
SENATE BILL 6571

State of Washington

60th Legislature

2008 Regular Session

By Senator Honeyford

Read first time 01/18/08. Referred to Committee on Ways & Means.

1 AN ACT Relating to purchasing an increased benefit multiplier for
2 past judicial service for judges in the public employees' retirement
3 system and the teachers' retirement system; and amending RCW 41.40.124,
4 41.40.127, 41.40.870, 41.40.873, and 41.32.584.

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

6 **Sec. 1.** RCW 41.40.124 and 2007 c 123 s 1 are each amended to read
7 as follows:

8 (1) Between January 1, 2007, and December 31, 2007, a member of
9 plan 1 or plan 2 employed as a supreme court justice, court of appeals
10 judge, or superior court judge may make a one-time irrevocable
11 election, filed in writing with the member's employer, the department,
12 and the administrative office of the courts, to accrue an additional
13 benefit equal to one and one-half percent of average final compensation
14 for each year of future service credit from the date of the election in
15 lieu of future employee and employer contributions to the judicial
16 retirement account plan under chapter 2.14 RCW.

17 (2)((+a)) A member who chooses to make the election under
18 subsection (1) of this section may apply to the department to increase
19 the member's benefit multiplier by an additional one and one-half

1 percent per year of service for the period in which the member served
2 as a justice or judge prior to the election. The member may purchase,
3 beginning with the most recent judicial service, the higher benefit
4 multiplier for up to seventy percent of that portion of the member's
5 prior judicial service that would ensure that the member has no more
6 than a seventy-five percent of average final compensation benefit
7 accrued by age sixty-four for members of plan 1, and age sixty-six for
8 members of plan 2. The member shall pay five percent of the salary
9 earned for each month of service for which the higher benefit
10 multiplier is being purchased, plus interest as determined by the
11 director. The purchase price shall not exceed the actuarially
12 equivalent value of the increase in the member's benefit resulting from
13 the increase in the benefit multiplier. This payment must be made
14 prior to retirement and prior to December 31, 2007. After December 31,
15 2007, a member may purchase the higher benefit multiplier for any of
16 the member's prior judicial service at the actuarially equivalent value
17 of the increase in the member's benefit resulting from the increase in
18 the benefit multiplier, as determined by the director.

19 ~~((b))~~ (3) From January 1, 2009, through June 30, 2009, the
20 following members may apply to the department to increase their benefit
21 multiplier by an additional one and one-half percent per year of
22 service for the period in which they served as a justice or judge:

23 (a) Active members of plan 1 or plan 2 who are not currently
24 employed as a supreme court justice, court of appeals judge, or
25 superior court judge, and who have past service as a supreme court
26 justice, court of appeals judge, or superior court judge; and

27 (b) Inactive vested members of plan 1 or plan 2 who have separated,
28 have not yet retired, and who have past service as a supreme court
29 justice, court of appeals judge, or superior court judge.

30 A member eligible under this subsection may purchase the higher
31 benefit multiplier for all or part of the member's prior judicial
32 service beginning with the most recent judicial service. The member
33 shall pay, for the applicable period of service, the actuarially
34 equivalent value of the increase in the member's benefit resulting from
35 the increase in the benefit multiplier as determined by the director.

36 (4) Subject to rules adopted by the department, a member applying
37 to increase the member's benefit multiplier under this section may pay
38 all or part of the cost with a lump sum payment, eligible rollover,

1 direct rollover, or trustee-to-trustee transfer from an eligible
2 retirement plan. The department shall adopt rules to ensure that all
3 lump sum payments, rollovers, and transfers comply with the
4 requirements of the internal revenue code and regulations adopted by
5 the internal revenue service. The rules adopted by the department may
6 condition the acceptance of a rollover or transfer from another plan on
7 the receipt of information necessary to enable the department to
8 determine the eligibility of any transferred funds for tax-free
9 rollover treatment or other treatment under federal income tax law.

10 **Sec. 2.** RCW 41.40.127 and 2007 c 123 s 2 are each amended to read
11 as follows:

12 (1) Between January 1, 2007, and December 31, 2007, a member of
13 plan 1 or plan 2 employed as a district court judge or municipal court
14 judge may make a one-time irrevocable election, filed in writing with
15 the member's employer and the department, to accrue an additional
16 benefit equal to one and one-half percent of average final compensation
17 for each year of future service credit from the date of the election.

