
SENATE BILL 6479

State of Washington

58th Legislature

2004 Regular Session

By Senators Fraser, Carlson, Winsley, Regala, Brown, Spanel and Kohl-Welles

Read first time 01/21/2004. Referred to Committee on Ways & Means.

1 AN ACT Relating to remuneration for unused sick leave for public
2 employees retirement system plan 3 members; amending RCW 41.04.340;
3 reenacting and amending RCW 41.04.340; providing an effective date;
4 providing an expiration date; and declaring an emergency.

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

6 **Sec. 1.** RCW 41.04.340 and 1998 c 254 s 1 and 1998 c 116 s 2 are
7 each reenacted and amended to read as follows:

8 (1) An attendance incentive program is established for all eligible
9 employees. As used in this section the term "eligible employee" means
10 any employee of the state, other than eligible employees of the
11 community and technical colleges and the state board for community and
12 technical colleges identified in RCW 28B.50.553, and teaching and
13 research faculty at the state and regional universities and The
14 Evergreen State College, entitled to accumulate sick leave and for whom
15 accurate sick leave records have been maintained. No employee may
16 receive compensation under this section for any portion of sick leave
17 accumulated at a rate in excess of one day per month. The state and
18 regional universities and The Evergreen State College shall maintain

1 complete and accurate sick leave records for all teaching and research
2 faculty.

3 (2) In January of the year following any year in which a minimum of
4 sixty days of sick leave is accrued, and each January thereafter, any
5 eligible employee may receive remuneration for unused sick leave
6 accumulated in the previous year at a rate equal to one day's monetary
7 compensation of the employee for each four full days of accrued sick
8 leave in excess of sixty days. Sick leave for which compensation has
9 been received shall be deducted from accrued sick leave at the rate of
10 four days for every one day's monetary compensation.

11 (3) At the time of separation from state service due to retirement
12 or death, an eligible employee or the employee's estate may elect to
13 receive remuneration at a rate equal to one day's current monetary
14 compensation of the employee for each four full days of accrued sick
15 leave. Eligible state employees who separate from state service after
16 January 1, 2004, and who are at least fifty-five years of age and have
17 at least ten years of service credit under the public employees'
18 retirement system plan 3 as defined in RCW 41.40.010 may elect to
19 receive remuneration at the time of separation rather than the time of
20 retirement.

21 (4) Remuneration or benefits received under this section shall not
22 be included for the purpose of computing a retirement allowance under
23 any public retirement system in this state.

24 (5) Except as provided in subsections (7) through (9) of this
25 section for employees not covered by chapter 41.06 RCW, this section
26 shall be administered, and rules shall be adopted to carry out its
27 purposes, by the Washington personnel resources board for persons
28 subject to chapter 41.06 RCW: PROVIDED, That determination of classes
29 of eligible employees shall be subject to approval by the office of
30 financial management.

31 (6) Should the legislature revoke any remuneration or benefits
32 granted under this section, no affected employee shall be entitled
33 thereafter to receive such benefits as a matter of contractual right.

34 (7) In lieu of remuneration for unused sick leave at retirement as
35 provided in subsection (3) of this section, an agency head or designee
36 may with equivalent funds, provide eligible employees with a benefit
37 plan that provides for reimbursement for medical expenses. This plan
38 shall be implemented only after consultation with affected groups of

1 employees. For eligible employees covered by chapter 41.06 RCW,
2 procedures for the implementation of these plans shall be adopted by
3 the Washington personnel resources board. For eligible employees
4 exempt from chapter 41.06 RCW, and classified employees who have opted
5 out of coverage of chapter 41.06 RCW as provided in RCW 41.56.201,
6 implementation procedures shall be adopted by an agency head having
7 jurisdiction over the employees.

8 (8) Implementing procedures adopted by the Washington personnel
9 resources board or agency heads shall require that each medical expense
10 plan authorized by subsection (7) of this section apply to all eligible
11 employees in any one of the following groups: (a) Employees in an
12 agency; (b) employees in a major organizational subdivision of an
13 agency; (c) employees at a major operating location of an agency; (d)
14 exempt employees under the jurisdiction of an elected or appointed
15 Washington state executive; (e) employees of the Washington state
16 senate; (f) employees of the Washington state house of representatives;
17 (g) classified employees in a bargaining unit established by the
18 Washington personnel resources board; or (h) other group of employees
19 defined by an agency head that is not designed to provide an
20 individual-employee choice regarding participation in a medical expense
21 plan. However, medical expense plans for eligible employees in any of
22 the groups under (a) through (h) of this subsection who are covered by
23 a collective bargaining agreement shall be implemented only by written
24 agreement with the bargaining unit's exclusive representative and a
25 separate medical expense plan may be provided for unrepresented
26 employees.

27 (9) Medical expense plans authorized by subsection (7) of this
28 section must require as a condition of participation in the plan that
29 employees in the group affected by the plan sign an agreement with the
30 employer. The agreement must include a provision to hold the employer
31 harmless should the United States government find that the employer or
32 the employee is in debt to the United States as a result of the
33 employee not paying income taxes due on the equivalent funds placed
34 into the plan, or as a result of the employer not withholding or
35 deducting a tax, assessment, or other payment on the funds as required
36 by federal law. The agreement must also include a provision that
37 requires an eligible employee to forfeit remuneration under subsection
38 (3) of this section if the employee belongs to a group that has been

1 designated to participate in the medical expense plan permitted under
2 this section and the employee refuses to execute the required
3 agreement.

