direction and control over the performance of work.
10 The department shall adopt rules and interpret this subsection
11 consistent with common law.

12 (20) "Actuarial equivalent" means a benefit of equal value when
13 computed upon the basis of such mortality and other tables as may be
14 adopted by the director.

15 (21) "Retirement" means withdrawal from active service with a
16 retirement allowance as provided by this chapter.

17 (22) "Eligible position" means any position that, as defined by the
18 employer, normally requires five or more months of service a year for
19 which regular compensation for at least seventy hours is earned by the
20 occupant thereof. For purposes of this chapter an employer shall not
21 define "position" in such a manner that an employee's monthly work for
22 that employer is divided into more than one position.

23 (23) "Ineligible position" means any position which does not
24 conform with the requirements set forth in subsection (22) of this
25 section.

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

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

32 (26) "Director" means the director of the department.

33 (27) "State elective position" means any position held by any
34 person elected or appointed to statewide office or elected or appointed
35 as a member of the legislature.

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

1 (29) "Plan 2" means the Washington school employees' retirement
2 system plan 2 providing the benefits and funding provisions covering
3 persons who first became members of the public employees' retirement
4 system on and after October 1, 1977, and transferred to the Washington
5 school employees' retirement system under RCW 41.40.750.

6 (30) "Plan 3" means the Washington school employees' retirement
7 system plan 3 providing the benefits and funding provisions covering
8 persons who first became members of the system on and after September
9 1, 2000, or who transfer from plan 2 under RCW 41.35.510.

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

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

16 (33) "Index B" means the index for the year prior to index A.

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

19 (35) "Separation from service" occurs when a person has terminated
20 all employment with an employer.

21 (36) "Member account" or "member's account" for purposes of plan 3
22 means the sum of the contributions and earnings on behalf of the member
23 in the defined contribution portion of plan 3.

24 (37) "Classified employee" means an employee of a school district
25 or an educational service district who is not eligible for membership
26 in the teachers' retirement system established under chapter 41.32 RCW.

27 (38) "Substitute employee" means a classified employee who is
28 employed by an employer exclusively as a substitute for an absent
29 employee.

30 **Sec. 3.** RCW 41.40.010 and 2003 c 412 s 4 are each amended to read
31 as follows:

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

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

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

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

3 (4)(a) "Employer" for plan 1 members, means every branch,
4 department, agency, commission, board, and office of the state, any
5 political subdivision or association of political subdivisions of the
6 state admitted into the retirement system, and legal entities
7 authorized by RCW 35.63.070 and 36.70.060 or chapter 39.34 RCW; and the
8 term shall also include any labor guild, association, or organization
9 the membership of a local lodge or division of which is comprised of at
10 least forty percent employees of an employer (other than such labor
11 guild, association, or organization) within this chapter. The term may
12 also include any city of the first class that has its own retirement
13 system.

14 (b) "Employer" for plan 2 and plan 3 members, means every branch,
15 department, agency, commission, board, and office of the state, and any
16 political subdivision and municipal corporation of the state admitted
17 into the retirement system, including public agencies created pursuant
18 to RCW 35.63.070, 36.70.060, and 39.34.030; except that after August
19 31, 2000, school districts and educational service districts will no
20 longer be employers for the public employees' retirement system plan 2.

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

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

27 (a) Any person who became a member of the system prior to April 1,
28 1949;

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

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

36 (d) Any person who first becomes a member through the admission of
37 an employer into the retirement system on or after April 1, 1951,

1 provided, such person has been in the regular employ of the employer
2 for at least six months of the twelve-month period preceding the said
3 admission date;

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

11 (f) Any member who has been a contributor under the system for two
12 or more years and who has restored all contributions that may have been
13 withdrawn as provided by RCW 41.40.150 and who on the effective date of
14 the individual's retirement has rendered five or more years of service
15 for the state or any political subdivision prior to the time of the
16 admission of the employer into the system; except that the provisions
17 relating to the minimum amount of retirement allowance for the member
18 upon retirement at age seventy as found in RCW 41.40.190(4) shall not
19 apply to the member.

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

22 (8)(a) "Compensation earnable" for plan 1 members, means salaries
23 or wages earned during a payroll period for personal services and where
24 the compensation is not all paid in money, maintenance compensation
25 shall be included upon the basis of the schedules established by the
26 member's employer.