18 (2)((~~a~~)) A member who chooses to make the election under
19 subsection (1) of this section may apply to the department to increase
20 the member's benefit multiplier by one and one-half percent per year of
21 service for the period in which the member served as a judge prior to
22 the election. The member may purchase, beginning with the most recent
23 judicial service, the higher benefit multiplier for up to seventy
24 percent of that portion of the member's prior judicial service that
25 would ensure that the member has no more than a seventy-five percent of
26 average final compensation benefit accrued by age sixty-four for
27 members of plan 1, and age sixty-six for members of plan 2. The member
28 shall pay five percent of the salary earned for each month of service
29 for which the higher benefit multiplier is being purchased, plus
30 interest as determined by the director. The purchase price shall not
31 exceed the actuarially equivalent value of the increase in the member's
32 benefit resulting from the increase in the benefit multiplier. This
33 payment must be made prior to retirement and prior to December 31,
34 2007. After December 31, 2007, a member may purchase the higher
35 benefit multiplier for any of the member's prior judicial service at
36 the actuarially equivalent value of the increase in the member's

1 benefit resulting from the increase in the benefit multiplier, as
2 determined by the director.

3 ~~((b))~~ (3) From January 1, 2009, through June 30, 2009, the
4 following members may apply to the department to increase their benefit
5 multiplier by an additional one and one-half percent per year of
6 service for the period in which they served as a judge:

7 (a) Active members of plan 1 or plan 2 who are not currently
8 employed as a district court judge or municipal court judge, and who
9 have past service as a district court judge or municipal court judge;
10 and

11 (b) Inactive vested members of plan 1 or plan 2 who have separated,
12 have not yet retired, and who have past service as a district court
13 judge or municipal court judge.

14 A member eligible under this subsection may purchase the higher
15 benefit multiplier for all or part of the member's prior judicial
16 service beginning with the most recent judicial service. The member
17 shall pay, for the applicable period of service, the actuarially
18 equivalent value of the increase in the member's benefit resulting from
19 the increase in the benefit multiplier as determined by the director.

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

32 **Sec. 3.** RCW 41.40.870 and 2007 c 123 s 3 are each amended to read
33 as follows:

34 (1) Between January 1, 2007, and December 31, 2007, a member of
35 plan 3 employed as a supreme court justice, court of appeals judge, or
36 superior court judge may make a one-time irrevocable election, filed in
37 writing with the member's employer, the department, and the

1 administrative office of the courts, to accrue an additional plan 3
2 defined benefit equal to six-tenths percent of average final
3 compensation for each year of future service credit from the date of
4 the election in lieu of future employer contributions to the judicial
5 retirement account plan under chapter 2.14 RCW.

6 (2)((+a)) A member who chooses to make the election under
7 subsection (1) of this section may apply to the department to increase
8 the member's benefit multiplier by six-tenths percent per year of
9 service for the period in which the member served as a justice or judge
10 prior to the election. The member may purchase, beginning with the
11 most recent judicial service, the higher benefit multiplier for up to
12 seventy percent of that portion of the member's prior judicial service
13 that would ensure that the member has no more than a thirty-seven and
14 one-half percent of average final compensation benefit accrued by age
15 sixty-six. The member shall pay two and one-half percent of the salary
16 earned for each month of service for which the higher benefit
17 multiplier is being purchased, plus interest as determined by the
18 director. The purchase price shall not exceed the actuarially
19 equivalent value of the increase in the member's benefit resulting from
20 the increase in the benefit multiplier. This payment must be made
21 prior to retirement and prior to December 31, 2007. After December 31,
22 2007, a member may purchase the higher benefit multiplier for any of
23 the member's prior judicial service at the actuarially equivalent value
24 of the increase in the member's benefit resulting from the increase in
25 the benefit multiplier, as determined by the director.

26 ((+b)) (3) From January 1, 2009, through June 30, 2009, the
27 following members may apply to the department to increase their benefit
28 multiplier by an additional six-tenths percent per year of service for
29 the period in which they served as a justice or judge:

30 (a) Active members of plan 3 who are not currently employed as a
31 supreme court justice, court of appeals judge, or superior court judge,
32 and who have past service as a supreme court justice, court of appeals
33 judge, or superior court judge; and

34 (b) Inactive vested members of plan 3 who have separated, have not
35 yet retired, and who have past service as a supreme court justice,
36 court of appeals judge, or superior court judge.

37 A member eligible under this subsection may purchase the higher
38 benefit multiplier for all or part of the member's prior judicial

1 service beginning with the most recent judicial service. The member
2 shall pay, for the applicable period of service, the actuarially
3 equivalent value of the increase in the member's benefit resulting from
4 the increase in the benefit multiplier as determined by the director.

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

17 ~~((3))~~ (5) A member who chooses to make the election under
18 subsection (1) of this section shall contribute a minimum of seven and
19 one-half percent of pay to the member's defined contribution account.

20 **Sec. 4.** RCW 41.40.873 and 2007 c 123 s 4 are each amended to read
21 as follows:

22 (1) Between January 1, 2007, and December 31, 2007, a member of
23 plan 3 employed as a district court judge or municipal court judge may
24 make a one-time irrevocable election, filed in writing with the
25 member's employer and the department, to accrue an additional plan 3
26 defined benefit equal to six-tenths percent of average final
27 compensation for each year of future service credit from the date of
28 the election.

