
SUBSTITUTE HOUSE BILL 2632

State of Washington

57th Legislature

2002 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Sommers, Cox, Kenney and McIntire)

Read first time 02/09/2002. Referred to Committee on .

1 AN ACT Relating to the higher education retirement plan; amending
2 RCW 28B.10.400; creating a new section; repealing RCW 28B.10.423;
3 providing an effective date; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
6 provide the faculty and other employees of the state universities,
7 regional universities, The Evergreen State College, and the community
8 and technical colleges, membership in the higher education retirement
9 plans, that are defined contribution plans characterized by guaranteed
10 retirement contributions by the employer and fixed contributions by the
11 employee. Because the retirement benefit in a defined contribution
12 plan is based on the accumulations in and the performance of the
13 investment funds to which the employers and employees contribute, it is
14 the intent of the legislature neither to guarantee nor limit this
15 benefit.

16 **Sec. 2.** RCW 28B.10.400 and 1979 ex.s. c 259 s 1 are each amended
17 to read as follows:

1 The boards of regents of the state universities, the boards of
2 trustees of the regional universities and of The Evergreen State
3 College, and the state board for community (~~college education~~) and
4 technical colleges are authorized and empowered:

5 (1) To assist the faculties and such other employees as any such
6 board may designate in the purchase of old age annuities or retirement
7 income plans under such rules (~~and regulations~~) as any such board may
8 prescribe. County agricultural agents, home demonstration agents, 4-H
9 club agents, and assistant county agricultural agents paid jointly by
10 the Washington State University and the several counties shall be
11 deemed to be full time employees of the Washington State University for
12 the purposes hereof;

13 (2) To provide, under such rules (~~and regulations~~) as any such
14 board may prescribe for the faculty members or other employees under
15 its supervision, for the retirement of any such faculty member or other
16 employee on account of age or condition of health, retirement on
17 account of age to be not earlier than the sixty-fifth birthday:
18 PROVIDED, That such faculty member or such other employee may elect to
19 retire at the earliest age specified for retirement by federal social
20 security law: PROVIDED FURTHER, That any supplemental payment
21 authorized by subsection (3) of this section and paid as a result of
22 retirement earlier than age sixty-five shall be at an actuarially
23 reduced rate;

24 (3) To pay to any such retired person who established eligibility
25 prior to July 1, 2002, or to his or her designated beneficiary(s), each
26 year after his or her retirement, a supplemental amount which, when
27 added to the amount of such annuity or retirement income plan, or
28 retirement income benefit pursuant to RCW 28B.10.415, received by (~~him~~
29 ~~or his~~) that person or that person's designated beneficiary(s) in such
30 year, will not exceed fifty percent of the average annual salary paid
31 to such retired person for his or her highest two consecutive years of
32 full time service under an annuity or retirement income plan
33 established pursuant to subsection (1) of this section at an
34 institution of higher education: PROVIDED, HOWEVER, That if such
35 retired person prior to his or her retirement elected a supplemental
36 payment survivors option, any such supplemental payments to such
37 retired person or his or her designated beneficiary(s) shall be at
38 actuarially reduced rates: PROVIDED FURTHER, That if a faculty member
39 or other employee of an institution of higher education who is a

1 participant in a retirement plan authorized by this section dies, or
2 has died before retirement but after becoming eligible for retirement
3 on account of age, the designated beneficiary(s) shall be entitled to
4 receive the supplemental payment authorized by this subsection (3) of
5 this section to which such designated beneficiary(s) would have been
6 entitled had (~~said~~) the deceased faculty member or other employee
7 retired on the date of death after electing a supplemental payment
8 survivors option: PROVIDED FURTHER, That for the purpose of this
9 subsection, the designated beneficiary(s) shall be (a) the surviving
10 spouse of the retiree; or, (b) with the written consent of such spouse,
11 if any, such other person or persons as shall have an insurable
12 interest in the retiree's life and shall have been nominated by written
13 designation duly executed and filed with the retiree's institution of
14 higher education.

15 NEW SECTION. **Sec. 3.** RCW 28B.10.423 (Annuities and retirement
16 income plans--Limit on retirement income--Adjustment of rates) and 1973
17 1st ex.s. c 149 s 8 are each repealed.

18 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 July 1, 2002.

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