4 **Sec. 2.** RCW 41.04.340 and 2002 c 354 s 227 are each amended to
5 read as follows:

6 (1) An attendance incentive program is established for all eligible
7 employees. As used in this section the term "eligible employee" means
8 any employee of the state, other than eligible employees of the
9 community and technical colleges and the state board for community and
10 technical colleges identified in RCW 28B.50.553, and teaching and
11 research faculty at the state and regional universities and The
12 Evergreen State College, entitled to accumulate sick leave and for whom
13 accurate sick leave records have been maintained. No employee may
14 receive compensation under this section for any portion of sick leave
15 accumulated at a rate in excess of one day per month. The state and
16 regional universities and The Evergreen State College shall maintain
17 complete and accurate sick leave records for all teaching and research
18 faculty.

19 (2) In January of the year following any year in which a minimum of
20 sixty days of sick leave is accrued, and each January thereafter, any
21 eligible employee may receive remuneration for unused sick leave
22 accumulated in the previous year at a rate equal to one day's monetary
23 compensation of the employee for each four full days of accrued sick
24 leave in excess of sixty days. Sick leave for which compensation has
25 been received shall be deducted from accrued sick leave at the rate of
26 four days for every one day's monetary compensation.

27 (3) At the time of separation from state service due to retirement
28 or death, an eligible employee or the employee's estate may elect to
29 receive remuneration at a rate equal to one day's current monetary
30 compensation of the employee for each four full days of accrued sick
31 leave. Eligible state employees who separate from state service after
32 January 1, 2004, and who are at least fifty-five years of age and have
33 at least ten years of service credit under the public employees'
34 retirement system plan 3 as defined in RCW 41.40.010 may elect to
35 receive remuneration at the time of separation rather than the time of
36 retirement.

1 (4) Remuneration or benefits received under this section shall not
2 be included for the purpose of computing a retirement allowance under
3 any public retirement system in this state.

4 (5) Except as provided in subsections (7) through (9) of this
5 section for employees not covered by chapter 41.06 RCW, this section
6 shall be administered, and rules shall be adopted to carry out its
7 purposes, by the director of personnel for persons subject to chapter
8 41.06 RCW: PROVIDED, That determination of classes of eligible
9 employees shall be subject to approval by the office of financial
10 management.

11 (6) Should the legislature revoke any remuneration or benefits
12 granted under this section, no affected employee shall be entitled
13 thereafter to receive such benefits as a matter of contractual right.

14 (7) In lieu of remuneration for unused sick leave at retirement as
15 provided in subsection (3) of this section, an agency head or designee
16 may with equivalent funds, provide eligible employees with a benefit
17 plan that provides for reimbursement for medical expenses. This plan
18 shall be implemented only after consultation with affected groups of
19 employees. For eligible employees covered by chapter 41.06 RCW,
20 procedures for the implementation of these plans shall be adopted by
21 the director of personnel. For eligible employees exempt from chapter
22 41.06 RCW, and classified employees who have opted out of coverage of
23 chapter 41.06 RCW as provided in RCW 41.56.201, implementation
24 procedures shall be adopted by an agency head having jurisdiction over
25 the employees.

26 (8) Implementing procedures adopted by the director of personnel or
27 agency heads shall require that each medical expense plan authorized by
28 subsection (7) of this section apply to all eligible employees in any
29 one of the following groups: (a) Employees in an agency; (b) employees
30 in a major organizational subdivision of an agency; (c) employees at a
31 major operating location of an agency; (d) exempt employees under the
32 jurisdiction of an elected or appointed Washington state executive; (e)
33 employees of the Washington state senate; (f) employees of the
34 Washington state house of representatives; (g) classified employees in
35 a bargaining unit established by the director of personnel; or (h)
36 other group of employees defined by an agency head that is not designed
37 to provide an individual-employee choice regarding participation in a
38 medical expense plan. However, medical expense plans for eligible

1 employees in any of the groups under (a) through (h) of this subsection
2 who are covered by a collective bargaining agreement shall be
3 implemented only by written agreement with the bargaining unit's
4 exclusive representative and a separate medical expense plan may be
5 provided for unrepresented employees.

6 (9) Medical expense plans authorized by subsection (7) of this
7 section must require as a condition of participation in the plan that
8 employees in the group affected by the plan sign an agreement with the
9 employer. The agreement must include a provision to hold the employer
10 harmless should the United States government find that the employer or
11 the employee is in debt to the United States as a result of the
12 employee not paying income taxes due on the equivalent funds placed
13 into the plan, or as a result of the employer not withholding or
14 deducting a tax, assessment, or other payment on the funds as required
15 by federal law. The agreement must also include a provision that
16 requires an eligible employee to forfeit remuneration under subsection
17 (3) of this section if the employee belongs to a group that has been
18 designated to participate in the medical expense plan permitted under
19 this section and the employee refuses to execute the required
20 agreement.

21 NEW SECTION. **Sec. 3.** (1) Section 1 of this act is necessary for
22 the immediate preservation of the public peace, health, or safety, or
23 support of the state government and its existing public institutions,
24 and takes effect immediately.

25 (2) Section 2 of this act takes effect July 1, 2004.

26 NEW SECTION. **Sec. 4.** Section 1 of this act expires July 1, 2004.

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