
HOUSE BILL 1046

State of Washington

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By Representatives Doumit, Alexander, Conway, Lambert, H. Sommers, Delvin, Kagi, O'Brien, McIntire, Hurst, Haigh, Kenney, Edmonds and Simpson; by request of Joint Committee on Pension Policy

Read first time 01/12/2001. Referred to Committee on Appropriations.

1 AN ACT Relating to the Washington state patrol retirement system
2 retirement and survivor benefits; amending RCW 43.43.040, 43.43.120,
3 43.43.260, 43.43.270, 43.43.274, 43.43.278, and 41.45.060; adding new
4 sections to chapter 43.43 RCW; adding a new section to chapter 41.45
5 RCW; repealing RCW 43.43.272, 43.43.276, and 43.43.300; providing an
6 effective date; and declaring an emergency.

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

8 **Sec. 1.** RCW 43.43.040 and 1998 c 194 s 1 are each amended to read
9 as follows:

10 (1) The chief of the Washington state patrol shall relieve from
11 active duty Washington state patrol officers who, while in the
12 performance of their official duties, or while on standby or available
13 for duty, have been or hereafter may be injured or incapacitated to
14 such an extent as to be mentally or physically incapable of active
15 service: PROVIDED, That:

16 (a) Any officer disabled while performing line duty who is found by
17 the chief to be physically incapacitated shall be placed on disability
18 leave for a period not to exceed six months from the date of injury or
19 the date incapacitated. During this period, the officer shall be

1 entitled to all pay, benefits, insurance, leave, and retirement
2 contributions awarded to an officer on active status, less any
3 compensation received through the department of labor and industries.
4 No such disability leave shall be approved until an officer has been
5 unavailable for duty for more than forty consecutive work hours. Prior
6 to the end of the six-month period, the chief shall either place the
7 officer on disability status or return the officer to active status.

8 For the purposes of this section, "line duty" is active service
9 which encompasses the traffic law enforcement duties and/or other law
10 enforcement responsibilities of the state patrol. These activities
11 encompass all enforcement practices of the laws, accident and criminal
12 investigations, or actions requiring physical exertion or exposure to
13 hazardous elements.

14 The chief shall define by rule the situations where a disability
15 has occurred during line duty;

16 (b) Benefits under this section for a disability that is incurred
17 while in other employment will be reduced by any amount the officer
18 receives or is entitled to receive from workers' compensation, social
19 security, group insurance, other pension plan, or any other similar
20 source provided by another employer on account of the same disability;

21 (c) An officer injured while engaged in willfully tortious or
22 criminal conduct shall not be entitled to disability benefits under
23 this section; and

24 (d) For members commissioned prior to January 1, 2003, should a
25 disability beneficiary whose disability was not incurred in line of
26 duty, prior to attaining age fifty, engage in a gainful occupation, the
27 chief shall reduce the amount of his retirement allowance to an amount
28 which when added to the compensation earned by him in such occupation
29 shall not exceed the basic salary currently being paid for the rank the
30 retired officer held at the time he was disabled. All such disability
31 beneficiaries under age fifty shall file with the chief every six
32 months a signed and sworn statement of earnings and any person who
33 shall knowingly swear falsely on such statement shall be subject to
34 prosecution for perjury. Should the earning capacity of such
35 beneficiary be further altered, the chief may further alter his
36 disability retirement allowance as indicated above. The failure of any
37 officer to file the required statement of earnings shall be cause for
38 cancellation of retirement benefits.

1 (2) (~~Officers~~) (a) Members commissioned prior to January 1, 2003,
2 on disability status shall receive one-half of their compensation at
3 the existing wage, during the time the disability continues in effect,
4 less any compensation received through the department of labor and
5 industries. They shall be subject to mental or physical examination at
6 any state institution or otherwise under the direction of the chief of
7 the patrol at any time during such relief from duty to ascertain
8 whether or not they are able to resume active duty.

