
HOUSE BILL 1444

State of Washington 61st Legislature 2009 Regular Session

By Representatives Hurst, Roach, O'Brien, Goodman, Conway, and Kelley

Read first time 01/21/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to the administration of the Washington state
2 patrol retirement system; amending RCW 41.04.278 and 43.43.120;
3 reenacting and amending RCW 44.44.040; and adding a new chapter to
4 Title 43 RCW.

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

6 NEW SECTION. **Sec. 1.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires otherwise.

8 (1) "Beneficiary" has the same meaning as in RCW 43.43.120.

9 (2) "Benefits" means qualifications for retirement, the level of
10 retirement payments, survivorship or other pensions, payment options,
11 and average final compensation. "Benefits" does not include the
12 requirements for eligibility for participation in the plan.

13 (3) "Board" means the Washington state patrol retirement board
14 established under this chapter.

15 (4) "Board member" means a member of the Washington state patrol
16 retirement system board.

17 (5) "Chief" means the chief of the Washington state patrol.

18 (6) "Department" means the department of retirement systems.

1 (7) "Expense account" means the Washington state patrol retirement
2 system expense account established under this chapter.

3 (8) "Member" has the same meaning as in RCW 43.43.120 and also
4 includes separated vested members of the plan who are not currently
5 receiving benefits.

6 (9) "Plan" has the same meaning as in RCW 43.43.120.

7 (10) "State actuary" means the actuary employed under chapter 44.44
8 RCW.

9 (11) "System" means the Washington state patrol retirement system
10 established under chapter 43.43 RCW.

11 NEW SECTION. **Sec. 2.** (1) An eleven member Washington state patrol
12 retirement board is hereby created. Membership on the board consists
13 of:

14 (a) The chief of the Washington state patrol, who serves as chair
15 of the board;

16 (b) The director of the department of retirement systems, or a
17 designee;

18 (c) The director of financial management, or a designee;

19 (d) Two members representing active members, appointed by the chief
20 from a list submitted by an organization representing members of the
21 plan. One of these members must be a member of the Washington state
22 patrol retirement system plan 2. Until 2030, one of these members must
23 be a member of the Washington state patrol retirement system plan 1;

24 (e) One member representing active members, appointed by the chief
25 from a list submitted by an organization representing commissioned
26 officers above the rank of sergeant;

27 (f) One member representing retired members, appointed by the chief
28 from among members receiving service pensions from the Washington state
29 patrol retirement system;

30 (g) Two nonvoting members appointed by the president of the senate,
31 with one member from each of the two largest caucuses of the senate;
32 and

33 (h) Two nonvoting members appointed by the speaker of the house of
34 representatives, with one member from each of the two largest caucuses
35 of the house of representatives.

36 (2) The active member representatives serve four-year terms. Of
37 the initial active member representatives, one must be appointed for a

1 four-year term, one must be appointed for a three-year term, and one
2 must be appointed for a two-year term. Thereafter, the active member
3 representatives must be appointed for four-year terms. The retiree and
4 legislative members serve two-year terms. Board members may be
5 reappointed to serve succeeding terms without limitation. Board
6 members serve until their successors are appointed and seated.

7 (3) In the event of a vacancy on the board, the vacancy is filled
8 in the same manner as the initial appointment.

9 (4) A majority of the voting members of the board constitute a
10 quorum for the transaction of business and any action taken must be
11 approved by five or more of the voting members.

12 NEW SECTION. **Sec. 3.** (1) The expenses of the board are paid from
13 the expense account.

14 (2) The members of the board serve without compensation, but active
15 member representatives must not suffer financial loss because of
16 absence from their regular employment and must be reimbursed from the
17 expense account. Board members are reimbursed for travel and education
18 expenses as provided in RCW 43.03.050 and 43.03.060.

19 NEW SECTION. **Sec. 4.** The board has the following powers and
20 duties with respect to the Washington state patrol retirement system:

21 (1) Study pension issues and pension benefits, develop pension
22 policies, and make recommendations to the governor for legislation to
23 be submitted to the legislature;

24 (2) Hire an executive director who serves at the pleasure of the
25 board, and hire or contract with other state agencies for additional
26 research, legal, and administrative support, as well as for office
27 space;

28 (3) Contract for actuarial services, either with the state actuary
29 or with independent actuaries, for actuarial analysis;

30 (4) Establish board rules and operating policies;

31 (5) Consult with the department for the purpose of improvement in
32 benefit administration and member services;

33 (6) Conduct public meetings as prescribed in chapter 42.30 RCW; and

34 (7) Communicate with members of the retirement system.