27 (i) "Compensation earnable" for plan 1 members also includes the
28 following actual or imputed payments, which are not paid for personal
29 services:

30 (A) Retroactive payments to an individual by an employer on
31 reinstatement of the employee in a position, or payments by an employer
32 to an individual in lieu of reinstatement in a position which are
33 awarded or granted as the equivalent of the salary or wage which the
34 individual would have earned during a payroll period shall be
35 considered compensation earnable and the individual shall receive the
36 equivalent service credit;

37 (B) If a leave of absence is taken by an individual for the purpose
38 of serving in the state legislature, the salary which would have been

1 received for the position from which the leave of absence was taken,
2 shall be considered as compensation earnable if the employee's
3 contribution is paid by the employee and the employer's contribution is
4 paid by the employer or employee;

5 (C) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and
6 72.09.240;

7 (D) Compensation that a member would have received but for a
8 disability occurring in the line of duty only as authorized by RCW
9 41.40.038;

10 (E) Compensation that a member receives due to participation in the
11 leave sharing program (~~only as~~) authorized by RCW 41.04.650 through
12 41.04.670 or in a leave sharing program authorized by section 1 of this
13 act; and

14 (F) Compensation that a member receives for being in standby
15 status. For the purposes of this section, a member is in standby
16 status when not being paid for time actually worked and the employer
17 requires the member to be prepared to report immediately for work, if
18 the need arises, although the need may not arise.

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

20 (A) Remuneration for unused sick leave authorized under RCW
21 41.04.340, 28A.400.210, or 28A.310.490;

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

24 (b) "Compensation earnable" for plan 2 and plan 3 members, means
25 salaries or wages earned by a member during a payroll period for
26 personal services, including overtime payments, and shall include wages
27 and salaries deferred under provisions established pursuant to sections
28 403(b), 414(h), and 457 of the United States Internal Revenue Code, but
29 shall exclude nonmoney maintenance compensation and lump sum or other
30 payments for deferred annual sick leave, unused accumulated vacation,
31 unused accumulated annual leave, or any form of severance pay.

32 "Compensation earnable" for plan 2 and plan 3 members also includes
33 the following actual or imputed payments, which are not paid for
34 personal services:

35 (i) Retroactive payments to an individual by an employer on
36 reinstatement of the employee in a position, or payments by an employer
37 to an individual in lieu of reinstatement in a position which are
38 awarded or granted as the equivalent of the salary or wage which the

1 individual would have earned during a payroll period shall be
2 considered compensation earnable to the extent provided above, and the
3 individual shall receive the equivalent service credit;

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

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

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

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

17 (iv) Compensation that a member would have received but for a
18 disability occurring in the line of duty only as authorized by RCW
19 41.40.038;

20 (v) Compensation that a member receives due to participation in the
21 leave sharing program only as authorized by RCW 41.04.650 through
22 41.04.670; and

23 (vi) Compensation that a member receives for being in standby
24 status. For the purposes of this section, a member is in standby
25 status when not being paid for time actually worked and the employer
26 requires the member to be prepared to report immediately for work, if
27 the need arises, although the need may not arise.

28 (9)(a) "Service" for plan 1 members, except as provided in RCW
29 41.40.088, means periods of employment in an eligible position or
30 positions for one or more employers rendered to any employer for which
31 compensation is paid, and includes time spent in office as an elected
32 or appointed official of an employer. Compensation earnable earned in
33 full time work for seventy hours or more in any given calendar month
34 shall constitute one service credit month except as provided in RCW
35 41.40.088. Compensation earnable earned for less than seventy hours in
36 any calendar month shall constitute one-quarter service credit month of
37 service except as provided in RCW 41.40.088. Only service credit
38 months and one-quarter service credit months shall be counted in the

1 computation of any retirement allowance or other benefit provided for
2 in this chapter. Any fraction of a year of service shall be taken into
3 account in the computation of such retirement allowance or benefits.
4 Time spent in standby status, whether compensated or not, is not
5 service.

6 (i) Service by a state employee officially assigned by the state on
7 a temporary basis to assist another public agency, shall be considered
8 as service as a state employee: PROVIDED, That service to any other
9 public agency shall not be considered service as a state employee if
10 such service has been used to establish benefits in any other public
11 retirement system.

12 (ii) An individual shall receive no more than a total of twelve
13 service credit months of service during any calendar year. If an
14 individual is employed in an eligible position by one or more employers
15 the individual shall receive no more than one service credit month
16 during any calendar month in which multiple service for seventy or more
17 hours is rendered.

18 (iii) A school district employee may count up to forty-five days of
19 sick leave as creditable service solely for the purpose of determining
20 eligibility to retire under RCW 41.40.180 as authorized by RCW
21 28A.400.300. For purposes of plan 1 "forty-five days" as used in RCW
22 28A.400.300 is equal to two service credit months. Use of less than
23 forty-five days of sick leave is creditable as allowed under this
24 subsection as follows:

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

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

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

30 (b) "Service" for plan 2 and plan 3 members, means periods of
31 employment by a member in an eligible position or positions for one or
32 more employers for which compensation earnable is paid. Compensation
33 earnable earned for ninety or more hours in any calendar month shall
34 constitute one service credit month except as provided in RCW
35 41.40.088. Compensation earnable earned for at least seventy hours but
36 less than ninety hours in any calendar month shall constitute one-half
37 service credit month of service. Compensation earnable earned for less

1 than seventy hours in any calendar month shall constitute one-quarter
2 service credit month of service. Time spent in standby status, whether
3 compensated or not, is not service.