9 (b) Members commissioned on or after January 1, 2003, on disability
10 status as a result of a line duty disability shall receive a line duty
11 disability allowance of one-half of their compensation at the existing
12 wage, during the time the disability continues in effect, less any
13 compensation received through the department of labor and industries,
14 and any retirement allowance under section 2 of this act. They shall
15 be subject to such comprehensive medical examinations as required by
16 the chief of the patrol at any time during such relief from duty. If
17 these medical examinations reveal that a member has recovered from the
18 incapacitating disability and the member is offered reemployment by the
19 chief at a comparable compensation, the member shall cease to be
20 eligible for this line duty disability allowance.

21 NEW SECTION. Sec. 2. (1) A member of the retirement system
22 commissioned on or after January 1, 2003, who becomes totally
23 incapacitated for continued employment by an employer as determined by
24 the department upon recommendation of the department shall be eligible
25 to receive an allowance under RCW 43.43.260. The member shall receive
26 a monthly disability allowance computed as provided for in RCW
27 43.43.260 and shall have this allowance actuarially reduced to reflect
28 the difference in the number of years between age at disability and the
29 attainment of age fifty-five or from when the member could have
30 attained twenty-five years of service, whichever is less.

31 Any member who receives an allowance under the provisions of this
32 section shall be subject to comprehensive medical examinations as
33 required by the department. If these medical examinations reveal that
34 a member has recovered from the incapacitating disability and the
35 member is offered reemployment by the chief at a comparable
36 compensation, the member shall cease to be eligible for the allowance.

37 (2) If the recipient of a monthly retirement allowance under this
38 section dies before the total of the retirement allowance paid to the

1 recipient equals the amount of the accumulated contributions at the
2 date of retirement, then the balance shall be paid to the member's
3 estate, or the person or persons, trust, or organization as the
4 recipient has nominated by written designation duly executed and filed
5 with the director, or if there is no designated person or persons still
6 living at the time of the recipient's death, then to the surviving
7 spouse, or if there is no designated person or persons still living at
8 the time of his or her death nor a surviving spouse, then to his or her
9 legal representative.

10 **Sec. 3.** RCW 43.43.120 and 1999 c 74 s 1 are each amended to read
11 as follows:

12 As used in the following sections, unless a different meaning is
13 plainly required by the context:

14 (1) "Retirement system" means the Washington state patrol
15 retirement system.

16 (2) "Retirement fund" means the Washington state patrol retirement
17 fund.

18 (3) "State treasurer" means the treasurer of the state of
19 Washington.

20 (4) "Member" means any person included in the membership of the
21 retirement fund.

22 (5) "Employee" means any commissioned employee of the Washington
23 state patrol.

24 (6)(a) "Cadet," for a person who became a member of the retirement
25 system after June 12, 1980, is a person who has passed the Washington
26 state patrol's entry-level oral, written, physical performance, and
27 background examinations and is, thereby, appointed by the chief as a
28 candidate to be a commissioned officer of the Washington state patrol.

29 (b) "Cadet," for a person who became a member of the retirement
30 system before June 12, 1980, is a trooper cadet, patrol cadet, or
31 employee of like classification, employed for the express purpose of
32 receiving the on-the-job training required for attendance at the state
33 patrol academy and for becoming a commissioned trooper. "Like
34 classification" includes: Radio operators or dispatchers; persons
35 providing security for the governor or legislature; patrolmen; drivers'
36 license examiners; weighmasters; vehicle safety inspectors; central
37 wireless operators; and warehousemen.

1 (7) "Beneficiary" means any person in receipt of retirement
2 allowance or any other benefit allowed by this chapter.

3 (8) "Regular interest" means interest compounded annually at such
4 rates as may be determined by the director.

5 (9) "Retirement board" means the board provided for in this
6 chapter.

7 (10) "Insurance commissioner" means the insurance commissioner of
8 the state of Washington.

9 (11) "Lieutenant governor" means the lieutenant governor of the
10 state of Washington.

