
HOUSE BILL 2632

State of Washington 57th Legislature 2002 Regular Session

By Representatives Sommers, Cox, Kenney and McIntire

Read first time 01/23/2002. Referred to Committee on Appropriations.

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 teachers insurance annuity
9 association of America and college retirement equities fund, a defined
10 contribution retirement plan. A defined contribution plan is
11 characterized by guaranteed retirement contributions by the employer
12 and fixed contributions by the employee. Because the retirement
13 benefit in a defined contribution plan is based on the accumulations in
14 and the performance of the investment funds to which the employers and
15 employees contribute, it is the intent of the legislature neither to
16 guarantee nor limit this benefit.

17 **Sec. 2.** RCW 28B.10.400 and 1979 ex.s. c 259 s 1 are each amended
18 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 entered employment prior
25 to July 1, 2002, or to his or her designated beneficiary(s), each year
26 after his or her retirement, a supplemental amount which, when added to
27 the amount of such annuity or retirement income plan, or retirement
28 income benefit pursuant to RCW 28B.10.415, received by (~~him or his~~)
29 that person or that person's designated beneficiary(s) in such year,
30 will not exceed fifty percent of the average annual salary paid to such
31 retired person for his or her highest two consecutive years of full
32 time service under an annuity or retirement income plan established
33 pursuant to subsection (1) of this section at an institution of higher
34 education: PROVIDED, HOWEVER, That if such retired person prior to his
35 or her retirement elected a supplemental payment survivors option, any
36 such supplemental payments to such retired person or his or her
37 designated beneficiary(s) shall be at actuarially reduced rates:
38 PROVIDED FURTHER, That if a faculty member or other employee of an
39 institution of higher education who is a participant in a retirement

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

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

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

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