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**SUBSTITUTE SENATE BILL 5523**

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**State of Washington                      61st Legislature                      2009 Regular Session**

**By Senate Ways & Means** (originally sponsored by Senators Hobbs, Pridemore, and Tom)

READ FIRST TIME 03/02/09.

1            AN ACT Relating to public retirement benefits for employees of the  
2 supreme court, court of appeals, or superior, district, or municipal  
3 courts; amending RCW 41.45.207; adding new sections to chapter 41.40  
4 RCW; adding a new section to chapter 41.45 RCW; creating a new section;  
5 and providing an 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 41.40 RCW  
8 under the subchapter heading "plan 1" to read as follows:

9            (1) Any member, employed as a court commissioner on September 1,  
10 2009, in the supreme court, court of appeals, or superior, district, or  
11 municipal court, may make a one-time irrevocable election, filed in  
12 writing with the member's employer, the department, and the  
13 administrative office of the courts, to accrue an additional benefit  
14 equal to one and one-half percent of average final compensation for  
15 each year of future service credit as a court commissioner from the  
16 date of the election. The court commissioner shall have from September  
17 1, 2009, through January 31, 2010, to make this election. Any court  
18 commissioner who has not previously elected to accrue an additional

1 benefit under this section may make this election during any subsequent  
2 month of January until the irrevocable election is made.

3 (2) Any member hired after September 1, 2009, as a court  
4 commissioner in the supreme court, court of appeals, or superior,  
5 district, or municipal court, who has not previously elected to accrue  
6 an additional benefit under the provisions of this section, shall have  
7 ninety days from the date of hire to make a one-time irrevocable  
8 election, filed in writing with the member's employer, the department,  
9 and the administrative office of the courts, to accrue an additional  
10 benefit equal to one and one-half percent of average final compensation  
11 for each year of future service credit as a court commissioner from the  
12 date of the election. A court commissioner who does not elect to  
13 accrue an additional benefit under this section may make this election  
14 during any subsequent month of January until the irrevocable election  
15 is made.

16 (3)(a) A member who made the election under subsection (1) or (2)  
17 of this section may apply to the department to increase the member's  
18 benefit multiplier by an additional one and one-half percent per year  
19 of service for the period in which the member served as a court  
20 commissioner prior to the election. The member shall pay, for the  
21 applicable period of service, the actuarially equivalent value of the  
22 increase in the member's benefit resulting from the increase in the  
23 benefit multiplier as determined by the director. This payment must be  
24 made prior to retirement.

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

37 (4) In lieu of the retirement allowance provided under RCW  
38 41.40.185, the retirement allowance payable for service as a court

1 commissioner in the supreme court, court of appeals, or superior,  
2 district, or municipal court, for those members who elected to accrue  
3 an additional benefit under this section, shall be equal to three and  
4 one-half percent of average final compensation for each year of service  
5 after the election. The total retirement allowance under this system  
6 for members who elected to accrue an additional benefit while a court  
7 commissioner shall not exceed seventy-five percent of average final  
8 compensation.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.40 RCW  
10 under the subchapter heading "plan 2" to read as follows:

11 (1) Any member, employed as a court commissioner on September 1,  
12 2009, in the supreme court, court of appeals, or superior, district, or  
13 municipal court, may make a one-time irrevocable election, filed in  
14 writing with the member's employer, the department, and the  
15 administrative office of the courts, to accrue an additional benefit  
16 equal to one and one-half percent of average final compensation for  
17 each year of future service credit as a court commissioner from the  
18 date of the election. The court commissioner shall have from September  
19 1, 2009, through January 31, 2010, to make this election. Any court  
20 commissioner who has not previously elected to accrue an additional  
21 benefit under this section may make this election during any subsequent  
22 month of January until the irrevocable election is made.

23 (2) Any member hired after September 1, 2009, as a court  
24 commissioner in the supreme court, court of appeals, or superior,  
25 district, or municipal court, who has not previously elected to accrue  
26 an additional benefit under the provisions of this section, shall have  
27 ninety days from the date of hire to make a one-time irrevocable  
28 election, filed in writing with the member's employer, the department,  
29 and the administrative office of the courts, to accrue an additional  
30 benefit equal to one and one-half percent of average final compensation  
31 for each year of future service credit as a court commissioner from the  
32 date of the election. A court commissioner who does not elect to  
33 accrue an additional benefit under this section may make this election  
34 during any subsequent month of January until the irrevocable election  
35 is made.

