
SENATE BILL 5963

State of Washington

54th Legislature

1995 Regular Session

By Senators Bauer, Wojahn and Winsley

Read first time 02/17/95. Referred to Committee on Ways & Means.

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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