CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1936

Chapter 459, Laws of 2005

59th Legislature 2005 Regular Session

PUBLIC EMPLOYEES RETIREMENT--EMERGENCY MEDICAL TECHNICIANS

EFFECTIVE DATE: 7/24/05

Passed by the House March 11, 2005 Yeas 93 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 15, 2005 Yeas 47 Nays 0

BRAD OWEN

President of the Senate

Approved May 13, 2005.

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1936** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

May 13, 2005 - 3:19 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

Secretary of State State of Washington

SUBSTITUTE HOUSE BILL 1936

Passed Legislature - 2005 Regular Session

State of Washington 59th Legislature 2005 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Upthegrove, Hinkle, Simpson, Priest, Miloscia, Schual-Berke, P. Sullivan, Williams, Hasegawa and O'Brien)

READ FIRST TIME 03/07/05.

AN ACT Relating to allowing members of the public employees' retirement system plans 1 and 2 employed as emergency medical technicians to transfer to the law enforcement officers' and fire fighters' retirement system plan 2; amending RCW 41.26.030 and 41.26.547; and providing an expiration date.

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

7 **Sec. 1.** RCW 41.26.030 and 2003 c 388 s 2 are each amended to read 8 as follows:

9 As used in this chapter, unless a different meaning is plainly 10 required by the context:

(1) "Retirement system" means the "Washington law enforcement
 officers' and fire fighters' retirement system" provided herein.

(2)(a) "Employer" for plan 1 members, means the legislative authority of any city, town, county, or district or the elected officials of any municipal corporation that employs any law enforcement officer and/or fire fighter, any authorized association of such municipalities, and, except for the purposes of RCW 41.26.150, any labor guild, association, or organization, which represents the fire fighters or law enforcement officers of at least seven cities of over 1 20,000 population and the membership of each local lodge or division of 2 which is composed of at least sixty percent law enforcement officers or 3 fire fighters as defined in this chapter.

4 (b) "Employer" for plan 2 members, means the following entities to
5 the extent that the entity employs any law enforcement officer and/or
6 fire fighter:

7 (i) The legislative authority of any city, town, county, or 8 district;

9 (ii) The elected officials of any municipal corporation;

10 (iii) The governing body of any other general authority law 11 enforcement agency; or

(iv) A four-year institution of higher education having a fullyoperational fire department as of January 1, 1996.

(3) "Law enforcement officer" beginning January 1, 1994, means any
person who is commissioned and employed by an employer on a full time,
fully compensated basis to enforce the criminal laws of the state of
Washington generally, with the following qualifications:

18 (a) No person who is serving in a position that is basically 19 clerical or secretarial in nature, and who is not commissioned shall be 20 considered a law enforcement officer;

(b) Only those deputy sheriffs, including those serving under a different title pursuant to county charter, who have successfully completed a civil service examination for deputy sheriff or the equivalent position, where a different title is used, and those persons serving in unclassified positions authorized by RCW 41.14.070 except a private secretary will be considered law enforcement officers;

(c) Only such full time commissioned law enforcement personnel as have been appointed to offices, positions, or ranks in the police department which have been specifically created or otherwise expressly provided for and designated by city charter provision or by ordinance enacted by the legislative body of the city shall be considered city police officers;

(d) The term "law enforcement officer" also includes the executive secretary of a labor guild, association or organization (which is an employer under RCW 41.26.030(2)) if that individual has five years previous membership in the retirement system established in chapter 41.20 RCW. The provisions of this subsection (3)(d) shall not apply to plan 2 members; and

(e) The term "law enforcement officer" also includes a person 1 2 employed on or after January 1, 1993, as a public safety officer or director of public safety, so long as the job duties substantially 3 involve only either police or fire duties, or both, and no other duties 4 5 in a city or town with a population of less than ten thousand. The provisions of this subsection (3)(e) shall not apply to any public б 7 safety officer or director of public safety who is receiving a retirement allowance under this chapter as of May 12, 1993. 8

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(4) "Fire fighter" means:

10 (a) Any person who is serving on a full time, fully compensated 11 basis as a member of a fire department of an employer and who is 12 serving in a position which requires passing a civil service 13 examination for fire fighter, and who is actively employed as such;