11 (12) "Service" shall mean services rendered to the state of
12 Washington or any political subdivisions thereof for which compensation
13 has been paid. Full time employment for seventy or more hours in any
14 given calendar month shall constitute one month of service. An
15 employee who is reinstated in accordance with RCW 43.43.110 shall
16 suffer no loss of service for the period reinstated subject to the
17 contribution requirements of this chapter. Only months of service
18 shall be counted in the computation of any retirement allowance or
19 other benefit provided for herein. Years of service shall be
20 determined by dividing the total number of months of service by twelve.
21 Any fraction of a year of service as so determined shall be taken into
22 account in the computation of such retirement allowance or benefit.

23 (13) "Prior service" shall mean all services rendered by a member
24 to the state of Washington, or any of its political subdivisions prior
25 to August 1, 1947, unless such service has been credited in another
26 public retirement or pension system operating in the state of
27 Washington.

28 (14) "Current service" shall mean all service as a member rendered
29 on or after August 1, 1947.

30 (15)(a) "Average final salary," for members commissioned prior to
31 January 1, 2003, shall mean the average monthly salary received by a
32 member during the member's last two years of service or any consecutive
33 two-year period of service, whichever is the greater, as an employee of
34 the Washington state patrol; or if the member has less than two years
35 of service, then the average monthly salary received by the member
36 during the member's total years of service.

37 (b) "Average final salary," for members commissioned on or after
38 January 1, 2003, shall mean the average monthly salary received by a
39 member for the highest consecutive sixty service credit months; or if

1 the member has less than sixty months of service, then the average
2 monthly salary received by the member during the member's total months
3 of service.

4 (16) "Actuarial equivalent" shall mean a benefit of equal value
5 when computed upon the basis of such mortality table as may be adopted
6 and such interest rate as may be determined by the director.

7 (17) Unless the context expressly indicates otherwise, words
8 importing the masculine gender shall be extended to include the
9 feminine gender and words importing the feminine gender shall be
10 extended to include the masculine gender.

11 (18) "Director" means the director of the department of retirement
12 systems.

13 (19) "Department" means the department of retirement systems
14 created in chapter 41.50 RCW.

15 (20) "State actuary" or "actuary" means the person appointed
16 pursuant to RCW 44.44.010(2).

17 (21) "Contributions" means the deduction from the compensation of
18 each member in accordance with the contribution rates established under
19 (~~RCW 43.43.300~~) chapter 41.45 RCW.

20 (22) "Annual increase" means as of July 1, 1999, seventy-seven
21 cents per month per year of service which amount shall be increased
22 each subsequent July 1st by three percent, rounded to the nearest cent.

23 (23)(a) "Salary," for members commissioned prior to July 1, 2001,
24 shall exclude any overtime earnings related to RCW 47.46.040 earned on
25 or after July 1, 2001.

26 (b) "Salary," for members commissioned on or after July 1, 2001,
27 shall exclude any overtime earnings related to RCW 47.46.040, lump sum
28 payments for deferred annual sick leave, unused accumulated vacation,
29 unused accumulated annual leave, holiday pay, or any form of severance
30 pay.

31 **Sec. 4.** RCW 43.43.260 and 1994 c 197 s 34 are each amended to read
32 as follows:

33 Upon retirement from service as provided in RCW 43.43.250, a member
34 shall be granted a retirement allowance which shall consist of:

35 (1) A prior service allowance which shall be equal to two percent
36 of the member's average final salary multiplied by the number of years
37 of prior service rendered by the member.

1 (2) A current service allowance which shall be equal to two percent
2 of the member's average final salary multiplied by the number of years
3 of service rendered while a member of the retirement system.

