## SENATE BILL 6648

State of Washington 60th Legislature 2008 Regular Session

**By** Senators Keiser, Fraser, and Kohl-Welles; by request of Select Committee on Pension Policy

Read first time 01/21/08. Referred to Committee on Ways & Means.

AN ACT Relating to participating in insurance plans and contracts by separated plan 2 members of certain retirement systems; reenacting and amending RCW 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 2007 c 488 s 2 and 2007 c 114 s 2 are 6 each reenacted and amended to read as follows:

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

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(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

RCW, a health care service contractor as defined in chapter 48.44 RCW,
 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 full-time and career seasonal employees of the state, whether or not covered by civil service; elected and 8 appointed officials of the executive branch of government, including 9 10 full-time members of boards, commissions, or committees; and includes any or all part-time and temporary employees under the terms and 11 12 conditions established under this chapter by the authority; justices of 13 the supreme court and judges of the court of appeals and the superior 14 courts; and members of the state legislature or of the legislative authority of any county, city, or town who are elected to office after 15 February 20, 1970. 16 "Employee" also includes: (a) Employees of a 17 county, municipality, or other political subdivision of the state if the legislative authority of the county, municipality, or other 18 political subdivision of the state seeks and receives the approval of 19 20 the authority to provide any of its insurance programs by contract with 21 the authority, as provided in RCW 41.04.205 and 41.05.021(1)(g); (b) 22 employees of employee organizations representing state civil service employees, at the option of each such employee organization, and, 23 24 effective October 1, 1995, employees of employee organizations 25 currently pooled with employees of school districts for the purpose of purchasing insurance benefits, at the option of each such employee 26 27 organization; (c) employees of a school district if the authority agrees to provide any of the school districts' insurance programs by 28 contract with the authority as provided in RCW 28A.400.350; and (d) 29 employees of a tribal government, if the governing body of the tribal 30 31 government seeks and receives the approval of the authority to provide 32 any of its insurance programs by contract with the authority, as provided in RCW 41.05.021(1) (f) and (g). 33

34 (7) "Board" means the public employees' benefits board established35 under RCW 41.05.055.

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6 (8) "Retired or disabled school employee" means:

37 (a) Persons who separated from employment with a school district or

educational service district and are receiving a retirement allowance
 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

3 (b) Persons who separate from employment with a school district or 4 educational service district on or after October 1, 1993, and 5 immediately upon separation receive a retirement allowance under 6 chapter 41.32, 41.35, or 41.40 RCW;

7 (c) Persons who separate from employment with a school district or 8 educational service district due to a total and permanent disability, 9 and are eligible to receive a deferred retirement allowance under 10 chapter 41.32, 41.35, or 41.40 RCW.

(9) "Benefits contribution plan" means a premium only contribution plan, a medical flexible spending arrangement, or a cafeteria plan whereby state and public employees may agree to a contribution to benefit costs which will allow the employee to participate in benefits offered pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

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

(11) "Participant" means an individual who fulfills the eligibilityand enrollment requirements under the benefits contribution plan.

20 (12) "Plan year" means the time period established by the 21 authority.

(13) "Separated employees" means persons who separate fromemployment with an employer as defined in:

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(a)<u>(i)</u> RCW 41.32.010(11) on or after July 1, 1996; or

25 26 ((<del>(b)</del>)) <u>(ii)</u> RCW 41.35.010 on or after September 1, 2000; or

((<del>(c)</del>)) <u>(iii)</u> RCW 41.40.010 on or after March 1, 2002;

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

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(b) For the purposes of RCW 41.05.080:

33 (i) RCW 41.32.010 on or after the effective date of this section; 34 or

35 (ii) RCW 41.35.010 on or after the effective date of this section; 36 or

37 (iii) RCW 41.40.010 on or after the effective date of this section;
38 and who are at least age fifty-five and have at least twenty years of

service under the teachers' retirement system plan 2 as defined in RCW 41.32.010, the Washington school employees' retirement system plan 2 as defined in RCW 41.35.010, or the public employees' retirement system plan 2 as defined in RCW 41.40.010.

5 (14) "Emergency service personnel killed in the line of duty" means 6 law enforcement officers and firefighters as defined in RCW 41.26.030, 7 members of the Washington state patrol retirement fund as defined in 8 RCW 43.43.120, and reserve officers and firefighters as defined in RCW 9 41.24.010 who die as a result of injuries sustained in the course of 10 employment as determined consistent with Title 51 RCW by the department 11 of labor and industries.

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(15) "Employer" means the state of Washington.

(16) "Employing agency" means a division, department, or separate agency of state government; a county, municipality, school district, educational service district, or other political subdivision; and a tribal government covered by this chapter.

17 (17) "Tribal government" means an Indian tribal government as 18 defined in section 3(32) of the employee retirement income security act 19 of 1974, as amended, or an agency or instrumentality of the tribal 20 government, that has government offices principally located in this 21 state.

22 <u>NEW SECTION.</u> Sec. 2. This act takes effect January 1, 2009.

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