
SENATE BILL 5784

State of Washington 59th Legislature 2005 Regular Session

By Senators Fraser, Kastama, Haugen, Schmidt, Pridemore, Roach, Jacobsen, Kohl-Welles, Kline and McAuliffe

Read first time 02/07/2005. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to electing to receive remuneration for sick leave
2 at time of separation or dismissal; and amending RCW 41.04.340.

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

4 **Sec. 1.** 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.

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

9 (3) At the time of separation from state service due to retirement
10 ~~((or)), death, or dismissal from state service through agency reduction~~
11 in force measures, an eligible employee or the employee's estate may
12 elect to receive remuneration at a rate equal to one day's current
13 monetary compensation of the employee for each four full days of
14 accrued sick leave.

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

18 (5) Except as provided in subsections (7) through (9) of this
19 section for employees not covered by chapter 41.06 RCW, this section
20 shall be administered, and rules shall be adopted to carry out its
21 purposes, by the director of personnel for persons subject to chapter
22 41.06 RCW: PROVIDED, That determination of classes of eligible
23 employees shall be subject to approval by the office of financial
24 management.

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

28 (7) In lieu of remuneration for unused sick leave at retirement as
29 provided in subsection (3) of this section, an agency head or designee
30 may with equivalent funds, provide eligible employees with a benefit
31 plan that provides for reimbursement for medical expenses. This plan
32 shall be implemented only after consultation with affected groups of
33 employees. For eligible employees covered by chapter 41.06 RCW,
34 procedures for the implementation of these plans shall be adopted by
35 the director of personnel. For eligible employees exempt from chapter
36 41.06 RCW, and classified employees who have opted out of coverage of
37 chapter 41.06 RCW as provided in RCW 41.56.201, implementation

1 procedures shall be adopted by an agency head having jurisdiction over
2 the employees.

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

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

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