
HOUSE BILL 2624

State of Washington

62nd Legislature

2012 Regular Session

By Representatives Hunt and Taylor; by request of Office of Financial Management

Read first time 01/19/12. Referred to Committee on Ways & Means.

1 AN ACT Relating to the administration of medical expense plans for
2 state government retirees; and reenacting 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 2011 1st sp.s. c 43 s 432 and 2011 1st
5 sp.s. c 39 s 12 are each reenacted and amended to 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 From July 1, 2011, through June 29, 2013, the rate of monetary
10 compensation for the purposes of this subsection shall not be reduced
11 by any temporary salary reduction.

12 (3) At the time of separation from state service due to retirement
13 or death, an eligible employee or the employee's estate may elect to
14 receive remuneration at a rate equal to one day's current monetary
15 compensation of the employee for each four full days of accrued sick
16 leave.

17 From July 1, 2011, through June 29, 2013, the rate of monetary
18 compensation for the purposes of this subsection shall not be reduced
19 by any temporary salary reduction.

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

23 (5) Except as provided in subsections (7) through (9) of this
24 section for employees not covered by chapter 41.06 RCW, this section
25 shall be administered, and rules shall be adopted to carry out its
26 purposes, by the human resources director for persons subject to
27 chapter 41.06 RCW: PROVIDED, That determination of classes of eligible
28 employees shall be subject to approval by the office of financial
29 management.

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

33 (7) In lieu of remuneration for unused sick leave at retirement as
34 provided in subsection (3) of this section, an agency head or designee
35 may with equivalent funds, provide eligible employees with a benefit
36 plan that provides for reimbursement for medical expenses. This plan
37 shall be implemented only after consultation with affected groups of
38 employees. For eligible employees covered by chapter 41.06 RCW,

1 procedures for the implementation of these plans shall be adopted by
2 the (~~human resources~~) director of the state health care authority.
3 For eligible employees exempt from chapter 41.06 RCW, (~~and classified~~
4 ~~employees who have opted out of coverage of chapter 41.06 RCW as~~
5 ~~provided in RCW 41.56.201,~~) implementation procedures shall be adopted
6 by an agency head having jurisdiction over the employees.

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

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

1 designated to participate in the medical expense plan permitted under
2 this section and the employee refuses to execute the required
3 agreement.

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