4 (3)(a) Any member commissioned prior to January 1, 2003, with
5 twenty-five years service in the Washington state patrol may have the
6 member's service in the armed forces credited as a member whether or
7 not the individual left the employ of the Washington state patrol to
8 enter such armed forces: PROVIDED, That in no instance shall military
9 service in excess of five years be credited: AND PROVIDED FURTHER,
10 That in each instance, a member must restore all withdrawn accumulated
11 contributions, which restoration must be completed on the date of the
12 member's retirement, or as provided under RCW 43.43.130, whichever
13 occurs first: AND PROVIDED FURTHER, That this section shall not apply
14 to any individual, not a veteran within the meaning of RCW 41.06.150,
15 as now or hereafter amended: AND PROVIDED FURTHER, That in no instance
16 shall military service be credited to any member who is receiving full
17 military retirement benefits pursuant to Title 10 United States Code,
18 as now or hereafter amended.

19 (b) A member who leaves the Washington state patrol to enter the
20 armed forces of the United States shall be entitled to retirement
21 system service credit for up to five years of military service. This
22 subsection shall be administered in a manner consistent with the
23 requirements of the federal uniformed services employment and
24 reemployment rights act.

25 (i) The member qualifies for service credit under this subsection
26 if:

27 (A) Within ninety days of the member's honorable discharge from the
28 United States armed forces, the member applies for reemployment with
29 the employer who employed the member immediately prior to the member
30 entering the United States armed forces; and

31 (B) The member makes the employee contributions required under
32 section 11 of this act and RCW 41.45.067 within five years of
33 resumption of service or prior to retirement, whichever comes sooner;
34 or

35 (C) Prior to retirement and not within ninety days of the member's
36 honorable discharge or five years of resumption of service the member
37 pays the amount required under RCW 41.50.165(2).

38 (ii) Upon receipt of member contributions under (b)(i)(B) of this
39 subsection, the department shall establish the member's service credit

1 and shall bill the employer for its contribution required under RCW
2 41.45.060 for the period of military service, plus interest as
3 determined by the department.

4 (iii) The contributions required under (b)(i)(B) of this subsection
5 shall be based on the compensation the member would have earned if not
6 on leave, or if that cannot be estimated with reasonable certainty, the
7 compensation reported for the member in the year prior to when the
8 member went on military leave.

9 (4) In no event shall the total retirement benefits from
10 subsections (1), (2), and (3) of this section, of any member exceed
11 seventy-five percent of the member's average final salary.

12 ~~(5) ((A yearly increase in retirement allowance which shall amount~~
13 ~~to two percent of the retirement allowance computed at the time of~~
14 ~~retirement. This yearly increase shall be added to the retirement~~
15 ~~allowance on July 1st of each calendar year.))~~ Beginning July 1, 2001,
16 and every year thereafter, the department shall determine the following
17 information for each retired member or beneficiary whose retirement
18 allowance has been in effect for at least one year:

19 (a) The original dollar amount of the retirement allowance;

20 (b) The index for the calendar year prior to the effective date of
21 the retirement allowance, to be known as "index A";

22 (c) The index for the calendar year prior to the date of
23 determination, to be known as "index B"; and

24 (d) The ratio obtained when index B is divided by index A.

25 The value of the ratio obtained shall be the annual adjustment to
26 the original retirement allowance and shall be applied beginning with
27 the July payment. In no event, however, shall the annual adjustment:

28 (i) Produce a retirement allowance which is lower than the original
29 retirement allowance;

30 (ii) Exceed three percent in the initial annual adjustment; or

31 (iii) Differ from the previous year's annual adjustment by more
32 than three percent.

33 For the purposes of this section, "index" means, for any calendar
34 year, that year's average consumer price index for the Seattle-Tacoma-
35 Bremerton Washington area for urban wage earners and clerical workers,
36 all items, compiled by the bureau of labor statistics, United States
37 department of labor.

38 The provisions of this section shall apply to all members presently
39 retired and to all members who shall retire in the future.

NEW SECTION.

Sec. 5.

(1) A member commissioned on or after January 1, 2003, upon retirement for service as prescribed in RCW 43.43.250 or disability retirement under RCW 43.43.040, shall elect to have the retirement allowance paid pursuant to the following options, calculated so as to be actuarially equivalent to each other.