(b) Anyone who is actively employed as a full time fire fighter
where the fire department does not have a civil service examination;

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(c) Supervisory fire fighter personnel;

(d) Any full time executive secretary of an association of fire protection districts authorized under RCW 52.12.031. The provisions of this subsection (4)(d) shall not apply to plan 2 members;

(e) The executive secretary of a labor guild, association or organization (which is an employer under RCW 41.26.030(2) as now or hereafter amended), if such individual has five years previous membership in a retirement system established in chapter 41.16 or 41.18 RCW. The provisions of this subsection (4)(e) shall not apply to plan 2 members;

(f) Any person who is serving on a full time, fully compensated basis for an employer, as a fire dispatcher, in a department in which, on March 1, 1970, a dispatcher was required to have passed a civil service examination for fire fighter; ((and))

30 (g) Any person who on March 1, 1970, was employed on a full time, 31 fully compensated basis by an employer, and who on May 21, 1971, was 32 making retirement contributions under the provisions of chapter 41.16 33 or 41.18 RCW; and

34 (h) Any person who is employed on a full-time, fully compensated
 35 basis by an employer as an emergency medical technician.

36 (5) "Department" means the department of retirement systems created37 in chapter 41.50 RCW.

(6) "Surviving spouse" means the surviving widow or widower of a
 member. "Surviving spouse" shall not include the divorced spouse of a
 member except as provided in RCW 41.26.162.

4 (7)(a) "Child" or "children" means an unmarried person who is under
5 the age of eighteen or mentally or physically handicapped as determined
6 by the department, except a handicapped person in the full time care of
7 a state institution, who is:

8 (i) A n

(i) A natural born child;

9 (ii) A stepchild where that relationship was in existence prior to 10 the date benefits are payable under this chapter;

11 (iii) A posthumous child;

(iv) A child legally adopted or made a legal ward of a member priorto the date benefits are payable under this chapter; or

(v) An illegitimate child legitimized prior to the date anybenefits are payable under this chapter.

(b) A person shall also be deemed to be a child up to and including the age of twenty years and eleven months while attending any high school, college, or vocational or other educational institution accredited, licensed, or approved by the state, in which it is located, including the summer vacation months and all other normal and regular vacation periods at the particular educational institution after which the child returns to school.

(8) "Member" means any fire fighter, law enforcement officer, or other person as would apply under subsections (3) or (4) of this section whose membership is transferred to the Washington law enforcement officers' and fire fighters' retirement system on or after March 1, 1970, and every law enforcement officer and fire fighter who is employed in that capacity on or after such date.

29 (9) "Retirement fund" means the "Washington law enforcement 30 officers' and fire fighters' retirement system fund" as provided for 31 herein.

(10) "Employee" means any law enforcement officer or fire fighteras defined in subsections (3) and (4) of this section.

(11)(a) "Beneficiary" for plan 1 members, means any person in
 receipt of a retirement allowance, disability allowance, death benefit,
 or any other benefit described herein.

37 (b) "Beneficiary" for plan 2 members, means any person in receipt

of a retirement allowance or other benefit provided by this chapter
 resulting from service rendered to an employer by another person.

(12)(a) "Final average salary" for plan 1 members, means (i) for a 3 member holding the same position or rank for a minimum of twelve months 4 preceding the date of retirement, the basic salary attached to such 5 same position or rank at time of retirement; (ii) for any other member, б 7 including a civil service member who has not served a minimum of twelve months in the same position or rank preceding the date of retirement, 8 the average of the greatest basic salaries payable to such member 9 10 during any consecutive twenty-four month period within such member's last ten years of service for which service credit is allowed, computed 11 12 by dividing the total basic salaries payable to such member during the 13 selected twenty-four month period by twenty-four; (iii) in the case of 14 disability of any member, the basic salary payable to such member at the time of disability retirement; (iv) in the case of a member who 15 hereafter vests pursuant to RCW 41.26.090, the basic salary payable to 16 17 such member at the time of vesting.

(b) "Final average salary" for plan 2 members, means the monthly average of the member's basic salary for the highest consecutive sixty service credit months of service prior to such member's retirement, termination, or death. Periods constituting authorized unpaid leaves of absence may not be used in the calculation of final average salary.