1 NEW SECTION. **Sec. 5.** A Washington state patrol retirement system
2 expense account is created in the state treasury. The department shall
3 ascertain the amount appropriated by the legislature for the
4 administration of the board. This amount is to be computed by the
5 department as a percentage of member pay, with one-half of that amount
6 paid by the employer and one-half paid by the member. The department
7 shall report the resulting expense account rate to the board and to the
8 chief, and shall bill the employer and employees for this amount in the
9 same manner as their contributions to the retirement system. This
10 charge is not a pension contribution under chapter 41.45 RCW. The
11 department may adjust the expense account rate at any time when
12 necessary to reflect unanticipated costs or savings in administering
13 the board. Expenditures from the expense account are subject to
14 appropriation by the legislature.

15 **Sec. 6.** RCW 44.44.040 and 2003 c 295 s 4 and 2003 c 92 s 2 are
16 each reenacted and amended to read as follows:

17 The office of the state actuary shall have the following powers and
18 duties:

19 (1) Perform all actuarial services for the department of retirement
20 systems, including all studies required by law.

21 (2) Advise the legislature and the governor regarding pension
22 benefit provisions, and funding policies and investment policies of the
23 state investment board.

24 (3) Consult with the legislature and the governor concerning
25 determination of actuarial assumptions used by the department of
26 retirement systems.

27 (4) Prepare a report, to be known as the actuarial fiscal note, on
28 each pension bill introduced in the legislature which briefly explains
29 the financial impact of the bill. The actuarial fiscal note shall
30 include: (a) The statutorily required contribution for the biennium
31 and the following twenty-five years; (b) the biennial cost of the
32 increased benefits if these exceed the required contribution; and (c)
33 any change in the present value of the unfunded accrued benefits. An
34 actuarial fiscal note shall also be prepared for all amendments which
35 are offered in committee or on the floor of the house of
36 representatives or the senate to any pension bill. However, a majority

1 of the members present may suspend the requirement for an actuarial
2 fiscal note for amendments offered on the floor of the house of
3 representatives or the senate.

4 (5) Provide such actuarial services to the legislature as may be
5 requested from time to time.

6 (6) Provide staff and assistance to the committee established under
7 RCW 41.04.276.

8 (7) Provide actuarial assistance to the law enforcement officers'
9 and firefighters' plan 2 retirement board as provided in chapter 2,
10 Laws of 2003. Reimbursement for services shall be made to the state
11 actuary under RCW 39.34.130 and section 5(5), chapter 2, Laws of 2003.

12 (8) Provide actuarial assistance to the Washington state patrol
13 retirement system board under section 4 of this act. Reimbursement for
14 services must be made to the state actuary under RCW 39.34.130.

15 **Sec. 7.** RCW 41.04.278 and 2006 c 309 s 4 are each amended to read
16 as follows:

17 (1) The select committee on pension policy may form three function-
18 specific subcommittees, as set forth under subsection (2) of this
19 section, from the members under RCW 41.04.276(1) (a) through (e), as
20 follows:

21 (a) A public safety subcommittee with one member from each group
22 under RCW 41.04.276(1) (a) through (e);

23 (b) An education subcommittee with one member from each group under
24 RCW 41.04.276(1) (a) through (e); and

25 (c) A state and local government subcommittee, with one retiree
26 member under RCW 41.04.276(1)(d) and two members from each group under
27 RCW 41.04.276(1) (a) through (c) and (e).

28 The retiree members may serve on more than one subcommittee to
29 ensure representation on each subcommittee.

30 (2)(a) The public safety subcommittee shall focus on pension issues
31 affecting public safety employees who are members of the law
32 enforcement officers' and firefighters' ~~((and))~~ and public safety
33 employees' ~~((and Washington state patrol))~~ retirement systems.

34 (b) The education subcommittee shall focus on pension issues
35 affecting educational employees who are members of the public
36 employees', teachers', and school employees' retirement systems.

1 (c) The state and local government subcommittee shall focus on
2 pension issues affecting state and local government employees who are
3 members of the public employees' retirement system.

4 **Sec. 8.** RCW 43.43.120 and 2001 c 329 s 3 are each amended to read
5 as follows:

6 As used in the following sections, unless a different meaning is
7 plainly required by the context:

8 (1) "Retirement system" means the Washington state patrol
9 retirement system.

10 (2) "Retirement fund" means the Washington state patrol retirement
11 fund.

12 (3) "State treasurer" means the treasurer of the state of
13 Washington.

14 (4) "Member" means any person included in the membership of the
15 retirement fund.

16 (5) "Employee" means any commissioned employee of the Washington
17 state patrol.

18 (6)(a) "Cadet," for a person who became a member of the retirement
19 system after June 12, 1980, is a person who has passed the Washington
20 state patrol's entry-level oral, written, physical performance, and
21 background examinations and is, thereby, appointed by the chief as a
22 candidate to be a commissioned officer of the Washington state patrol.

