

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1618**

62nd Legislature  
2011 Regular Session

Passed by the House February 28, 2011  
Yeas 97 Nays 0

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**Speaker of the House of Representatives**

Passed by the Senate March 31, 2011  
Yeas 44 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1618** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 1618

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Passed Legislature - 2011 Regular Session

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Sells, Crouse, Dunshee, McCoy, Liias, Kristiansen,  
and Pearson

Read first time 01/27/11. Referred to Committee on Local Government.

1 AN ACT Relating to public utility districts and deferred  
2 compensation and supplemental savings plans; amending RCW 54.04.050;  
3 and creating a new section.

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

5 **Sec. 1.** RCW 54.04.050 and 1991 sp.s. c 30 s 23 are each amended to  
6 read as follows:

7 (1) Subject to chapter 48.62 RCW, any public utility district  
8 engaged in the operation of electric or water utilities may enter into  
9 contracts of group insurance for the benefit of its employees, and pay  
10 all or any part of the premiums for such insurance. Such premiums  
11 shall be paid out of the revenues derived from the operation of such  
12 properties: PROVIDED, That if the premium is to be paid by the  
13 district and employees jointly, and the benefits of the policy are  
14 offered to all eligible employees, not less than seventy-five percent  
15 of such employees may be so insured.

16 (2) A public utility district (~~whose employees or officials are~~  
17 ~~not members of the state retirement system~~)) engaged in the operation  
18 of electric or water utilities may (~~contract for individual annuity~~  
19 ~~contracts, retirement income policies or group annuity contracts,~~

1 ~~including prior service, to provide a retirement plan, or any one or~~  
2 ~~more of them, and pay all or any part of the premiums therefor))~~  
3 establish and maintain for the benefit of its eligible employees and  
4 officials any plan of deferred compensation or supplemental savings  
5 plan for retirement, and make contributions or pay benefits thereunder  
6 out of the revenue derived from the operation of its properties. For  
7 purposes of this section, "contributions" includes contributions on  
8 behalf of an eligible employee equal to the amount by which the  
9 employee agrees to a reduction in salary or wages and also includes  
10 contributions made by the public utility district separate from amounts  
11 otherwise intended as salary or wages. Coverage of an employee under  
12 a plan under this section does not render the employee or official  
13 ineligible for simultaneous membership and participation in any pension  
14 system for public employees.

15 (3) Contributions must be deposited in designated accounts, held in  
16 trust, or remitted to an insurer. When deposited to an account or held  
17 in trust, the account or trust fund is considered a public retirement  
18 fund within the meaning of Article XXIX, section 1 of the state  
19 Constitution, for the purpose of determining eligible investments and  
20 deposits of money into the account or trust.

21 (4) Contributions may be deposited or invested in a credit union,  
22 savings and loan association, bank, mutual savings bank, purchase life  
23 insurance, shares of an investment company, or fixed or variable  
24 annuity contracts from any insurance company or any investment company  
25 licensed to contract business in this state. To the extent a plan is  
26 an individual account plan, participants in the plan may be permitted  
27 to self-direct the investment of assets allocated to their account  
28 through the selection of investment options authorized under the plan,  
29 and an employee, official, or commissioner of the district is not  
30 liable for any loss or deficiency resulting from participant  
31 investments. An "individual account plan" is a plan that provides for  
32 an individual account for each participant and for benefits based upon  
33 the amount contributed to the participant's account, and any income,  
34 expenses, gains and losses, and any forfeitures of accounts or other  
35 participants which may be allocated to that participant's account.

36 NEW SECTION. Sec. 2. This act is intended to clarify existing

1 authority of public utility districts to provide deferred compensation  
2 and supplemental savings plans for retirement for their employees,  
3 commissioners, and other officials.

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