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SENATE BILL 5616

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State of Washington

59th Legislature

2005 Regular Session

By Senators Parlette, Kohl-Welles, Delvin, Doumit, Brown, Schmidt, Berkey, McAuliffe and Schoesler; by request of LEOFF Plan 2 Retirement Board

Read first time 01/31/2005. Referred to Committee on Ways & Means.

1 AN ACT Relating to permitting members of the law enforcement  
2 officers' and fire fighters' retirement system plan 2 to make a  
3 one-time purchase of additional service credit; adding a new section to  
4 chapter 41.26 RCW; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.26 RCW  
7 under the subchapter heading "plan 2" to read as follows:

8 (1) A member eligible to retire under RCW 41.26.430 may, at the  
9 time of filing a written application for retirement with the  
10 department, apply to the department to make a one-time purchase of up  
11 to five years of additional service credit.

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

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

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

8 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2006.

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