
SUBSTITUTE HOUSE BILL 2688

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Fromhold, Conway, Lovick, Kenney, Quall, Simpson, Ormsby, Moeller and Ericks; by request of Select Committee on Pension Policy)

READ FIRST TIME 01/31/06.

1 AN ACT Relating to the law enforcement officers' and fire fighters'
2 retirement system plan 1; amending RCW 41.26.100 and 41.26.080;
3 creating a new section; providing effective dates; and providing an
4 expiration date.

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

6 **Sec. 1.** RCW 41.26.100 and 1991 c 343 s 16 are each amended to read
7 as follows:

8 A member upon retirement for service shall receive a monthly
9 retirement allowance computed according to his or her completed
10 creditable service credit years of service as follows: Five years but
11 under ten years, one-twelfth of one percent of his or her final average
12 salary for each month of service; ten years but under twenty years,
13 one-twelfth of one and one-half percent of his or her final average
14 salary for each month of service; and twenty years and over one-twelfth
15 of two percent of his or her final average salary for each month of
16 service: PROVIDED, That the recipient of a retirement allowance who
17 shall return to service as a law enforcement officer or fire fighter
18 shall be considered to have terminated his or her retirement status and
19 he or she shall immediately become a member of the retirement system

1 with the status of membership he or she had as of the date of
2 retirement. Retirement benefits shall be suspended during the period
3 of his or her return to service and he or she shall make contributions
4 and receive service credit. Such a member shall have the right to
5 again retire at any time and his or her retirement allowance shall be
6 recomputed, and paid, based upon additional service rendered and any
7 change in final average salary(~~(: PROVIDED FURTHER, That no retirement~~
8 ~~allowance paid pursuant to this section shall exceed sixty percent of~~
9 ~~final average salary, except as such allowance may be increased by~~
10 ~~virtue of RCW 41.26.240, as now or hereafter amended)).~~

11 **Sec. 2.** RCW 41.26.080 and 2000 2nd sp.s. c 1 s 907 are each
12 amended to read as follows:

13 ~~((1) Except as set forth under subsection (2) of this section,))~~

14 The total liability of the plan 1 system shall be funded as follows:

15 ~~((a))~~ (1) Every plan 1 member shall have deducted from each
16 payroll a sum equal to six percent of his or her basic salary for each
17 pay period.

18 ~~((b))~~ (2) Every employer shall contribute monthly a sum equal to
19 six percent of the basic salary of each plan 1 employee who is a member
20 of this retirement system. The employer shall transmit the employee
21 and employer contributions with a copy of the payroll to the retirement
22 system monthly.

23 ~~((c))~~ (3) The remaining liabilities of the plan 1 system shall be
24 funded as provided in chapter 41.45 RCW.

25 ~~((d))~~ (4) Every member shall be deemed to consent and agree to
26 the contribution made and provided for herein, and shall receipt in
27 full for his or her salary or compensation. Payment less said
28 contributions shall be a complete discharge of all claims and demands
29 whatsoever for the services rendered by such person during the period
30 covered by such payments, except his or her claim to the benefits to
31 which he or she may be entitled under the provisions of this chapter.

32 ~~((2) No employer or member contribution is required after June 30,~~
33 ~~2000, unless the most recent valuation study for law enforcement~~
34 ~~officers' and fire fighters' retirement system plan 1 indicates the~~
35 ~~plan has unfunded liabilities.))~~

1 NEW SECTION. **Sec. 3.** (1) The governor shall establish a joint
2 executive task force on funding postretirement medical benefits for
3 members of plan 1 of the law enforcement officers' and fire fighters'
4 retirement system. The joint task force shall consist of seven
5 members: The director of the department of retirement systems; the
6 administrator of the health care authority; the state actuary; one
7 representative of Washington cities, appointed by the governor; one
8 representative of Washington counties, appointed by the governor; one
9 active member of plan 1 of the law enforcement officers' and fire
10 fighters' retirement system, appointed by the governor; and one retired
11 member of plan 1 of the law enforcement officers' and fire fighters'
12 retirement system, appointed by the governor.

13 (2) The joint task force shall elect one of its members to serve as
14 chair of the joint task force.

15 (3) Joint task force members may be reimbursed for travel expenses
16 as authorized under RCW 43.03.050 and 43.03.060.

17 (4) It is the intent of the legislature to create a funding vehicle
18 to assist employers in providing postretirement medical benefits for
19 members of plan 1 of the law enforcement officers' and fire fighters'
20 retirement system. To that end, the joint task force is charged with
21 reviewing private and public funding vehicles that would accept
22 voluntary tax-advantaged employer contributions and permissible
23 transfers of excess pension assets. The task force shall select one or
24 more appropriate funding vehicles and coordinate with all necessary
25 parties to achieve implementation. To the extent that further
26 legislative authority is required for the implementation, the task
27 force shall make its recommendations for proposed legislation to the
28 appropriate committees of the legislature by no later than September 1,
29 2006. The task force shall submit its final report to the governor and
30 appropriate committees of the legislature by no later than December 1,
31 2006.

32 (5) This section expires December 1, 2006.

33 NEW SECTION. **Sec. 4.** Section 1 of this act takes effect July 1,
34 2006.

1 NEW SECTION. **Sec. 5.** Section 2 of this act takes effect July 1,
2 2007.

--- END ---