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HOUSE BILL 1972

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State of Washington                      54th Legislature                      1995 Regular Session

By Representatives Ebersole, Conway, Brumsickle and Basich

Read first time 02/20/95. Referred to Committee on Appropriations.

1            AN ACT Relating to sick leave cash out; and amending RCW  
2 28A.310.490, 28A.400.210, and 41.04.340.

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

4            **Sec. 1.** RCW 28A.310.490 and 1991 c 92 s 1 are each amended to read  
5 as follows:

6            Every educational service district board of directors shall  
7 establish an attendance incentive program for all certificated and  
8 noncertificated employees in the following manner.

9            (1) In January of the year following any year in which a minimum of  
10 sixty days of leave for illness or injury is accrued, and each January  
11 thereafter, any eligible employee may exercise an option to receive  
12 remuneration for unused leave for illness or injury accumulated in the  
13 previous year at a rate equal to one day's monetary compensation of the  
14 employee for each four full days of accrued leave for illness or injury  
15 in excess of sixty days. Leave for illness or injury for which  
16 compensation has been received shall be deducted from accrued leave for  
17 illness or injury at the rate of four days for every one day's monetary  
18 compensation. No employee may receive compensation under this section

1 for any portion of leave for illness or injury accumulated at a rate in  
2 excess of one day per month.

3 (2)(a) At the time of separation from educational service district  
4 employment due to retirement or death an eligible employee or the  
5 employee's estate shall receive remuneration at a rate equal to one  
6 day's current monetary compensation of the employee for each four full  
7 days accrued leave for illness or injury.

8 (b) Employees who separate from educational service district  
9 employment but do not meet the specifications in (a) of this subsection  
10 shall receive remuneration for accrued leave for illness or injury if  
11 they have fulfilled one of the following conditions: (i) Thirty years  
12 of service; (ii) twenty-five years of service and age fifty-five; or  
13 (iii) five years of service and age sixty. Remuneration shall be at a  
14 rate equal to one day's current monetary compensation of the employee  
15 for each four full days accrued leave for illness or injury.

16 (3) In lieu of remuneration for unused leave for illness or injury  
17 as provided for in subsections (1) and (2) of this section, an  
18 educational service district board of directors may, with equivalent  
19 funds, provide eligible employees a benefit plan that provides  
20 reimbursement for medical expenses. Any benefit plan adopted after  
21 July 28, 1991, shall require, as a condition of participation under the  
22 plan, that the employee sign an agreement with the district to hold the  
23 district harmless should the United States government find that the  
24 district or the employee is in debt to the United States as a result of  
25 the employee not paying income taxes due on the equivalent funds placed  
26 into the plan, or as a result of the district not withholding or  
27 deducting any tax, assessment, or other payment on such funds as  
28 required under federal law.

29 Moneys or benefits received under this section shall not be  
30 included for the purposes of computing a retirement allowance under any  
31 public retirement system in this state.

32 The superintendent of public instruction in its administration  
33 hereof, shall promulgate uniform rules and regulations to carry out the  
34 purposes of this section.

35 Should the legislature revoke any benefits granted under this  
36 section, no affected employee shall be entitled thereafter to receive  
37 such benefits as a matter of contractual right.

1       **Sec. 2.** RCW 28A.400.210 and 1992 c 234 s 12 are each amended to  
2 read as follows:

3       Every school district board of directors may, in accordance with  
4 chapters 41.56 and 41.59 RCW, establish an attendance incentive program  
5 for all certificated and noncertificated employees in the following  
6 manner, including covering persons who were employed during the  
7 1982-'83 school year:

8       (1) In January of the year following any year in which a minimum of  
9 sixty days of leave for illness or injury is accrued, and each January  
10 thereafter, any eligible employee may exercise an option to receive  
11 remuneration for unused leave for illness or injury accumulated in the  
12 previous year at a rate equal to one day's monetary compensation of the  
13 employee for each four full days of accrued leave for illness or injury  
14 in excess of sixty days. Leave for illness or injury for which  
15 compensation has been received shall be deducted from accrued leave for  
16 illness or injury at the rate of four days for every one day's monetary  
17 compensation. No employee may receive compensation under this section  
18 for any portion of leave for illness or injury accumulated at a rate in  
19 excess of one day per month.

20       (2)(a) Except as provided in RCW 28A.400.212, at the time of  
21 separation from school district employment due to retirement or death  
22 an eligible employee or the employee's estate shall receive  
23 remuneration at a rate equal to one day's current monetary compensation  
24 of the employee for each four full days accrued leave for illness or  
25 injury.

