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ENGROSSED HOUSE BILL 1912

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State of Washington

66th Legislature

2019 Regular Session

By Representatives Blake, Griffey, Kretz, Appleton, Lovick, Santos,  
and Morris

Read first time 02/06/19. Referred to Committee on Appropriations.

1 AN ACT Relating to pension benefits and contributions in the  
2 volunteer firefighters' and reserve officers' relief and pension  
3 system; amending RCW 41.24.030 and 41.24.170; providing an effective  
4 date; and declaring an emergency.

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

6 **Sec. 1.** RCW 41.24.030 and 2005 c 37 s 2 are each amended to read  
7 as follows:

8 (1) The volunteer firefighters' and reserve officers' relief and  
9 pension principal fund is created in the state treasury as a trust  
10 fund for the benefit of the participants covered by this chapter  
11 consisting of:

12 (a) All bequests, fees, gifts, emoluments, or donations given or  
13 paid to the fund.

14 (b) An annual fee for each member of its fire department to be  
15 paid by each municipal corporation for the purpose of affording  
16 relief provided in this chapter for firefighters as follows:

17 (i) (~~Thirty~~) Fifty dollars for each volunteer or part-paid  
18 member of its fire department;

19 (ii) A sum equal to one and one-half of one percent of the annual  
20 salary attached to the rank of each full-paid member of its fire

1 department, prorated for 1970 on the basis of services prior to March  
2 1, 1970.

3 (c) An annual fee for each emergency worker of an emergency  
4 medical service district paid by the district that is sufficient to  
5 pay the full costs of covering the emergency worker under the relief  
6 provisions of this chapter, including operating expenses. The state  
7 board shall determine the amount of this fee based on the latest  
8 actuarial valuation of the system.

9 (d) Where a municipal corporation has elected to make relief  
10 provisions of this chapter available to its reserve officers, an  
11 annual fee for each reserve officer paid by the municipal corporation  
12 that is sufficient to pay the full costs of covering the reserve  
13 officer under the relief provisions of this chapter, including  
14 operating expenses. The state board shall determine the amount of  
15 this fee based on the latest actuarial valuation of the system.

16 (e) Where a municipal corporation has elected to make the  
17 retirement pension provisions of this chapter available to members of  
18 its fire department, an annual fee of (~~sixty~~) ninety dollars for  
19 each of its firefighters electing to enroll, (~~thirty~~) forty-five  
20 dollars of which shall be paid by the municipality and (~~thirty~~)  
21 forty-five dollars of which shall be paid by the firefighter.  
22 However, nothing in this section prohibits any municipality from  
23 voluntarily paying the firefighters' fee for this retirement pension  
24 coverage.

25 (f) Where an emergency medical service district has elected to  
26 make the retirement pension provisions of this chapter available to  
27 its emergency workers, for each emergency worker electing to enroll:

28 (i) An annual fee of (~~thirty~~) forty-five dollars shall be paid by  
29 the emergency worker; and (ii) an annual fee paid by the emergency  
30 medical service district that, together with the (~~thirty~~) forty-  
31 five dollar fee per emergency worker, is sufficient to pay the full  
32 costs of covering the emergency worker under the retirement pension  
33 benefits provided under this chapter, including operating expenses.  
34 The state board shall determine the amount of this fee based on the  
35 latest actuarial valuation of the system. However, nothing in this  
36 section prohibits any emergency medical service district from  
37 voluntarily paying the emergency workers' fees for this retirement  
38 pension coverage.

39 (g) Where a municipal corporation has elected to make the  
40 retirement pension provisions of this chapter available to its

1 reserve officers, for each reserve officer electing to enroll: (i) An  
2 annual fee of (~~thirty~~) forty-five dollars shall be paid by the  
3 reserve officer; and (ii) an annual fee paid by the municipal  
4 corporation that, together with the (~~thirty~~) forty-five dollar fee  
5 per reserve officer, is sufficient to pay the full costs of covering  
6 the reserve officer under the retirement pension benefits provided  
7 under this chapter, including operating expenses. The state board  
8 shall determine the amount of this fee based on the latest actuarial  
9 valuation of the system. However, nothing in this section prohibits  
10 any municipal corporation from voluntarily paying the reserve  
11 officers' fees for this retirement pension coverage.