23 (b) "Cadet," for a person who became a member of the retirement
24 system before June 12, 1980, is a trooper cadet, patrol cadet, or
25 employee of like classification, employed for the express purpose of
26 receiving the on-the-job training required for attendance at the state
27 patrol academy and for becoming a commissioned trooper. "Like
28 classification" includes: Radio operators or dispatchers; persons
29 providing security for the governor or legislature; patrolmen; drivers'
30 license examiners; weighmasters; vehicle safety inspectors; central
31 wireless operators; and warehousemen.

32 (7) "Beneficiary" means any person in receipt of retirement
33 allowance or any other benefit allowed by this chapter.

34 (8) "Regular interest" means interest compounded annually at such
35 rates as may be determined by the director.

36 (9) (~~"Retirement board" means the board provided for in this~~
37 ~~chapter.~~

1 ~~(10)~~) "Insurance commissioner" means the insurance commissioner of
2 the state of Washington.

3 ~~((11))~~ (10) "Lieutenant governor" means the lieutenant governor
4 of the state of Washington.

5 ~~((12))~~ (11) "Service" shall mean services rendered to the state
6 of Washington or any political subdivisions thereof for which
7 compensation has been paid. Full time employment for seventy or more
8 hours in any given calendar month shall constitute one month of
9 service. An employee who is reinstated in accordance with RCW
10 43.43.110 shall suffer no loss of service for the period reinstated
11 subject to the contribution requirements of this chapter. Only months
12 of service shall be counted in the computation of any retirement
13 allowance or other benefit provided for herein. Years of service shall
14 be determined by dividing the total number of months of service by
15 twelve. Any fraction of a year of service as so determined shall be
16 taken into account in the computation of such retirement allowance or
17 benefit.

18 ~~((13))~~ (12) "Prior service" shall mean all services rendered by
19 a member to the state of Washington, or any of its political
20 subdivisions prior to August 1, 1947, unless such service has been
21 credited in another public retirement or pension system operating in
22 the state of Washington.

23 ~~((14))~~ (13) "Current service" shall mean all service as a member
24 rendered on or after August 1, 1947.

25 ~~((15))~~ (14)(a) "Average final salary," for members commissioned
26 prior to January 1, 2003, shall mean the average monthly salary
27 received by a member during the member's last two years of service or
28 any consecutive two-year period of service, whichever is the greater,
29 as an employee of the Washington state patrol; or if the member has
30 less than two years of service, then the average monthly salary
31 received by the member during the member's total years of service.

32 (b) "Average final salary," for members commissioned on or after
33 January 1, 2003, shall mean the average monthly salary received by a
34 member for the highest consecutive sixty service credit months; or if
35 the member has less than sixty months of service, then the average
36 monthly salary received by the member during the member's total months
37 of service.

1 ~~((+16+))~~ (15) "Actuarial equivalent" shall mean a benefit of equal
2 value when computed upon the basis of such mortality table as may be
3 adopted and such interest rate as may be determined by the director.

4 ~~((+17+))~~ (16) Unless the context expressly indicates otherwise,
5 words importing the masculine gender shall be extended to include the
6 feminine gender and words importing the feminine gender shall be
7 extended to include the masculine gender.

8 ~~((+18+))~~ (17) "Director" means the director of the department of
9 retirement systems.

10 ~~((+19+))~~ (18) "Department" means the department of retirement
11 systems created in chapter 41.50 RCW.

12 ~~((+20+))~~ (19) "State actuary" or "actuary" means the person
13 appointed pursuant to RCW 44.44.010(2).

14 ~~((+21+))~~ (20) "Contributions" means the deduction from the
15 compensation of each member in accordance with the contribution rates
16 established under chapter 41.45 RCW.

17 ~~((+22+))~~ (21) "Annual increase" means as of July 1, 1999, seventy-
18 seven cents per month per year of service which amount shall be
19 increased each subsequent July 1st by three percent, rounded to the
20 nearest cent.

21 ~~((+23+))~~ (22)(a) "Salary," for members commissioned prior to July
22 1, 2001, shall exclude any overtime earnings related to RCW 47.46.040,
23 or any voluntary overtime, earned on or after July 1, 2001.

24 (b) "Salary," for members commissioned on or after July 1, 2001,
25 shall exclude any overtime earnings related to RCW 47.46.040 or any
26 voluntary overtime, lump sum payments for deferred annual sick leave,
27 unused accumulated vacation, unused accumulated annual leave, holiday
28 pay, or any form of severance pay.

29 ~~((+24+))~~ (23) "Plan 2" means the Washington state patrol retirement
30 system plan 2, providing the benefits and funding provisions covering
31 commissioned employees who first become members of the system on or
32 after January 1, 2003.

33 NEW SECTION. **Sec. 9.** If any provision of this act or its
34 application to any person or circumstance is held invalid, the
35 remainder of the act or the application of the provision to other
36 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 10.** Sections 1 through 5 and 9 of this act
2 constitute a new chapter in Title 43 RCW.

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