(a) Standard allowance. A member electing this option shall receive a retirement allowance payable throughout the member's life. However, if the retiree dies before the total of the retirement allowance paid to the retiree equals the amount of the retiree's accumulated contributions at the time of retirement, then the balance shall be paid to the member's estate, or such person or persons, trust, or organization as the retiree shall have nominated by written designation duly executed and filed with the department; or if there be no such designated person or persons still living at the time of the retiree's death, then to the surviving spouse; or if there be neither such designated person or persons still living at the time of death nor a surviving spouse, then to the retiree's legal representative.

(b) The department shall adopt rules that allow a member to select a retirement option that pays the member a reduced retirement allowance and upon death, such portion of the member's reduced retirement allowance as the department by rule designates shall be continued throughout the life of and paid to a designated person. Such person shall be nominated by the member by written designation duly executed and filed with the department at the time of retirement. The options adopted by the department shall include, but are not limited to, a joint and one hundred percent survivor option and a joint and fifty percent survivor option.

(2)(a) A member, if married, must provide the written consent of his or her spouse to the option selected under this section, except as provided in (b) of this subsection. If a member is married and both the member and member's spouse do not give written consent to an option under this section, the department will pay the member a joint and fifty percent survivor benefit and record the member's spouse as the beneficiary. This benefit shall be calculated to be actuarially equivalent to the benefit options available under subsection (1) of this section unless spousal consent is not required as provided in (b) of this subsection.

1 (b) If a copy of a dissolution order designating a survivor
2 beneficiary under RCW 41.50.790 has been filed with the department at
3 least thirty days prior to a member's retirement:

4 (i) The department shall honor the designation as if made by the
5 member under subsection (1) of this section; and

6 (ii) The spousal consent provisions of (a) of this subsection do
7 not apply.

8 (3) No later than January 1, 2003, the department shall adopt rules
9 that allow a member additional actuarially equivalent survivor benefit
10 options, and shall include, but are not limited to:

11 (a)(i) A retired member who retired without designating a survivor
12 beneficiary shall have the opportunity to designate their spouse from
13 a postretirement marriage as a survivor during a one-year period
14 beginning one year after the date of the postretirement marriage
15 provided the retirement allowance payable to the retiree is not subject
16 to periodic payments pursuant to a property division obligation as
17 provided for in RCW 41.50.670.

18 (ii) A member who entered into a postretirement marriage prior to
19 the effective date of the rules adopted pursuant to this subsection and
20 satisfies the conditions of (a)(i) of this subsection shall have one
21 year to designate their spouse as a survivor beneficiary following the
22 adoption of the rules.

23 (b) A retired member who elected to receive a reduced retirement
24 allowance under this section and designated a nonspouse as survivor
25 beneficiary shall have the opportunity to remove the survivor
26 designation and have their future benefit adjusted.

27 (c) The department may make an additional charge, if necessary, to
28 ensure that the benefits provided under this subsection remain
29 actuarially equivalent.

30 **Sec. 6.** RCW 43.43.270 and 1989 c 108 s 1 are each amended to read
31 as follows:

32 For members commissioned prior to January 1, 2003:

33 (1) The normal form of retirement allowance shall be an allowance
34 which shall continue as long as the member lives.

35 (2) If a member should die while in service the member's lawful
36 spouse shall be paid an allowance which shall be equal to fifty percent
37 of the average final salary of the member. If the member should die
38 after retirement the member's lawful spouse shall be paid an allowance

1 which shall be equal to the retirement allowance then payable to the
2 member or fifty percent of the final average salary used in computing
3 the member's retirement allowance, whichever is less. The allowance
4 paid to the lawful spouse shall continue as long as the spouse lives:
5 PROVIDED, That if a surviving spouse who is receiving benefits under
6 this subsection marries another member of this retirement system who
7 subsequently predeceases such spouse, the spouse shall then be entitled
8 to receive the higher of the two survivors' allowances for which
9 eligibility requirements were met, but a surviving spouse shall not
10 receive more than one survivor's allowance from this system at the same
11 time under this subsection. To be eligible for an allowance the lawful
12 surviving spouse of a retired member shall have been married to the
13 member prior to the member's retirement and continuously thereafter
14 until the date of the member's death or shall have been married to the
15 retired member at least two years prior to the member's death.

