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HOUSE BILL 2194

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State of Washington

54th Legislature

1996 Regular Session

By Representatives Carlson, H. Sommers, Cooke, Ogden, Sehlin, Conway, Dickerson, Valle, Basich and Mason; by request of Joint Committee on Pension Policy

Read first time 01/08/96. Referred to Committee on Appropriations.

1 AN ACT Relating to portable benefits for dual members; amending RCW  
2 41.54.030, 41.54.030, and 41.54.070; reenacting and amending RCW  
3 41.54.040; and adding new sections to chapter 41.54 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.54 RCW  
6 to read as follows:

7 (1) If a dual member becomes disabled, the member's service in all  
8 systems may be combined for the sole purpose of determining the  
9 member's eligibility to receive a disability retirement allowance from  
10 the member's current system.

11 (2) The member's current system shall use its own criteria to:

12 (a) Determine the member's eligibility for a disability retirement  
13 allowance; and

14 (b) Calculate the disability retirement allowance based on service  
15 actually established in the current system. The member shall be  
16 allowed to substitute the member's base salary from any system as the  
17 compensation used in calculating the allowance.

18 (3) Subsections (1) and (2) of this section shall not apply to the  
19 member's prior system.

1 (4) A dual member who is eligible to receive a disability  
2 retirement under the current system may elect to receive a service  
3 retirement from all prior systems and to receive service retirement  
4 allowances calculated as provided in this section. Each system shall  
5 calculate the service retirement allowance using its own criteria  
6 except that the member shall be allowed to substitute the member's base  
7 salary from any system as the compensation used in calculating the  
8 service retirement allowance.

9 (5) The service retirement allowances from a system which, but for  
10 this section, would not be allowed to be paid at this date based on the  
11 dual member's age, may be received immediately or deferred to a later  
12 date. The allowances shall be actuarially adjusted from the earliest  
13 age upon which the combined service would have made such dual member  
14 eligible in that system.

15 (6) This section shall not apply to any disability benefit under:

16 (a) RCW 41.40.220; or

17 (b) The Washington state patrol retirement system established under  
18 chapter 43.43 RCW.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.54 RCW  
20 to read as follows:

21 (1) If a dual member dies in service in any system, the member's  
22 service in all systems may be combined for the sole purpose of  
23 determining the surviving spouse's eligibility to receive a death  
24 benefit from each of the member's current and prior systems.

25 (2) Each system shall use its own criteria to:

26 (a) Determine the surviving spouse's eligibility for a death  
27 benefit; and

28 (b) Calculate the death benefit based on service actually  
29 established in that system.

30 (3) The surviving spouse shall receive the same benefit from each  
31 system that would have been received if the member were active in the  
32 system at the time of death. The spouse shall be allowed to substitute  
33 the member's base salary from any system as the compensation used in  
34 calculating the allowance.

35 (4) This section shall not apply to the Washington state patrol  
36 retirement system established under chapter 43.43 RCW.

1       **Sec. 3.** RCW 41.54.030 and 1990 c 192 s 2 are each amended to read  
2 as follows:

3       (1) A dual member's service in all systems may be combined for the  
4 sole purpose of determining the member's eligibility to receive a  
5 service retirement allowance.

6       (2) A dual member who is eligible to retire under any system may  
7 elect to retire from all the member's systems and to receive service  
8 retirement allowances calculated as provided in this section. Each  
9 system shall calculate the allowance using its own criteria except that  
10 the member shall be allowed to substitute the member's base salary from  
11 any system as the compensation used in calculating the allowance.

12       (3) The service retirement allowances from a system which, but for  
13 this section, would not be allowed to be paid at this date based on the  
14 dual member's age (~~(shall)~~) may be ((either)) received immediately or  
15 deferred to a later date. The allowances shall be actuarially adjusted  
16 from the earliest age upon which the combined service would have made  
17 such dual member eligible in that system(~~(, or the dual member may~~  
18 ~~choose to defer the benefit until fully eligible))~~).