(13)(a) "Basic salary" for plan 1 members, means the basic monthly rate of salary or wages, including longevity pay but not including overtime earnings or special salary or wages, upon which pension or retirement benefits will be computed and upon which employer contributions and salary deductions will be based.

(b) "Basic salary" for plan 2 members, means salaries or wages 28 earned by a member during a payroll period for personal services, 29 including overtime payments, and shall include wages and salaries 30 31 deferred under provisions established pursuant to sections 403(b), 32 414(h), and 457 of the United States Internal Revenue Code, but shall exclude lump sum payments for deferred annual sick leave, unused 33 accumulated vacation, unused accumulated annual leave, or any form of 34 severance pay. In any year in which a member serves in the legislature 35 36 the member shall have the option of having such member's basic salary be the greater of: 37

(i) The basic salary the member would have received had such member
 not served in the legislature; or

(ii) Such member's actual basic salary received for nonlegislative public employment and legislative service combined. Any additional contributions to the retirement system required because basic salary under (b)(i) of this subsection is greater than basic salary under (b)(ii) of this subsection shall be paid by the member for both member and employer contributions.

(14)(a) "Service" for plan 1 members, means all periods of 9 employment for an employer as a fire fighter or law enforcement 10 officer, for which compensation is paid, together with periods of 11 suspension not exceeding thirty days in duration. For the purposes of 12 this chapter service shall also include service in the armed forces of 13 the United States as provided in RCW 41.26.190. Credit shall be 14 allowed for all service credit months of service rendered by a member 15 from and after the member's initial commencement of employment as a 16 17 fire fighter or law enforcement officer, during which the member worked for seventy or more hours, or was on disability leave or disability 18 retirement. Only service credit months of service shall be counted in 19 20 the computation of any retirement allowance or other benefit provided 21 for in this chapter.

22 (i) For members retiring after May 21, 1971 who were employed under the coverage of a prior pension act before March 1, 1970, "service" 23 24 shall also include (A) such military service not exceeding five years 25 as was creditable to the member as of March 1, 1970, under the member's particular prior pension act, and (B) such other periods of service as 26 27 were then creditable to a particular member under the provisions of RCW 41.18.165, 41.20.160 or 41.20.170. However, in no event shall credit 28 be allowed for any service rendered prior to March 1, 1970, where the 29 member at the time of rendition of such service was employed in a 30 31 position covered by a prior pension act, unless such service, at the 32 time credit is claimed therefor, is also creditable under the provisions of such prior act. 33

34 (ii) A member who is employed by two employers at the same time 35 shall only be credited with service to one such employer for any month 36 during which the member rendered such dual service.

37 (b) "Service" for plan 2 members, means periods of employment by a 38 member for one or more employers for which basic salary is earned for

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1 ninety or more hours per calendar month which shall constitute a 2 service credit month. Periods of employment by a member for one or 3 more employers for which basic salary is earned for at least seventy 4 hours but less than ninety hours per calendar month shall constitute 5 one-half service credit month. Periods of employment by a member for 6 one or more employers for which basic salary is earned for less than 7 seventy hours shall constitute a one-quarter service credit month.

8 Members of the retirement system who are elected or appointed to a 9 state elective position may elect to continue to be members of this 10 retirement system.

11 Service credit years of service shall be determined by dividing the 12 total number of service credit months of service by twelve. Any 13 fraction of a service credit year of service as so determined shall be 14 taken into account in the computation of such retirement allowance or 15 benefits.

16 If a member receives basic salary from two or more employers during 17 any calendar month, the individual shall receive one service credit month's service credit during any calendar month in which multiple 18 service for ninety or more hours is rendered; or one-half service 19 credit month's service credit during any calendar month in which 20 multiple service for at least seventy hours but less than ninety hours 21 22 is rendered; or one-quarter service credit month during any calendar month in which multiple service for less than seventy hours is 23 24 rendered.

(15) "Accumulated contributions" means the employee's contributions
 made by a member, including any amount paid under RCW 41.50.165(2),
 plus accrued interest credited thereon.