16 (3) If a member should die, either while in service or after
17 retirement, the member's surviving unmarried children under the age of
18 eighteen years shall be provided for in the following manner:

19 (a) If there is a surviving spouse, each child shall be entitled to
20 a benefit equal to five percent of the final average salary of the
21 member or retired member. The combined benefits to the surviving
22 spouse and all children shall not exceed sixty percent of the final
23 average salary of the member or retired member; and

24 (b) If there is no surviving spouse or the spouse should die, the
25 child or children shall be entitled to a benefit equal to thirty
26 percent of the final average salary of the member or retired member for
27 one child and an additional ten percent for each additional child. The
28 combined benefits to the children under this subsection shall not
29 exceed sixty percent of the final average salary of the member or
30 retired member. Payments under this subsection shall be prorated
31 equally among the children, if more than one.

32 (4) If a member should die in the line of duty while employed by
33 the Washington state patrol, the member's surviving children under the
34 age of twenty years and eleven months if attending any high school,
35 college, university, or vocational or other educational institution
36 accredited or approved by the state of Washington shall be provided for
37 in the following manner:

38 (a) If there is a surviving spouse, each child shall be entitled to
39 a benefit equal to five percent of the final average salary of the

1 member. The combined benefits to the surviving spouse and all children
2 shall not exceed sixty percent of the final average salary of the
3 member;

4 (b) If there is no surviving spouse or the spouse should die, the
5 unmarried child or children shall be entitled to receive a benefit
6 equal to thirty percent of the final average salary of the member or
7 retired member for one child and an additional ten percent for each
8 additional child. The combined benefits to the children under this
9 subsection shall not exceed sixty percent of the final average salary.
10 Payments under this subsection shall be prorated equally among the
11 children, if more than one; and

12 (c) If a beneficiary under this subsection reaches the age of
13 twenty-one years during the middle of a term of enrollment the benefit
14 shall continue until the end of that term.

15 (5) The provisions of this section shall apply to members who have
16 been retired on disability as provided in RCW 43.43.040 if the officer
17 was a member of the Washington state patrol retirement system at the
18 time of such disability retirement.

19 NEW SECTION. **Sec. 7.** (1) For members commissioned on or after
20 January 1, 2003, except as provided in RCW 11.07.010, if a member or a
21 vested member who has not completed at least ten years of service dies,
22 the amount of the accumulated contributions standing to such member's
23 credit in the retirement system at the time of such member's death,
24 less any amount identified as owing to an obligee upon withdrawal of
25 accumulated contributions pursuant to a court order filed under RCW
26 41.50.670, shall be paid to the member's estate, or such person or
27 persons, trust, or organization as the member shall have nominated by
28 written designation duly executed and filed with the department. If
29 there be no such designated person or persons still living at the time
30 of the member's death, such member's accumulated contributions standing
31 to such member's credit in the retirement system, less any amount
32 identified as owing to an obligee upon withdrawal of accumulated
33 contributions pursuant to a court order filed under RCW 41.50.670,
34 shall be paid to the member's estate, or such person or persons, trust,
35 or organization as the member shall have nominated by written
36 designation duly executed and filed with the department. If there be
37 no such designated person or persons still living at the time of the
38 member's death, such member's accumulated contributions standing to

1 such member's credit in the retirement system, less any amount
2 identified as owing to an obligee upon withdrawal of accumulated
3 contributions pursuant to a court order filed under RCW 41.50.670,
4 shall be paid to the member's surviving spouse as if in fact such
5 spouse had been nominated by written designation, or if there be no
6 such surviving spouse, then to such member's legal representatives.