19       (4) The service retirement eligibility requirements of RCW  
20 41.40.180 shall apply to any dual member whose prior system is plan I  
21 of the public employee's retirement system established under chapter  
22 41.40 RCW.

23       **Sec. 4.** RCW 41.54.030 and 1995 c 239 s 319 are each amended to  
24 read as follows:

25       (1) A dual member may combine service in all systems for the  
26 purpose of:

27       (a) Determining the member's eligibility to receive a service  
28 retirement allowance; and

29       (b) Qualifying for a benefit under RCW 41.32.885(3).

30       (2) A dual member who is eligible to retire under any system may  
31 elect to retire from all the member's systems and to receive service  
32 retirement allowances calculated as provided in this section. Each  
33 system shall calculate the allowance using its own criteria except that  
34 the member shall be allowed to substitute the member's base salary from  
35 any system as the compensation used in calculating the allowance.

36       (3) The service retirement allowances from a system which, but for  
37 this section, would not be allowed to be paid at this date based on the  
38 dual member's age (~~(shall)~~) may be ((either)) received immediately or

1 deferred to a later date. The allowances shall be actuarially adjusted  
2 from the earliest age upon which the combined service would have made  
3 such dual member eligible in that system((, or the dual member may  
4 choose to defer the benefit until fully eligible)).

5 (4) The service retirement eligibility requirements of RCW  
6 41.40.180 shall apply to any dual member whose prior system is plan I  
7 of the public employee's retirement system established under chapter  
8 41.40 RCW.

9 **Sec. 5.** RCW 41.54.040 and 1993 c 519 s 16 and 1993 c 517 c 9 are  
10 each reenacted and amended to read as follows:

11 (1) The ~~((retirement))~~ allowances calculated under RCW 41.54.030  
12 and sections 1 and 2 of this act shall be paid separately by each  
13 respective current and prior system. Any deductions from such separate  
14 payments shall be according to the provisions of the respective  
15 systems.

16 (2) Postretirement adjustments, if any, shall be applied by the  
17 respective systems based on the payments made under subsection (1) of  
18 this section.

19 ~~((If a dual member dies in service in any system, the surviving~~  
20 ~~spouse shall receive the same benefit from each system that would have~~  
21 ~~been received if the member were active in the system at the time of~~  
22 ~~death based on service actually established in that system. However,~~  
23 ~~this subsection does not make a surviving spouse eligible for the~~  
24 ~~survivor benefits provided in RCW 43.43.270.~~

25 ~~(4))~~ The department shall adopt rules under chapter 34.05 RCW to  
26 ensure that where a dual member has service in a system established  
27 under chapter 41.32, 41.40, 41.44, or 43.43 RCW; service in plan II of  
28 the system established under chapter 41.26 RCW; and service under the  
29 city employee retirement system for Seattle, Tacoma, or Spokane, the  
30 additional cost incurred as a result of the dual member receiving a  
31 benefit under this chapter shall be borne by the retirement system  
32 incurring the additional cost.

33 **Sec. 6.** RCW 41.54.070 and 1988 c 195 s 4 are each amended to read  
34 as follows:

35 The benefit granted by this chapter shall not result in a total  
36 benefit less than would have been received absent such benefit. The  
37 total sum of the retirement allowances received under this chapter

1 shall not exceed the (~~smallest~~) largest amount the dual member would  
2 receive if all the service had been rendered in any one system. When  
3 calculating the maximum benefit a dual member would receive: (1)  
4 Military service granted under RCW 41.40.170(3) or 43.43.260 shall be  
5 based only on service accrued under chapter 41.40 or 43.43 RCW,  
6 respectively; and (2) the calculation shall be made assuming that the  
7 dual member did not defer any allowances pursuant to RCW 41.54.030(3).  
8 When a dual member's combined retirement allowances would exceed the  
9 limitation imposed by this section, the allowances shall be reduced by  
10 the systems on a proportional basis, according to service.

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