(16) "Actuarial reserve" means a method of financing a pension or retirement plan wherein reserves are accumulated as the liabilities for benefit payments are incurred in order that sufficient funds will be available on the date of retirement of each member to pay the member's future benefits during the period of retirement.

33 (17) "Actuarial valuation" means a mathematical determination of 34 the financial condition of a retirement plan. It includes the 35 computation of the present monetary value of benefits payable to 36 present members, and the present monetary value of future employer and 37 employee contributions, giving effect to mortality among active and

retired members and also to the rates of disability, retirement,
 withdrawal from service, salary and interest earned on investments.

3 (18) "Disability board" for plan 1 members means either the county
4 disability board or the city disability board established in RCW
5 41.26.110.

6 (19) "Disability leave" means the period of six months or any 7 portion thereof during which a member is on leave at an allowance equal 8 to the member's full salary prior to the commencement of disability 9 retirement. The definition contained in this subsection shall apply 10 only to plan 1 members.

(20) "Disability retirement" for plan 1 members, means the period following termination of a member's disability leave, during which the member is in receipt of a disability retirement allowance.

14 (21) "Position" means the employment held at any particular time,15 which may or may not be the same as civil service rank.

16 (22) "Medical services" for plan 1 members, shall include the 17 following as minimum services to be provided. Reasonable charges for 18 these services shall be paid in accordance with RCW 41.26.150.

(a) Hospital expenses: These are the charges made by a hospital,in its own behalf, for

(i) Board and room not to exceed semiprivate room rate unless private room is required by the attending physician due to the condition of the patient.

(ii) Necessary hospital services, other than board and room,furnished by the hospital.

(b) Other medical expenses: The following charges are considered "other medical expenses", provided that they have not been considered as "hospital expenses".

29 (i) The fees of the following:

30 (A) A physician or surgeon licensed under the provisions of chapter31 18.71 RCW;

(B) An osteopathic physician and surgeon licensed under theprovisions of chapter 18.57 RCW;

34 (C) A chiropractor licensed under the provisions of chapter 18.2535 RCW.

36 (ii) The charges of a registered graduate nurse other than a nurse 37 who ordinarily resides in the member's home, or is a member of the 38 family of either the member or the member's spouse.

(iii) The charges for the following medical services and supplies:

(A) Drugs and medicines upon a physician's prescription;

(B) Diagnostic x-ray and laboratory examinations; 3

(C) X-ray, radium, and radioactive isotopes therapy; 4

5 (D) Anesthesia and oxygen;

(E) Rental of iron lung and other durable medical and surgical б 7 equipment;

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(F) Artificial limbs and eyes, and casts, splints, and trusses;

(G) Professional ambulance service when used to transport the 9 member to or from a hospital when injured by an accident or stricken by 10 11 a disease;

(H) Dental charges incurred by a member who sustains an accidental 12 13 injury to his or her teeth and who commences treatment by a legally 14 licensed dentist within ninety days after the accident;

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(I) Nursing home confinement or hospital extended care facility;

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(J) Physical therapy by a registered physical therapist;

17 (K) Blood transfusions, including the cost of blood and blood 18 plasma not replaced by voluntary donors;

19 (L) An optometrist licensed under the provisions of chapter 18.53 20 RCW.

21 (23) "Regular interest" means such rate as the director may 22 determine.

23 (24) "Retiree" for persons who establish membership in the retirement system on or after October 1, 1977, means any member in 24 25 receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by such member. 26 27

(25) "Director" means the director of the department.

(26) "State actuary" or "actuary" means the person appointed 28 pursuant to RCW 44.44.010(2). 29

(27) "State elective position" means any position held by any 30 31 person elected or appointed to statewide office or elected or appointed 32 as a member of the legislature.

"Plan 1" means the law enforcement officers' and fire 33 (28)fighters' retirement system, plan 1 providing the benefits and funding 34 provisions covering persons who first became members of the system 35 prior to October 1, 1977. 36

37 (29) "Plan 2" means the law enforcement officers' and fire

1 fighters' retirement system, plan 2 providing the benefits and funding 2 provisions covering persons who first became members of the system on 3 and after October 1, 1977.

4 (30) "Service credit year" means an accumulation of months of 5 service credit which is equal to one when divided by twelve.