7 (2) If a member who is eligible for retirement or a member who has
8 completed at least ten years of service dies, the surviving spouse or
9 eligible child or children shall elect to receive either:

10 (a) A retirement allowance computed as provided for in RCW
11 43.43.260, actuarially reduced by the amount of any lump sum benefit
12 identified as owing to an obligee upon withdrawal of accumulated
13 contributions pursuant to a court order filed under RCW 41.50.670 and
14 actuarially adjusted to reflect a joint and one hundred percent
15 survivor option under RCW 43.43.278 and if the member was not eligible
16 for normal retirement at the date of death a further reduction from age
17 fifty-five or when the member could have attained twenty-five years of
18 service, whichever is less; if a surviving spouse who is receiving a
19 retirement allowance dies leaving a child or children of the member
20 under the age of majority, then such child or children shall continue
21 to receive an allowance in an amount equal to that which was being
22 received by the surviving spouse, share and share alike, until such
23 child or children reach the age of majority; if there is no surviving
24 spouse eligible to receive an allowance at the time of the member's
25 death, such member's child or children under the age of majority shall
26 receive an allowance share and share alike calculated under this
27 section making the assumption that the ages of the spouse and member
28 were equal at the time of the member's death; or

29 (b)(i) The member's accumulated contributions, less any amount
30 identified as owing to an obligee upon withdrawal of accumulated
31 contributions pursuant to a court order filed under RCW 41.50.670; or

32 (ii) If the member dies, one hundred fifty percent of the member's
33 accumulated contributions, less any amount identified as owing to an
34 obligee upon withdrawal of accumulated contributions pursuant to a
35 court order filed under RCW 41.50.670. Any accumulated contributions
36 attributable to restorations made under RCW 41.50.165(2) shall be
37 refunded at one hundred percent.

38 (3) If a member who is eligible for retirement or a member who has
39 completed at least ten years of service dies, and is not survived by a

1 spouse or an eligible child, then the accumulated contributions
2 standing to the member's credit, less any amount identified as owing to
3 an obligee upon withdrawal of accumulated contributions pursuant to a
4 court order filed under RCW 41.50.670, shall be paid:

5 (a) To an estate, a person or persons, trust, or organization as
6 the member shall have nominated by written designation duly executed
7 and filed with the department; or

8 (b) If there is no such designated person or persons still living
9 at the time of the member's death, then to the member's legal
10 representatives.

11 **Sec. 8.** RCW 43.43.274 and 1999 c 74 s 3 are each amended to read
12 as follows:

13 Effective (~~(July 1, 1997)~~) January 1, 2003, the minimum retirement
14 allowance under RCW 43.43.260 and 43.43.270(2) in effect on January 1,
15 2002, shall (~~(not be less than twenty dollars per month for each year~~
16 ~~of service. Effective July 1, 1999, and annually thereafter, the~~
17 ~~retirement allowance provided under this section shall be adjusted by~~
18 ~~the annual increase amount. If the member has elected to receive a~~
19 ~~reduced retirement allowance under RCW 43.43.280(2), the minimum~~
20 ~~retirement allowance under this section shall be reduced accordingly))~~
21 be increased by three percent. Each January 1st thereafter, the
22 minimum retirement allowance of the preceding year shall be increased
23 by three percent.

24 **Sec. 9.** RCW 43.43.278 and 2000 c 186 s 9 are each amended to read
25 as follows:

26 By July 1, 2000, the department of retirement systems shall adopt
27 rules that allow a member to select an actuarially equivalent
28 retirement option that pays the member a reduced retirement allowance
29 and upon death shall be continued throughout the life of a lawful
30 surviving spouse. The continuing allowance to the lawful surviving
31 spouse shall be subject to the yearly increase provided by RCW
32 43.43.260(5) (~~(in lieu of the annual increase provided in RCW~~
33 ~~43.43.272)). The allowance to the lawful surviving spouse under this~~
34 section, and the allowance for an eligible child or children under RCW
35 43.43.270, shall not be subject to the limit for combined benefits
36 under RCW 43.43.270.