36 (3) Any employee hired after September 1, 2009, as a court  
37 commissioner in the supreme court, court of appeals, or superior,

1 district, or municipal court, who has not previously established  
2 membership in this system, and who establishes membership in plan 2  
3 under the provisions of RCW 41.40.785, shall have ninety days from the  
4 date of hire to make a one-time irrevocable election filed in writing  
5 with the member's employer, the department, and the administrative  
6 office of the courts, to accrue an additional benefit equal to one and  
7 one-half percent of average final compensation for each year of future  
8 service credit as a court commissioner from the date of the election.  
9 Any employee hired after September 1, 2009, as a court commissioner,  
10 who establishes membership in plan 2 under the provisions of RCW  
11 41.40.785 and does not elect to accrue an additional benefit under this  
12 section may make this election during any subsequent month of January  
13 until the irrevocable election is made.

14 (4)(a) A member who made the election under subsection (1), (2), or  
15 (3) of this section may apply to the department to increase the  
16 member's benefit multiplier by an additional one and one-half percent  
17 per year of service for the period in which the member served as a  
18 court commissioner prior to the election. The member shall pay, for  
19 the applicable period of service, the actuarially equivalent value of  
20 the increase in the member's benefit resulting from the increase in the  
21 benefit multiplier as determined by the director. This payment must be  
22 made prior to retirement.

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

35 (5) In lieu of the retirement allowance provided under RCW  
36 41.40.620, the retirement allowance payable for service as a court  
37 commissioner in the supreme court, court of appeals, or superior,  
38 district, or municipal court, for those members who elected to accrue

1 an additional benefit under the provisions of this section shall be  
2 equal to three and one-half percent of average final compensation for  
3 each year of such service after the election. The total retirement  
4 allowance under this system for those members who elected to accrue an  
5 additional benefit as a court commissioner shall not exceed seventy-  
6 five percent of average final compensation.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.40 RCW  
8 under the subchapter heading "plan 3" to read as follows:

9 (1) Any member, employed as a court commissioner on September 1,  
10 2009, in the supreme court, court of appeals, or superior, district, or  
11 municipal court, may make a one-time irrevocable election, filed in  
12 writing with the member's employer, the department, and the  
13 administrative office of the courts, to accrue an additional plan 3  
14 defined benefit equal to six-tenths percent of average final  
15 compensation for each year of future service credit as a court  
16 commissioner from the date of the election. The court commissioner  
17 shall have from September 1, 2009, through January 31, 2010, to make  
18 this election. Any court commissioner who has not elected to accrue an  
19 additional benefit under this section may make this election during any  
20 subsequent month of January until the irrevocable election is made.

21 (2) Any member hired after September 1, 2009, as a court  
22 commissioner in the supreme court, court of appeals, or superior,  
23 district, or municipal court, who has not previously elected to accrue  
24 an additional benefit under the provisions of this section, shall have  
25 ninety days from the date of hire to make a one-time irrevocable  
26 election, filed in writing with the member's employer, the department,  
27 and the administrative office of the courts, to accrue an additional  
28 benefit equal to six-tenths percent of average final compensation for  
29 each year of future service credit as a court commissioner from the  
30 date of the election. A court commissioner who does not elect to  
31 accrue an additional benefit under this section may make this election  
32 during any subsequent month of January until the irrevocable election  
33 is made.

34 (3) A court commissioner who made the election under subsection (1)  
35 or (2) of this section shall contribute a minimum of seven and one-half  
36 percent of pay to the member's defined contribution account.

1 (4)(a) A member who made the election under subsection (1) or (2)  
2 of this section may apply to the department to increase the member's  
3 benefit multiplier by an additional six-tenths percent per year of  
4 service for the period in which the member served as a court  
5 commissioner prior to the election. The member shall pay, for the  
6 applicable period of service, the actuarially equivalent value of the  
7 increase in the member's benefit resulting from the increase in the  
8 benefit multiplier as determined by the director. This payment must be  
9 made prior to retirement.

10 (b) Subject to rules adopted by the department, a member applying  
11 to increase the member's benefit multiplier under this section may pay  
12 all or part of the cost with a lump sum payment, eligible rollover,  
13 direct rollover, or trustee-to-trustee transfer from an eligible  
14 retirement plan. The department shall adopt rules to ensure that all  
15 lump sum payments, rollovers, and transfers comply with the  
16 requirements of the internal revenue code and regulations adopted by  
17 the internal revenue service. The rules adopted by the department may  
18 condition the acceptance of a rollover or transfer from another plan on  
19 the receipt of information necessary to enable the department to  
20 determine the eligibility of any transferred funds for tax-free  
21 rollover treatment or other treatment under federal income tax law.

