
HOUSE BILL 1706

State of Washington 62nd Legislature 2011 Regular Session

By Representatives Cody, Moscoso, Reykdal, Sullivan, Appleton,
Stanford, Hasegawa, Sells, Hunt, and Kenney

Read first time 01/31/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to participating in insurance plans and contracts
2 by separated plan 2 members of certain retirement systems; amending RCW
3 41.05.011; and providing an effective date.

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

5 **Sec. 1.** RCW 41.05.011 and 2009 c 537 s 3 are each amended to read
6 as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) "Administrator" means the administrator of the authority.

10 (2) "State purchased health care" or "health care" means medical
11 and health care, pharmaceuticals, and medical equipment purchased with
12 state and federal funds by the department of social and health
13 services, the department of health, the basic health plan, the state
14 health care authority, the department of labor and industries, the
15 department of corrections, the department of veterans affairs, and
16 local school districts.

17 (3) "Authority" means the Washington state health care authority.

18 (4) "Insuring entity" means an insurer as defined in chapter 48.01

1 RCW, a health care service contractor as defined in chapter 48.44 RCW,
2 or a health maintenance organization as defined in chapter 48.46 RCW.

3 (5) "Flexible benefit plan" means a benefit plan that allows
4 employees to choose the level of health care coverage provided and the
5 amount of employee contributions from among a range of choices offered
6 by the authority.

7 (6) "Employee" includes all employees of the state, whether or not
8 covered by civil service; elected and appointed officials of the
9 executive branch of government, including full-time members of boards,
10 commissions, or committees; justices of the supreme court and judges of
11 the court of appeals and the superior courts; and members of the state
12 legislature. Pursuant to contractual agreement with the authority,
13 "employee" may also include: (a) Employees of a county, municipality,
14 or other political subdivision of the state and members of the
15 legislative authority of any county, city, or town who are elected to
16 office after February 20, 1970, if the legislative authority of the
17 county, municipality, or other political subdivision of the state seeks
18 and receives the approval of the authority to provide any of its
19 insurance programs by contract with the authority, as provided in RCW
20 41.04.205 and 41.05.021(1)(g); (b) employees of employee organizations
21 representing state civil service employees, at the option of each such
22 employee organization, and, effective October 1, 1995, employees of
23 employee organizations currently pooled with employees of school
24 districts for the purpose of purchasing insurance benefits, at the
25 option of each such employee organization; (c) employees of a school
26 district if the authority agrees to provide any of the school
27 districts' insurance programs by contract with the authority as
28 provided in RCW 28A.400.350; and (d) employees of a tribal government,
29 if the governing body of the tribal government seeks and receives the
30 approval of the authority to provide any of its insurance programs by
31 contract with the authority, as provided in RCW 41.05.021(1) (f) and
32 (g). "Employee" does not include: Adult family homeowners; unpaid
33 volunteers; patients of state hospitals; inmates; employees of the
34 Washington state convention and trade center as provided in RCW
35 41.05.110; students of institutions of higher education as determined
36 by their institution; and any others not expressly defined as employees
37 under this chapter or by the authority under this chapter.

1 (7) "Seasonal employee" means an employee hired to work during a
2 recurring, annual season with a duration of three months or more, and
3 anticipated to return each season to perform similar work.

4 (8) "Faculty" means an academic employee of an institution of
5 higher education whose workload is not defined by work hours but whose
6 appointment, workload, and duties directly serve the institution's
7 academic mission, as determined under the authority of its enabling
8 statutes, its governing body, and any applicable collective bargaining
9 agreement.

10 (9) "Board" means the public employees' benefits board established
11 under RCW 41.05.055.