26       (b) Employees who separate from school district employment but do  
27 not meet the specifications in (a) of this subsection shall receive  
28 remuneration for accrued leave for illness or injury if they have  
29 fulfilled one of the following conditions: (i) Thirty years of  
30 service; (ii) twenty-five years of service and age fifty-five; or (iii)  
31 five years of service and age sixty. Remuneration shall be at a rate  
32 equal to one day's current monetary compensation of the employee for  
33 each four full days accrued leave for illness or injury.

34       (3) In lieu of remuneration for unused leave for illness or injury  
35 as provided in subsections (1) and (2) of this section, a school  
36 district board of directors may, with equivalent funds, provide  
37 eligible employees a benefit plan that provides reimbursement for  
38 medical expenses. Any benefit plan adopted after July 28, 1991, shall  
39 require, as a condition of participation under the plan, that the

1 employee sign an agreement with the district to hold the district  
2 harmless should the United States government find that the district or  
3 the employee is in debt to the United States as a result of the  
4 employee not paying income taxes due on the equivalent funds placed  
5 into the plan, or as a result of the district not withholding or  
6 deducting any tax, assessment, or other payment on such funds as  
7 required under federal law.

8 Moneys or benefits received under this section shall not be  
9 included for the purposes of computing a retirement allowance under any  
10 public retirement system in this state.

11 The superintendent of public instruction in its administration  
12 hereof, shall promulgate uniform rules and regulations to carry out the  
13 purposes of this section.

14 Should the legislature revoke any benefits granted under this  
15 section, no affected employee shall be entitled thereafter to receive  
16 such benefits as a matter of contractual right.

17 **Sec. 3.** RCW 41.04.340 and 1993 c 281 s 17 are each amended to read  
18 as follows:

19 (1) An attendance incentive program is established for all eligible  
20 employees. As used in this section the term "eligible employee" means  
21 any employee of the state, other than teaching and research faculty at  
22 the state and regional universities and The Evergreen State College,  
23 entitled to accumulate sick leave and for whom accurate sick leave  
24 records have been maintained. No employee may receive compensation  
25 under this section for any portion of sick leave accumulated at a rate  
26 in excess of one day per month. The state and regional universities  
27 and The Evergreen State College shall maintain complete and accurate  
28 sick leave records for all teaching and research faculty.

29 (2) In January of the year following any year in which a minimum of  
30 sixty days of sick leave is accrued, and each January thereafter, any  
31 eligible employee may receive remuneration for unused sick leave  
32 accumulated in the previous year at a rate equal to one day's monetary  
33 compensation of the employee for each four full days of accrued sick  
34 leave in excess of sixty days. Sick leave for which compensation has  
35 been received shall be deducted from accrued sick leave at the rate of  
36 four days for every one day's monetary compensation.

37 (3)(a) At the time of separation from state service due to  
38 retirement or death, an eligible employee or the employee's estate may

1 elect to receive remuneration at a rate equal to one day's current  
2 monetary compensation of the employee for each four full days of  
3 accrued sick leave.

4 (b) Employees who separate from state employment but do not meet  
5 the specifications in (a) of this subsection shall receive remuneration  
6 for accrued leave for illness or injury if they have fulfilled one of  
7 the following conditions: (i) Thirty years of service; or (ii) twenty-  
8 five years of service and age fifty-five; or (iii) five years of  
9 service and age sixty. Remuneration shall be at a rate equal to one  
10 day's current monetary compensation of the employee for each four full  
11 days accrued leave for illness or injury.

12 (4) Pursuant to this subsection, in lieu of cash remuneration the  
13 state may, with equivalent funds, provide eligible employees with a  
14 benefit plan providing for reimbursement of medical expenses. The  
15 committee for deferred compensation shall develop any benefit plan  
16 established under this subsection, but may offer and administer the  
17 plan only if (a) each eligible employee has the option of whether to  
18 receive cash remuneration or to have his or her employer transfer  
19 equivalent funds to the plan; and (b) the committee has received an  
20 opinion from the United States internal revenue service stating that  
21 participating employees, prior to the time of receiving reimbursement  
22 for expenses, will incur no United States income tax liability on the  
23 amount of the equivalent funds transferred to the plan.

24 (5) Remuneration or benefits received under this section shall not  
25 be included for the purpose of computing a retirement allowance under  
26 any public retirement system in this state.

27 (6) With the exception of subsection (4) of this section, this  
28 section shall be administered, and rules shall be adopted to carry out  
29 its purposes, by the Washington personnel resources board for persons  
30 subject to chapter 41.06 RCW: PROVIDED, That determination of classes  
31 of eligible employees shall be subject to approval by the office of  
32 financial management.

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

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