22 (5) In lieu of the retirement allowance provided under RCW  
23 41.40.790, the retirement allowance payable for service as a court  
24 commissioner in the supreme court, court of appeals, or superior,  
25 district, or municipal court, for those members who elected to accrue  
26 an additional benefit under the provisions of this section shall be  
27 equal to one and six-tenths percent of average final compensation for  
28 each year of such service after the election. The total retirement  
29 allowance under this system for those members who elected to accrue an  
30 additional benefit while a court commissioner shall not exceed thirty-  
31 seven and one-half percent of average final compensation.

32 NEW SECTION. **Sec. 4.** A new section is added to chapter 41.45 RCW  
33 to read as follows:

34 (1) The required employer contribution rate in support of public  
35 employees' retirement system plan 1 or plan 2 members employed as a  
36 court commissioner in the supreme court, court of appeals, or superior,  
37 district, or municipal court, who have elected to accrue an additional

1 benefit under the provisions of section 1 or 2 of this act, shall equal  
2 the public employees' retirement system employer contribution rate  
3 established under this chapter.

4 (2) The required employer contribution rate in support of public  
5 employees' retirement system plan 3 members employed as a court  
6 commissioner in the supreme court, court of appeals, or superior,  
7 district, or municipal court, who have elected to accrue an additional  
8 benefit under the provisions of section 3 of this act, shall equal the  
9 public employees' retirement system employer contribution rate  
10 established under this chapter plus two and one-half percent of pay.

11 (3) The required contribution rate for members of the public  
12 employees' retirement system plan 2 employed as a court commissioner in  
13 the supreme court, court of appeals, or superior, district, or  
14 municipal court, who have elected to accrue an additional benefit under  
15 the provisions of section 2 of this act, shall be two hundred fifty  
16 percent of the member contribution rate for the public employees'  
17 retirement system plan 2 established under this chapter.

18 (4) The required contribution rate for members of the public  
19 employees' retirement system plan 1 employed as a court commissioner in  
20 the supreme court, court of appeals, or superior, district, or  
21 municipal court, who have elected to accrue an additional benefit under  
22 the provisions of section 1 of this act, shall be the contribution rate  
23 established under RCW 41.40.330 plus six and twenty-six one-hundredths  
24 percent of pay.

25 **Sec. 5.** RCW 41.45.207 and 2006 c 189 s 19 are each amended to read  
26 as follows:

27 (1) The required employer contribution rate in support of public  
28 employees' retirement system plan 1 or plan 2 members employed as  
29 district court judges and municipal court judges who elect to  
30 participate under RCW 41.40.127(1) (~~or 41.40.873(1)~~), or who are  
31 newly elected or appointed after January 1, 2007, shall equal the  
32 public employees' retirement system employer contribution rate  
33 established under this chapter.

34 (2) The required employer contribution rate in support of public  
35 employees' retirement system plan 3 members employed as district court  
36 judges and municipal court judges who elect to participate under RCW  
37 41.40.873(1), or who are newly elected or appointed after January 1,

1 2007, for service beginning September 1, 2009, shall equal the public  
2 employees' retirement system employer contribution rate established  
3 under this chapter plus two and one-half percent of pay.

4 (3) The required contribution rate for members of the public  
5 employees' retirement system plan 2 employed as district court judges  
6 or municipal court judges who elect to participate under RCW  
7 41.40.127(1) or 41.40.873(1), or who are newly elected or appointed  
8 after January 1, 2007, shall be two hundred fifty percent of the member  
9 contribution rate for the public employees' retirement system plan 2  
10 established under this chapter.

11 ((+3)) (4) The required contribution rate for members of the  
12 public employees' retirement system plan 1 employed as district court  
13 judges or municipal court judges who elect to participate under RCW  
14 41.40.124(1), or who are newly elected or appointed after January 1,  
15 2007, shall be the contribution rate established under RCW 41.40.330  
16 plus six and twenty-six one-hundredths percent of pay.

17 NEW SECTION. Sec. 6. This act takes effect September 1, 2009.

18 NEW SECTION. Sec. 7. This act shall be implemented only within  
19 funds specifically appropriated for the administrative expenses  
20 associated with its purpose.

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