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HOUSE BILL 2927

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State of Washington

59th Legislature

2006 Regular Session

By Representatives Fromhold, Crouse, Nixon, Bailey, Kessler, Rodne, Moeller and Conway; by request of Board For Judicial Administration

Read first time 01/17/2006. Referred to Committee on Appropriations.

1 AN ACT Relating to retirement benefits for judges; and amending RCW  
2 2.14.010, 2.14.030, 2.14.040, 2.14.060, 2.14.080, 2.14.100, and  
3 2.14.110.

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

5 **Sec. 1.** RCW 2.14.010 and 1988 c 109 s 12 are each amended to read  
6 as follows:

7 (1) The purpose of this chapter is to provide a supplemental  
8 retirement benefit to judges who are elected or appointed under chapter  
9 2.04, 2.06, or 2.08 RCW and who are not members of the (~~public~~  
10 ~~employees~~) judicial retirement system (~~for their service as a~~  
11 ~~judge~~) authorized by chapter 2.10 RCW.

12 (2) This chapter may be known and cited as the judicial retirement  
13 account act.

14 **Sec. 2.** RCW 2.14.030 and 1988 c 109 s 14 are each amended to read  
15 as follows:

16 The judicial retirement account plan is established for judges  
17 appointed or elected under chapter 2.04, 2.06, or 2.08 RCW and who are

1 not members of the (~~public employees~~) judicial retirement system  
2 (~~for their service as a judge~~) authorized by chapter 2.10 RCW.

3 **Sec. 3.** RCW 2.14.040 and 1998 c 245 s 1 are each amended to read  
4 as follows:

5 The administrator for the courts, under the direction of the board  
6 for judicial administration, shall administer the plan. The  
7 administrator shall:

8 (1) Deposit or invest contributions to the plan consistent with RCW  
9 2.14.080;

10 (2) Credit investment earnings or interest to individual judicial  
11 retirement accounts consistent with RCW (~~2.14.070~~) 2.14.060;

12 (3) Keep or cause to be kept full and adequate accounts and records  
13 of the assets, obligations, transactions, and affairs of any judicial  
14 retirement accounts created under this chapter; and

15 (4) Adopt rules necessary to carry out this chapter.

16 **Sec. 4.** RCW 2.14.060 and 1988 c 109 s 17 are each amended to read  
17 as follows:

18 The judicial retirement principal account is created in the state  
19 treasury. Any deficiency in the judicial retirement administrative  
20 account caused by an excess of administrative expenses disbursed from  
21 that account over earnings of investments of balances credited to that  
22 account shall be transferred to that account from the principal  
23 account.

24 The contributions under (~~section 19 of this act~~) RCW 2.14.090  
25 shall be paid into the principal account and shall be sufficient to  
26 cover costs of administration and staffing in addition to such other  
27 amounts as determined by the administrator for the courts. The  
28 principal account shall be used to carry out the purposes of this  
29 chapter.

30 **Sec. 5.** RCW 2.14.080 and 1996 c 39 s 20 are each amended to read  
31 as follows:

32 (~~(1) The administrator for the courts shall:~~

33 ~~(a) Deposit or invest the contributions under RCW 2.14.090 in a~~  
34 ~~credit union, savings and loan association, bank, or mutual savings~~  
35 ~~bank;~~

1 ~~(b) Purchase life insurance, shares of an investment company, or~~  
2 ~~fixed and/or variable annuity contracts from any insurance company or~~  
3 ~~investment company licensed to contract business in this state; or~~

4 ~~(c) Invest in any of the class of investments described in RCW~~  
5 ~~43.84.150.~~

6 (2)) The state investment board or the department of retirement  
7 systems, at the request of the administrator for the courts, may invest  
8 moneys in the principal account. Moneys invested by the investment  
9 board shall be invested in accordance with RCW ((43.84.150))  
10 43.33A.140. Moneys invested by the department of retirement systems  
11 shall be invested in accordance with applicable law. Except as  
12 provided in RCW 43.33A.160 or as necessary to pay a pro rata share of  
13 expenses incurred by the department of retirement systems, one hundred  
14 percent of all earnings from these investments, exclusive of investment  
15 income pursuant to RCW 43.84.080, shall accrue directly to the  
16 principal account.

17 **Sec. 6.** RCW 2.14.100 and 1988 c 109 s 21 are each amended to read  
18 as follows:

19 (1) A member who separates from judicial service for any reason is  
20 entitled to receive a lump sum distribution of the member's accumulated  
21 contributions. The administrator for the courts may adopt rules  
22 establishing other payment options, in addition to lump sum  
23 distributions, if the other payment options conform to the requirements  
24 of the federal internal revenue code.

25 (2) The right of a person to receive a payment under this chapter  
26 and the moneys in the accounts created under this chapter are exempt  
27 from any state, county, municipal, or other local tax and are not  
28 subject to execution, garnishment, attachment, the operation of  
29 bankruptcy or insolvency law, or any other process of law whatsoever  
30 and is not assignable, except as is otherwise specifically provided in  
31 this section.

32 (3) If a judgment, decree or other order, including a  
33 court-approved property settlement agreement, that relates to the  
34 provision of child support, spousal maintenance, or the marital  
35 property rights of a spouse or former spouse, child, or other dependent  
36 of a member is made pursuant to the domestic relations law of the state  
37 of Washington or such order issued by a court of competent jurisdiction

1 in another state or country, that has been registered or otherwise made  
2 enforceable in this state, then the amount of the member's accumulated  
3 contributions shall be paid in the manner and to the person or persons  
4 so directed in the domestic relations order. However, this subsection  
5 does not permit or require a benefit to be paid or to be provided that  
6 is not otherwise available under the terms of this chapter or any rules  
7 adopted under this chapter. The administrator for the courts shall  
8 establish reasonable procedures for determining the status or any such  
9 decree or order and for effectuating distribution pursuant to the  
10 domestic relations order.

11 (4) The administrator for the courts may pay from a member's  
12 accumulated contributions the amount that the administrator finds is  
13 lawfully demanded under a levy issued by the internal revenue service  
14 with respect to that member or is sought to be collected by the United  
15 States government under a judgment resulting from an unpaid tax  
16 assessment against the member.

17 **Sec. 7.** RCW 2.14.110 and 2005 c 282 s 1 are each amended to read  
18 as follows:

19 If a member dies, the amount of the accumulated contributions  
20 standing to the member's credit at the time of the member's death,  
21 subject to the provisions of chapter 26.16 RCW, shall be paid to the  
22 member's estate, or such person or persons, trust, or organization as  
23 the member has nominated by written designation duly executed and filed  
24 with the administrative office of the courts. If there is no such  
25 designated person or persons still living at the time of the member's  
26 death, the member's accumulated contributions shall be paid to the  
27 member's surviving spouse as if in fact the spouse had been nominated  
28 by written designation or, if there is no such surviving spouse, then  
29 to the member's legal representatives.

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