12 (h) Moneys transferred from the administrative fund, as provided  
13 under subsection (4) of this section, which may only be used to pay  
14 relief and retirement pensions for firefighters.

15 (i) Earnings from the investment of moneys in the principal fund.

16 (2) The state investment board, upon request of the state  
17 treasurer shall have full power to invest, reinvest, manage,  
18 contract, sell, or exchange investments acquired from that portion of  
19 the amounts credited to the principal fund as is not, in the judgment  
20 of the state board, required to meet current withdrawals. Investments  
21 shall be made in the manner prescribed by RCW 43.84.150 and not  
22 otherwise.

23 All bonds, investments, or other obligations purchased by the  
24 state investment board shall be placed in the custody of the state  
25 treasurer, and he or she shall collect the principal thereof and  
26 interest thereon when due.

27 The state investment board may sell any of the bonds,  
28 investments, or obligations so acquired and the proceeds thereof  
29 shall be paid to the state treasurer.

30 (3) The interest, earnings, and proceeds from the sale and  
31 redemption of any investments held by the principal fund and invested  
32 by the state investment board shall be credited to and form a part of  
33 the principal fund, less the allocation to the state investment board  
34 expense account pursuant to RCW 43.33A.160.

35 Subject to restrictions contained in this chapter, all amounts  
36 credited to the principal fund shall be available for making the  
37 benefit payments required by this chapter.

38 The state treasurer shall make an annual report showing the  
39 condition of the fund.

1 (4) The volunteer firefighters' and reserve officers'  
2 administrative fund is created in the state treasury. Moneys in the  
3 fund, including unanticipated revenues under RCW 43.79.270, may be  
4 spent only after appropriation, and may be used only for operating  
5 expenses of the volunteer firefighters' and reserve officers' relief  
6 and pension principal fund, the operating expenses of the volunteer  
7 firefighters' and reserve officers' administrative fund, or for  
8 transfer from the administrative fund to the principal fund.

9 (a) Forty percent of all moneys received by the state from taxes  
10 on fire insurance premiums shall be paid into the state treasury and  
11 credited to the administrative fund.

12 (b) The state board shall compute a percentage of the amounts  
13 credited to the administrative fund to be paid into the principal  
14 fund.

15 (c) For the purpose of providing amounts to be used to defray the  
16 cost of administration of the principal and administrative funds, the  
17 state board shall ascertain at the beginning of each biennium and  
18 request from the legislature an appropriation from the administrative  
19 fund sufficient to cover estimated expenses for the biennium.

20 **Sec. 2.** RCW 41.24.170 and 2003 c 62 s 1 are each amended to read  
21 as follows:

22 (1) Except as provided in RCW 41.24.410, whenever any participant  
23 has been a member and served honorably for a period of ten years or  
24 more as an active member in any capacity, of any regularly organized  
25 fire department or law enforcement agency of any municipality in this  
26 state, and which municipality has adopted appropriate legislation  
27 allowing its firefighters or reserve officers to enroll in the  
28 retirement pension provisions of this chapter, and the participant  
29 has enrolled under the retirement pension provisions and has reached  
30 the age of sixty-five years, the board of trustees shall order and  
31 direct that he or she be retired and be paid a monthly pension from  
32 the principal fund as provided in this section.

33 (2)(a) Until July 1, 2019, whenever a participant has been a  
34 member, and served honorably for a period of twenty-five years or  
35 more as an active member in any capacity, of any regularly organized  
36 volunteer fire department or law enforcement agency of any  
37 municipality in this state, and he or she has reached the age of  
38 sixty-five years, and the annual retirement fee has been paid for a  
39 period of twenty-five years, the board of trustees shall order and

1 direct that he or she be retired and such participant be paid a  
2 monthly pension of three hundred fifty dollars from the fund for the  
3 balance of that participant's life.

