

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1327**

59th Legislature  
2005 Regular Session

Passed by the House March 8, 2005  
Yeas 91 Nays 0

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**Speaker of the House of Representatives**

Passed by the Senate April 5, 2005  
Yeas 46 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1327** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 1327

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Passed Legislature - 2005 Regular Session

State of Washington

59th Legislature

2005 Regular Session

By Representatives Alexander, Conway, Crouse, Simpson, Linville and Chase; by request of Select Committee on Pension Policy

Read first time 01/20/2005. Referred to Committee on Appropriations.

1 AN ACT Relating to permitting members of the teachers' retirement  
2 system plan 2 and plan 3 who qualify for early retirement or alternate  
3 early retirement to make a one-time purchase of additional service  
4 credit; adding new sections to chapter 41.32 RCW; and providing an  
5 effective date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.32 RCW  
8 under the subchapter heading "plan 2" to read as follows:

9 (1) A member eligible to retire under RCW 41.32.765 (2) or (3) may,  
10 at the time of filing a written application for retirement with the  
11 department, apply to the department to make a one-time purchase of up  
12 to five years of additional service credit.

13 (2) To purchase additional service credit under this section, a  
14 member shall pay the actuarial equivalent value of the resulting  
15 increase in the member's benefit.

16 (3) Subject to rules adopted by the department, a member purchasing  
17 additional service credit under this section may pay all or part of the  
18 cost with a lump sum payment, eligible rollover, direct rollover, or  
19 trustee-to-trustee transfer from an eligible retirement plan. The

1 department shall adopt rules to ensure that all lump sum payments,  
2 rollovers, and transfers comply with the requirements of the internal  
3 revenue code and regulations adopted by the internal revenue service.  
4 The rules adopted by the department may condition the acceptance of a  
5 rollover or transfer from another plan on the receipt of information  
6 necessary to enable the department to determine the eligibility of any  
7 transferred funds for tax-free rollover treatment or other treatment  
8 under federal income tax law.

9 (4) Additional service credit purchased under this section is not  
10 membership service, and may not be used to qualify a member for  
11 retirement under RCW 41.32.765.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.32 RCW  
13 under the subchapter heading "plan 3" to read as follows:

14 (1) A member eligible to retire under RCW 41.32.875 (2) or (3) may,  
15 at the time of filing a written application for retirement with the  
16 department, apply to the department to make a one-time purchase of up  
17 to five years of additional service credit.

18 (2) To purchase additional service credit under this section, a  
19 member shall pay the actuarial equivalent value of the resulting  
20 increase in the member's benefit.

21 (3) Subject to rules adopted by the department, a member purchasing  
22 additional service credit under this section may pay all or part of the  
23 cost with a lump sum payment, eligible rollover, direct rollover, or  
24 trustee-to-trustee transfer from an eligible retirement plan. The  
25 department shall adopt rules to ensure that all lump sum payments,  
26 rollovers, and transfers comply with the requirements of the internal  
27 revenue code and regulations adopted by the internal revenue service.  
28 The rules adopted by the department may condition the acceptance of a  
29 rollover or transfer from another plan on the receipt of information  
30 necessary to enable the department to determine the eligibility of any  
31 transferred funds for tax-free rollover treatment or other treatment  
32 under federal income tax law.

33 (4) Additional service credit purchased under this section is not  
34 membership service, and may not be used to qualify for retirement under  
35 RCW 41.32.875.

1        NEW SECTION.   **Sec. 3.**   This act takes effect July 1, 2006.

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