
SENATE BILL 5118

State of Washington 54th Legislature 1995 Regular Session

By Senators Winsley, Long, Bauer, Loveland and Fraser

Read first time 01/11/95. Referred to Committee on Ways & Means.

1 AN ACT Relating to the calculation of excess compensation for
2 retirement purposes; and amending RCW 41.50.150.

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

4 **Sec. 1.** RCW 41.50.150 and 1984 c 184 s 1 are each amended to read
5 as follows:

6 (1) The employer of any employee whose retirement benefits are
7 based in part on excess compensation, as defined in this section,
8 shall, upon receipt of a billing from the department, pay into the
9 appropriate retirement system the present value at the time of the
10 employee's retirement of the total estimated cost of all present and
11 future benefits from the retirement system attributable to the excess
12 compensation. The state actuary shall determine the estimated cost
13 using the same method and procedure as is used in preparing fiscal note
14 costs for the legislature. However, the director may in the director's
15 discretion decline to bill the employer if the amount due is less than
16 fifty dollars. Accounts unsettled within thirty days of the receipt of
17 the billing shall be assessed an interest penalty of one percent of the
18 amount due for each month or fraction thereof beyond the original
19 thirty-day period.

1 (2) "Excess compensation," as used in this section, includes any
2 payment that was used in the calculation of the employee's retirement
3 allowance, except regular salary and overtime((~~τ~~)). Excess
4 compensation includes but is not limited to:

5 (a) A cash out of unused annual leave in excess of two hundred
6 forty hours of such leave((~~τ~~)). "Cash out" for purposes of this
7 subsection means any payment in lieu of an accrual of annual leave or
8 any payment added to regular salary, concurrent with a reduction of
9 annual leave;

10 (b) A cash out of any other form of leave((~~τ~~));

11 (c) A payment for, or in lieu of, any personal expense((~~τ~~and)) or
12 transportation allowance;

13 (d) The portion of any payment that exceeds twice the regular rate
14 of pay; and

15 (e) Any other termination or severance payment ((used in the
16 calculation of the employee's retirement allowance. Any payment which
17 is made pursuant to any labor agreement currently in force shall not be
18 deemed excess compensation. Any payments in excess of regular salary
19 and overtime, and two hundred forty hours of unused annual leave made
20 after the expiration of a current contract shall be excess
21 compensation)).

22 (3) This section applies to the retirement systems listed in RCW
23 41.50.030 and to retirements occurring on or after March 15, 1984.
24 Nothing in this section is intended to amend or determine the meaning
25 of any definition in chapter 2.10, 2.12, 41.26, 41.32, 41.40, or 43.43
26 RCW or to determine in any manner what payments are includable in the
27 calculation of a retirement allowance under such chapters.

28 (4) An employer is not relieved of liability under this section
29 because of the death of any person either before or after the billing
30 from the department.

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