4 (b) Beginning January 1, 2020, whenever a participant has been a  
5 member, and served honorably for a period of twenty-five years or  
6 more as an active member in any capacity, of any regularly organized  
7 volunteer fire department or law enforcement agency of any  
8 municipality in this state, and he or she has reached the age of  
9 sixty-five years, and the annual retirement fee has been paid for  
10 each year of active membership, but at least twenty-five years, the  
11 board of trustees shall order and direct that he or she be retired  
12 and such participant be paid a monthly pension of three hundred fifty  
13 dollars, plus an additional ten dollars per month for each year that  
14 the retirement fee was paid beyond twenty-five years, from the fund  
15 for the balance of that participant's life.

16 (3) Whenever any participant has been a member, and served  
17 honorably for a period of twenty-five years or more as an active  
18 member in any capacity, of any regularly organized volunteer fire  
19 department or law enforcement agency of any municipality in this  
20 state, and the participant has reached the age of sixty-five years,  
21 and the annual retirement fee has been paid for a period of less than  
22 twenty-five years, the board of trustees shall order and direct that  
23 he or she be retired and that such participant shall receive a  
24 minimum monthly pension of ((fifty)) one hundred dollars increased by  
25 the sum of ten dollars each month for each year the annual fee has  
26 been paid, but not to exceed ((the maximum monthly pension provided  
27 in this section)) three hundred fifty dollars, for the balance of the  
28 participant's life.

29 (4) No pension provided in this section may become payable before  
30 the sixty-fifth birthday of the participant, nor for any service less  
31 than twenty-five years: PROVIDED, HOWEVER, That:

32 ((1)) (a) Any participant, who is older than fifty-nine years  
33 of age, less than sixty-five years of age, and has completed twenty-  
34 five years or more of service may irrevocably elect a reduced monthly  
35 pension in lieu of the pension that participant would be entitled to  
36 under this section at age sixty-five. The participant who elects this  
37 option shall receive the reduced pension for the balance of his or  
38 her life. The reduced monthly pension is calculated as a percentage  
39 of the pension the participant would be entitled to at age sixty-

1 five. The percentage used in the calculation is based upon the age of  
2 the participant at the time of retirement as follows:

3	Age 60	Sixty percent
4	Age 61	Sixty-eight percent
5	Age 62	Seventy-six percent
6	Age 63	Eighty-four percent
7	Age 64	Ninety-two percent

8 ~~((2))~~ (b) If a participant is age sixty-five or older but has  
9 less than twenty-five years of service, the participant is entitled  
10 to a reduced benefit. The reduced benefit shall be computed as  
11 follows:

12 ~~((a))~~ (i) Upon completion of ten years, but less than fifteen  
13 years of service, a monthly pension equal to twenty percent of such  
14 pension as the participant would have been entitled to receive at age  
15 sixty-five after twenty-five years of service;

16 ~~((b))~~ (ii) Upon completion of fifteen years, but less than  
17 twenty years of service, a monthly pension equal to thirty-five  
18 percent of such pension as the participant would have been entitled  
19 to receive at age sixty-five after twenty-five years of service; and

20 ~~((c))~~ (iii) Upon completion of twenty years, but less than  
21 twenty-five years of service, a monthly pension equal to seventy-five  
22 percent of such pension as the participant would have been entitled  
23 to receive at age sixty-five after twenty-five years of service.

24 ~~((3))~~ (c) If a participant with less than twenty-five years of  
25 service elects to retire after turning age sixty but before turning  
26 age sixty-five, the participant's retirement allowance is subject:

27 ~~((a))~~ (i) First to the reduction under (b) of this subsection  
28 ~~((2) of this section)~~ based upon the participant's years of  
29 service; and

30 ~~((b))~~ (ii) Second to the reduction under (a) of this subsection  
31 ~~((1) of this section)~~ based upon the participant's age.

32 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
33 preservation of the public peace, health, or safety, or support of  
34 the state government and its existing public institutions, and takes  
35 effect July 1, 2019.

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