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

6 (i) Service in any state elective position shall be deemed to be
7 full time service, except that persons serving in state elective
8 positions who are members of the Washington school employees'
9 retirement system, teachers' retirement system, or law enforcement
10 officers' and fire fighters' retirement system at the time of election
11 or appointment to such position may elect to continue membership in the
12 Washington school employees' retirement system, teachers' retirement
13 system, or law enforcement officers' and fire fighters' retirement
14 system.

15 (ii) A member shall receive a total of not more than twelve service
16 credit months of service for such calendar year. If an individual is
17 employed in an eligible position by one or more employers the
18 individual shall receive no more than one service credit month during
19 any calendar month in which multiple service for ninety or more hours
20 is rendered.

21 (iii) Up to forty-five days of sick leave may be creditable as
22 service solely for the purpose of determining eligibility to retire
23 under RCW 41.40.180 as authorized by RCW 28A.400.300. For purposes of
24 plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal
25 to two service credit months. Use of less than forty-five days of sick
26 leave is creditable as allowed under this subsection as follows:

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

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

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

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

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

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

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

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

3 (13) "Membership service" means:

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

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

9 (c) Service not to exceed six consecutive months of probationary
10 service rendered after April 1, 1949, and prior to becoming a member,
11 in the case of any member, upon payment in full by such member of the
12 total amount of the employer's contribution to the retirement fund
13 which would have been required under the law in effect when such
14 probationary service was rendered if the member had been a member
15 during such period, except that the amount of the employer's
16 contribution shall be calculated by the director based on the first
17 month's compensation earnable as a member;

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

25 (14)(a) "Beneficiary" for plan 1 members, means any person in
26 receipt of a retirement allowance, pension or other benefit provided by
27 this chapter.

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

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

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

1 (17)(a) "Average final compensation" for plan 1 members, means the
2 annual average of the greatest compensation earnable by a member during
3 any consecutive two year period of service credit months for which
4 service credit is allowed; or if the member has less than two years of
5 service credit months then the annual average compensation earnable
6 during the total years of service for which service credit is allowed.

7 (b) "Average final compensation" for plan 2 and plan 3 members,
8 means the member's average compensation earnable of the highest
9 consecutive sixty months of service credit months prior to such
10 member's retirement, termination, or death. Periods constituting
11 authorized leaves of absence may not be used in the calculation of
12 average final compensation except under RCW 41.40.710(2).

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

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

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

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

23 (22) "Employee" or "employed" means a person who is providing
24 services for compensation to an employer, unless the person is free
25 from the employer's direction and control over the performance of work.
26 The department shall adopt rules and interpret this subsection
27 consistent with common law.

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

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

33 (25) "Eligible position" means:

34 (a) Any position that, as defined by the employer, normally
35 requires five or more months of service a year for which regular
36 compensation for at least seventy hours is earned by the occupant
37 thereof. For purposes of this chapter an employer shall not define

1 "position" in such a manner that an employee's monthly work for that
2 employer is divided into more than one position;

3 (b) Any position occupied by an elected official or person
4 appointed directly by the governor, or appointed by the chief justice
5 of the supreme court under RCW 2.04.240(2) or 2.06.150(2), for which
6 compensation is paid.

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

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

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

16 (29) "Retiree" means any person who has begun accruing a retirement
17 allowance or other benefit provided by this chapter resulting from
18 service rendered to an employer while a member.

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

20 (31) "State elective position" means any position held by any
21 person elected or appointed to statewide office or elected or appointed
22 as a member of the legislature.

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

25 (33) "Plan 1" means the public employees' retirement system, plan
26 1 providing the benefits and funding provisions covering persons who
27 first became members of the system prior to October 1, 1977.

28 (34) "Plan 2" means the public employees' retirement system, plan
29 2 providing the benefits and funding provisions covering persons who
30 first became members of the system on and after October 1, 1977, and
31 are not included in plan 3.

32 (35) "Plan 3" means the public employees' retirement system, plan
33 3 providing the benefits and funding provisions covering persons who:

34 (a) First become a member on or after:

35 (i) March 1, 2002, and are employed by a state agency or institute
36 of higher education and who did not choose to enter plan 2; or

37 (ii) September 1, 2002, and are employed by other than a state

1 agency or institute of higher education and who did not choose to enter
2 plan 2; or

3 (b) Transferred to plan 3 under RCW 41.40.795.

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

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

10 (38) "Index B" means the index for the year prior to index A.

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

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

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

18 (42) "Separation from service" occurs when a person has terminated
19 all employment with an employer. Separation from service or employment
20 does not occur, and if claimed by an employer or employee may be a
21 violation of RCW 41.40.055, when an employee and employer have a
22 written or oral agreement to resume employment with the same employer
23 following termination.

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

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