1 **Sec. 10.** RCW 41.45.060 and 2000 2nd sp.s. c 1 s 905 are each
2 amended to read as follows:

3 (1) The state actuary shall provide actuarial valuation results
4 based on the assumptions adopted under RCW 41.45.030.

5 (2) Not later than September 30, 1998, and every two years
6 thereafter, consistent with the assumptions adopted under RCW
7 41.45.030, the council shall adopt and may make changes to:

8 (a) A basic state contribution rate for the law enforcement
9 officers' and fire fighters' retirement system;

10 (b) Basic employer contribution rates for the public employees'
11 retirement system, the teachers' retirement system, and the Washington
12 state patrol retirement system to be used in the ensuing biennial
13 period; and

14 (c) A basic employer contribution rate for the school employees'
15 retirement system for funding the public employees' retirement system
16 plan 1.

17 For the 1999-2001 fiscal biennium, the rates adopted by the council
18 shall be effective for the period designated in section 902, chapter 1,
19 Laws of 2000 2nd sp. sess. and RCW 41.45.0602.

20 (3) The employer and state contribution rates adopted by the
21 council shall be the level percentages of pay that are needed:

22 (a) To fully amortize the total costs of the public employees'
23 retirement system plan 1, the teachers' retirement system plan 1, and
24 the law enforcement officers' and fire fighters' retirement system plan
25 1(~~(, and the unfunded liability of the Washington state patrol~~
26 ~~retirement system)) not later than June 30, 2024, except as provided in~~
27 subsection (5) of this section;

28 (b) To also continue to fully fund the public employees' retirement
29 system plans 2 and 3, the teachers' retirement system plans 2 and 3,
30 the school employees' retirement system plans 2 and 3, and the law
31 enforcement officers' and fire fighters' retirement system plan 2 in
32 accordance with RCW 41.45.061, 41.45.067, and this section; and

33 (c) For the law enforcement officers' and fire fighters' system
34 plan 2 the rate charged to employers, except as provided in RCW
35 41.26.450, shall be thirty percent of the cost of the retirement system
36 and the rate charged to the state shall be twenty percent of the cost
37 of the retirement system.

1 (4) The aggregate actuarial cost method shall be used to calculate
2 a combined plan 2 and 3 employer contribution rate and a Washington
3 state patrol retirement system contribution rate.

4 (5) An amount equal to the amount of extraordinary investment gains
5 as defined in RCW 41.31.020 shall be used to shorten the amortization
6 period for the public employees' retirement system plan 1 and the
7 teachers' retirement system plan 1.

8 (6) The council shall immediately notify the directors of the
9 office of financial management and department of retirement systems of
10 the state and employer contribution rates adopted.

11 (7) The director of the department of retirement systems shall
12 collect those rates adopted by the council.

13 NEW SECTION. **Sec. 11.** Beginning July 1, 2001, the required
14 contribution rate for members of the Washington state patrol retirement
15 system shall be two percent or equal to the employer rate adopted under
16 RCW 41.45.060 and 41.45.070 for the Washington state patrol retirement
17 system, whichever is greater.

18 NEW SECTION. **Sec. 12.** The following acts or parts of acts are
19 each repealed:

20 (1) RCW 43.43.272 (Surviving spouse allowance--Annual adjustment)
21 and 1999 c 74 s 2;

22 (2) RCW 43.43.276 (Retirement and beneficiary allowances--Post-
23 retirement adjustment--Minimum adjustment) and 1983 1st ex.s. c 56 s 5;
24 and

25 (3) RCW 43.43.300 (Contributions by members--State contributions
26 remain in fund if member leaves patrol) and 2000 c 17 s 1 & 1965 c 8 s
27 43.43.300.

28 NEW SECTION. **Sec. 13.** (1) Sections 2, 5, and 7 of this act are
29 each added to chapter 43.43 RCW.

30 (2) Section 11 of this act is added to chapter 41.45 RCW.

31 NEW SECTION. **Sec. 14.** This act is necessary for the immediate
32 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 July 1, 2001.

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