

HB 2510 - S COMM AMD  
By Committee on Ways & Means

ADOPTED 03/06/2008

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 41.48.030 and 2007 c 218 s 72 are each amended to  
4 read as follows:

5 (1) The governor is hereby authorized to enter on behalf of the  
6 state into an agreement with the federal secretary of health(~~(,~~  
7 ~~education, and welfare)~~) and human services consistent with the terms  
8 and provisions of this chapter, for the purpose of extending the  
9 benefits of the federal old-age and survivors insurance system to  
10 employees of the state or any political subdivision not members of an  
11 existing retirement system, or to members of a retirement system  
12 established by the state or by a political subdivision thereof or by an  
13 institution of higher learning with respect to services specified in  
14 such agreement which constitute "employment" as defined in RCW  
15 41.48.020. Such agreement may contain such provisions relating to  
16 coverage, benefits, contributions, effective date, modification and  
17 termination of the agreement, administration, and other appropriate  
18 provisions as the governor and secretary of health(~~(,~~  
19 ~~welfare)~~) and human services shall agree upon, but, except as may be  
20 otherwise required by or under the social security act as to the  
21 services to be covered, such agreement shall provide in effect  
22 that(~~(—)~~):

23 (a) Benefits will be provided for employees whose services are  
24 covered by the agreement (and their dependents and survivors) on the  
25 same basis as though such services constituted employment within the  
26 meaning of Title II of the social security act;

27 (b) The state will pay to the secretary of the treasury, at such  
28 time or times as may be prescribed under the social security act,  
29 contributions with respect to wages (as defined in RCW 41.48.020),

1 equal to the sum of the taxes which would be imposed by the federal  
2 insurance contributions act if the services covered by the agreement  
3 constituted employment within the meaning of that act;

4 (c) Such agreement shall be effective with respect to services in  
5 employment covered by the agreement or modification thereof performed  
6 after a date specified therein but in no event may it be effective with  
7 respect to any such services performed prior to the first day of the  
8 calendar year immediately preceding the calendar year in which such  
9 agreement or modification of the agreement is accepted by the secretary  
10 of health(~~(, education and welfare)~~) and human services;

11 (d) All services which constitute employment as defined in RCW  
12 41.48.020 and are performed in the employ of the state by employees of  
13 the state, shall be covered by the agreement;

14 (e) All services which (i) constitute employment as defined in RCW  
15 41.48.020, (ii) are performed in the employ of a political subdivision  
16 of the state, and (iii) are covered by a plan which is in conformity  
17 with the terms of the agreement and has been approved by the governor  
18 under RCW 41.48.050, shall be covered by the agreement; (~~and~~)

19 (f) As modified, the agreement shall include all services described  
20 in either (~~paragraph~~) (d) or (~~paragraph~~) (e) of this subsection and  
21 performed by individuals to whom section 218(c)(3)(C) of the social  
22 security act is applicable, and shall provide that the service of any  
23 such individual shall continue to be covered by the agreement in case  
24 he or she thereafter becomes eligible to be a member of a retirement  
25 system; (~~and~~)

26 (g) As modified, the agreement shall include all services described  
27 in either (~~paragraph~~) (d) or (~~paragraph~~) (e) of this subsection and  
28 performed by individuals in positions covered by a retirement system  
29 with respect to which the governor has issued a certificate to the  
30 secretary of health(~~(, education, and welfare)~~) and human services  
31 pursuant to subsection (5) of this section; and

32 (h) Law enforcement officers and firefighters of each political  
33 subdivision of this state who are covered by the Washington law  
34 enforcement officers' and firefighters' retirement system act  
35 (~~((chapter 209, Laws of 1969 ex. sess.) as now in existence or~~  
36 ~~hereafter amended)), chapter 41.26 RCW, shall constitute a separate  
37 "coverage group" for purposes of the agreement entered into under this  
38 section and for purposes of section 218 of the social security act.~~

1 (~~To the extent that the agreement between this state and the federal~~  
2 ~~secretary of health, education, and welfare in existence on the date of~~  
3 ~~adoption of this subsection is inconsistent with this subsection, the~~  
4 ~~governor shall seek to modify the inconsistency.~~)

5 (2) Any instrumentality jointly created by this state and any other  
6 state or states is hereby authorized, upon the granting of like  
7 authority by such other state or states, (a) to enter into an agreement  
8 with the secretary of health(~~, education, and welfare~~) and human  
9 services whereby the benefits of the federal old-age and survivors  
10 insurance system shall be extended to employees of such  
11 instrumentality, (b) to require its employees to pay (and for that  
12 purpose to deduct from their wages) contributions equal to the amounts  
13 which they would be required to pay under RCW 41.48.040(1) if they were  
14 covered by an agreement made pursuant to subsection (1) of this  
15 section, and (c) to make payments to the secretary of the treasury in  
16 accordance with such agreement, including payments from its own funds,  
17 and otherwise to comply with such agreements. Such agreement shall, to  
18 the extent practicable, be consistent with the terms and provisions of  
19 subsection (1) of this section and other provisions of this chapter.