12 (10) "Retired or disabled school employee" means:

13 (a) Persons who separated from employment with a school district or
14 educational service district and are receiving a retirement allowance
15 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

16 (b) Persons who separate from employment with a school district or
17 educational service district on or after October 1, 1993, and
18 immediately upon separation receive a retirement allowance under
19 chapter 41.32, 41.35, or 41.40 RCW;

20 (c) Persons who separate from employment with a school district or
21 educational service district due to a total and permanent disability,
22 and are eligible to receive a deferred retirement allowance under
23 chapter 41.32, 41.35, or 41.40 RCW.

24 (11) "Premium payment plan" means a benefit plan whereby state and
25 public employees may pay their share of group health plan premiums with
26 pretax dollars as provided in the salary reduction plan under this
27 chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the
28 internal revenue code.

29 (12) "Salary" means a state employee's monthly salary or wages.

30 (13) "Participant" means an individual who fulfills the eligibility
31 and enrollment requirements under the salary reduction plan.

32 (14) "Plan year" means the time period established by the
33 authority.

34 (15) "Separated employees" means persons who separate from
35 employment with an employer as defined in:

36 (a)(i) RCW 41.32.010(~~(+11)~~) (17) on or after July 1, 1996(~~(+or~~

37 ~~b)~~) (ii) RCW 41.35.010 on or after September 1, 2000; (~~(or~~

38 ~~e)~~) (iii) RCW 41.40.010 on or after March 1, 2002;

1 and who are at least age fifty-five and have at least ten years of
2 service under the teachers' retirement system plan 3 as defined in RCW
3 41.32.010(~~((+40+))~~) (33), the Washington school employees' retirement
4 system plan 3 as defined in RCW 41.35.010, or the public employees'
5 retirement system plan 3 as defined in RCW 41.40.010; or

6 (b) For the purposes of RCW 41.05.080:

7 (i) RCW 41.32.010 on or after the effective date of this section;

8 (ii) RCW 41.35.010 on or after the effective date of this section;

9 or

10 (iii) RCW 41.40.010 on or after the effective date of this section;

11 and who are at least age fifty-five and have at least twenty years of
12 service under the teachers' retirement system plan 2 as defined in RCW
13 41.32.010, the Washington school employees' retirement system plan 2 as
14 defined in RCW 41.35.010, or the public employees' retirement system
15 plan 2 as defined in RCW 41.40.010.

16 (16) "Emergency service personnel killed in the line of duty" means
17 law enforcement officers and firefighters as defined in RCW 41.26.030,
18 members of the Washington state patrol retirement fund as defined in
19 RCW 43.43.120, and reserve officers and firefighters as defined in RCW
20 41.24.010 who die as a result of injuries sustained in the course of
21 employment as determined consistent with Title 51 RCW by the department
22 of labor and industries.

23 (17) "Employer" means the state of Washington.

24 (18) "Employing agency" means a division, department, or separate
25 agency of state government, including an institution of higher
26 education; a county, municipality, school district, educational service
27 district, or other political subdivision; and a tribal government
28 covered by this chapter.

29 (19) "Tribal government" means an Indian tribal government as
30 defined in section 3(32) of the employee retirement income security act
31 of 1974, as amended, or an agency or instrumentality of the tribal
32 government, that has government offices principally located in this
33 state.

34 (20) "Dependent care assistance program" means a benefit plan
35 whereby state and public employees may pay for certain employment
36 related dependent care with pretax dollars as provided in the salary
37 reduction plan under this chapter pursuant to 26 U.S.C. Sec. 129 or
38 other sections of the internal revenue code.

1 (21) "Salary reduction plan" means a benefit plan whereby state and
2 public employees may agree to a reduction of salary on a pretax basis
3 to participate in the dependent care assistance program, medical
4 flexible spending arrangement, or premium payment plan offered pursuant
5 to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

6 (22) "Medical flexible spending arrangement" means a benefit plan
7 whereby state and public employees may reduce their salary before taxes
8 to pay for medical expenses not reimbursed by insurance as provided in
9 the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec.
10 125 or other sections of the internal revenue code.

11 NEW SECTION. **Sec. 2.** This act takes effect January 1, 2012.

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