29 (2)~~((a))~~ A member who chooses to make the election under
30 subsection (1) of this section may apply to the department to increase
31 the member's benefit multiplier by six-tenths percent per year of
32 service for the period in which the member served as a judge prior to
33 the election. The member may purchase, beginning with the most recent
34 judicial service, the higher benefit multiplier for up to seventy
35 percent of that portion of the member's prior judicial service that
36 would ensure that the member has no more than a thirty-seven and one-
37 half percent of average final compensation benefit accrued by age

1 sixty-six. The member shall pay two and one-half percent of the salary
2 earned for each month of service for which the higher benefit
3 multiplier is being purchased, plus interest as determined by the
4 director. The purchase price shall not exceed the actuarially
5 equivalent value of the increase in the member's benefit resulting from
6 the increase in the benefit multiplier. This payment must be made
7 prior to retirement and prior to December 31, 2007. After December 31,
8 2007, a member may purchase the higher benefit multiplier for any of
9 the member's prior judicial service at the actuarially equivalent value
10 of the increase in the member's benefit resulting from the increase in
11 the benefit multiplier, as determined by the director.

12 ~~((b))~~ (3) From January 1, 2009, through June 30, 2009, the
13 following members may apply to the department to increase their benefit
14 multiplier by an additional six-tenths percent per year of service for
15 the period in which they served as a judge:

16 (a) Active members of plan 3 not currently employed as a district
17 court judge or municipal court judge, and who have past service as a
18 district court judge or municipal court judge; and

19 (b) Inactive vested members of plan 3 who have separated, have not
20 yet retired, and who have past service as a district court judge or
21 municipal court judge.

22 A member eligible under this subsection may purchase the higher
23 benefit multiplier for all or part of the member's prior judicial
24 service beginning with the most recent judicial service. The member
25 shall pay, for the applicable period of service, the actuarially
26 equivalent value of the increase in the member's benefit resulting from
27 the increase in the benefit multiplier as determined by the director.

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

1 determine the eligibility of any transferred funds for tax-free
2 rollover treatment or other treatment under federal income tax law.

3 ~~((3))~~ (5) A member who chooses to make the election under
4 subsection (1) of this section shall contribute a minimum of seven and
5 one-half percent of pay to the member's defined contribution account.

6 **Sec. 5.** RCW 41.32.584 and 2007 c 123 s 5 are each amended to read
7 as follows:

8 (1) Between January 1, 2007, and December 31, 2007, a member of
9 plan 1 employed as a supreme court justice, court of appeals judge, or
10 superior court judge may make a one-time irrevocable election, filed in
11 writing with the member's employer, the department, and the
12 administrative office of the courts, to accrue an additional benefit
13 equal to one and one-half percent of average final compensation for
14 each year of future service credit from the date of the election.

15 (2)~~((a))~~ A member who chooses to make the election under
16 subsection (1) of this section may apply to the department to increase
17 the member's benefit multiplier by one and one-half percent per year of
18 service for the period in which the member served as a justice or judge
19 prior to the election. The member may purchase, beginning with the
20 most recent judicial service, the higher benefit multiplier for up to
21 seventy percent of that portion of the member's prior judicial service
22 that would ensure that the member has no more than a seventy-five
23 percent of average final compensation benefit accrued by age sixty-
24 four. The member shall pay five percent of the salary earned for each
25 month of service for which the higher benefit multiplier is being
26 purchased, plus interest as determined by the director. The purchase
27 price shall not exceed the actuarially equivalent value of the increase
28 in the member's benefit resulting from the increase in the benefit
29 multiplier. This payment must be made prior to retirement and prior to
30 December 31, 2007. After December 31, 2007, a member may purchase the
31 higher benefit multiplier for any of the member's prior judicial
32 service at the actuarially equivalent value of the increase in the
33 member's benefit resulting from the increase in the benefit multiplier,
34 as determined by the director.

35 ~~((b))~~ (3) From January 1, 2009, through June 30, 2009, the
36 following members may apply to the department to increase their benefit

1 multiplier by an additional one and one-half percent per year of
2 service for the period in which they served as a justice or judge:

3 (a) Active members of plan 1 not currently employed as a supreme
4 court justice, court of appeals judge, or superior court judge, and who
5 have past service as a supreme court justice, court of appeals judge,
6 or superior court judge; and

7 (b) Inactive vested members of plan 1 who have separated, have not
8 yet retired, and who have past service as a supreme court justice,
9 court of appeals judge, or superior court judge.

10 A member eligible under this subsection may purchase the higher
11 benefit multiplier for all or part of the member's prior judicial
12 service beginning with the most recent judicial service. The member
13 shall pay, for the applicable period of service, the actuarially
14 equivalent value of the increase in the member's benefit resulting from
15 the increase in the benefit multiplier as determined by the director.

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

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