20 (3) The governor is empowered to authorize a referendum, and to  
21 designate an agency or individual to supervise its conduct, in  
22 accordance with the requirements of section 218(d)(3) of the social  
23 security act, and subsection (4) of this section on the question of  
24 whether service in all positions covered by a retirement system  
25 established by the state or by a political subdivision thereof should  
26 be excluded from or included under an agreement under this chapter. If  
27 a retirement system covers positions of employees of the state of  
28 Washington, of the institutions of higher learning, and positions of  
29 employees of one or more of the political subdivisions of the state,  
30 then for the purpose of the referendum as provided (~~herein~~) in this  
31 section, there may be deemed to be a separate retirement system with  
32 respect to employees of the state, or any one or more of the political  
33 subdivisions, or institutions of higher learning and the governor shall  
34 authorize a referendum upon request of the subdivisions' or  
35 institutions' of higher learning governing body: PROVIDED HOWEVER,  
36 That if a referendum of state employees generally fails to produce a  
37 favorable majority vote then the governor may authorize a referendum  
38 covering positions of employees in any state department who are

1 compensated in whole or in part from grants made to this state under  
2 Title III of the federal social security act: PROVIDED, That any city  
3 or town affiliated with the statewide city employees retirement system  
4 organized under chapter 41.44 RCW may at its option agree to a plan  
5 submitted by the board of trustees of (~~said~~) that statewide city  
6 employees retirement system for inclusion under an agreement under this  
7 chapter if the referendum to be held as provided (~~herein~~) in this  
8 section indicates a favorable result: PROVIDED FURTHER, That the  
9 teachers' retirement system be considered one system for the purpose of  
10 the referendum except as applied to the several colleges of education.  
11 The notice of referendum required by section 218(d)(3)(C) of the social  
12 security act to be given to employees shall contain or shall be  
13 accompanied by a statement, in such form and such detail as the agency  
14 or individual designated to supervise the referendum shall deem  
15 necessary and sufficient, to inform the employees of the rights which  
16 will accrue to them and their dependents and survivors, and the  
17 liabilities to which they will be subject, if their services are  
18 included under an agreement under this chapter.

19 (4) The governor, before authorizing a referendum, shall require  
20 the following conditions to be met:

21 (a) The referendum shall be by secret written ballot on the  
22 question of whether service in positions covered by such retirement  
23 system shall be excluded from or included under the agreement between  
24 the governor and the secretary of health(~~, education, and welfare~~)  
25 and human services provided for in (~~RCW 41.48.030(1)~~) subsection (1)  
26 of this section;

27 (b) An opportunity to vote in such referendum shall be given and  
28 shall be limited to eligible employees;

29 (c) Not less than ninety days' notice of such referendum shall be  
30 given to all such employees;

31 (d) Such referendum shall be conducted under the supervision  
32 (~~(+)~~)of the governor or(~~(+)~~) of an agency or individual designated by  
33 the governor;

34 (e)(i) The proposal for coverage shall be approved only if a  
35 majority of the eligible employees vote in favor of including services  
36 in such positions under the agreement;

37 (ii) Coverage obtained through a divided referendum process shall  
38 extend coverage to law enforcement officers, firefighters, and

1 employees of political subdivisions of this state, who have membership  
2 in a qualified retirement system, allowing them to obtain medicare  
3 coverage only (HI-only). In such a divided referendum process, those  
4 members voting in favor of medicare coverage constitute a separate  
5 coverage group;

6 (f) The state legislature, in the case of a referendum affecting  
7 the rights and liabilities of state employees covered under the state  
8 employees' retirement system and employees under the teachers'  
9 retirement system, and in all other cases the local legislative  
10 authority or governing body, shall have specifically approved the  
11 proposed plan and approved any necessary structural adjustment to the  
12 existing system to conform with the proposed plan;

13 (g) In the case of a referendum authorized under section 218(d)(6)  
14 of the social security act and (e)(ii) of this subsection, the  
15 retirement system will be divided into two parts or divisions. One  
16 part or division of the retirement system shall be composed of  
17 positions of those members of the system who desire coverage under the  
18 agreement as permitted by this section. The remaining part or division  
19 of the retirement system shall be composed of positions of those  
20 members who do not desire coverage under such an agreement. Each part  
21 or division is a separate retirement system for the purposes of section  
22 218(d) of the social security act. The positions of individuals who  
23 become members of the system after the coverage is extended shall be  
24 included in the part or division of the system composed of members  
25 desiring the coverage, with the exception of positions that are  
26 excluded in the agreement.

27 (5) Upon receiving satisfactory evidence that with respect to any  
28 such referendum the conditions specified in subsection (4) of this  
29 section and section 218(d)(3) of the social security act have been met,  
30 the governor shall so certify to the secretary of health(~~(, education,~~  
31 ~~and welfare)) and human services.~~

32 (6) If the legislative body of any political subdivision of this  
33 state certifies to the governor that a referendum has been held under  
34 the terms of RCW 41.48.050(1)(i) and gives notice to the governor of  
35 termination of social security for any coverage group of the political  
36 subdivision, the governor shall give two years advance notice in  
37 writing to the federal department of health(~~(, education, and welfare))~~

1 and human services of (~~such~~) the termination of the agreement entered  
2 into under this section with respect to (~~said~~) that coverage group."

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3 On page 1, line 3 of the title, after "process;" strike the  
4 remainder of the title and insert "and amending RCW 41.48.030."

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