6 (31) "Service credit month" means a full service credit month or an 7 accumulation of partial service credit months that are equal to one.

(32) "General authority law enforcement agency" means any agency, 8 9 department, or division of a municipal corporation, political subdivision, or other unit of local government of this state, and any 10 agency, department, or division of state government, having as its 11 12 primary function the detection and apprehension of persons committing 13 infractions or violating the traffic or criminal laws in general, but 14 not including the Washington state patrol. Such an agency, department, or division is distinguished from a limited authority law enforcement 15 agency having as one of its functions the apprehension or detection of 16 17 persons committing infractions or violating the traffic or criminal laws relating to limited subject areas, including but not limited to, 18 the state departments of natural resources and social and health 19 20 services, the state gambling commission, the state lottery commission, 21 the state parks and recreation commission, the state utilities and transportation commission, the state liquor control board, and the 22 23 state department of corrections.

24 **Sec. 2.** RCW 41.26.547 and 2003 c 293 s 1 are each amended to read 25 as follows:

(1) A member of plan 2 who was a member of the public employees' retirement system while employed providing emergency medical services for a city, town, county, or district and whose job was relocated from another department of a city, town, county, or district to a fire department, or a member of the public employees' retirement system who is eligible for membership in plan 2 under RCW 41.26.030(4)(h), has the following options:

(a) Remain a member of the public employees' retirement system; or
(b) Leave any service credit earned as a member of the public
employees' retirement system in the public employees' retirement
system, and have all future service earned in the law enforcement

officers' and fire fighters' retirement system plan 2, becoming a dual 1 2 member under the provisions of chapter 41.54 RCW; or

3 (c) Make an election no later than June 30, ((2008)) 2013, filed in writing with the department of retirement systems, to transfer service 4 credit previously earned as an emergency medical technician for a city, 5 town, county, or district in the public employees' retirement system 6 plan 1 or plan 2 to the law enforcement officers' and fire fighters' 7 retirement system plan 2 as defined in RCW 41.26.030. Service credit 8 that a member elects to transfer from the public employees' retirement 9 system to the law enforcement officers' and fire fighters' retirement 10 system under this section shall be transferred no earlier than five 11 12 years after the effective date the member elects to transfer, and only 13 after the member earns five years of service credit as a fire fighter following the effective date the member elects to transfer. 14

(2) A member of plan 1 who was a member of the public employees' 15 16 retirement system while employed providing emergency medical services 17 for a city, town, county, or district and whose job was relocated from another department of a city, town, county, or district to a fire 18 department has the following options: 19

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(a) Remain a member of the public employees' retirement system; or 21 (b) Leave any service credit earned as a member of the public 22 employees' retirement system in the public employees' retirement system, and have all future service earned in the law enforcement 23 24 officers' and fire fighters' retirement system plan 1.

25 (3)(a) A member who elects to transfer service credit under subsection (1)(c) of this section shall make the payments required by 26 27 this subsection prior to having service credit earned as an emergency medical technician for a city, town, county, or district under the 28 public employees' retirement system plan 1 or plan 2 transferred to the 29 law enforcement officers' and fire fighters' retirement system plan 2. 30 However, in no event shall service credit be transferred earlier than 31 32 five years after the effective date the member elects to transfer, or prior to the member earning five years of service credit as a fire 33 fighter following the effective date the member elects to transfer. 34

35 (b) A member who elects to transfer service credit under this subsection shall pay, for the applicable period of service, the 36 37 difference between the contributions the employee paid to the public employees' retirement system plan 1 or plan 2 and the contributions 38

that would have been paid by the employee had the employee been a member of the law enforcement officers' and fire fighters' retirement system plan 2, plus interest on this difference as determined by the director. This payment must be made no later than five years from the effective date of the election made under subsection (1)(c) of this section and must be made prior to retirement.

7 (c) For a period of service transferred by a member eligible for 8 membership in plan 2 under RCW 41.26.030(4)(h), the employer shall pay 9 an amount sufficient to ensure that the contribution level to the law 10 enforcement officers' and fire fighters' retirement system will not 11 increase due to this transfer. This payment must be made within five 12 years of the completion of the employee payment in (b) of this 13 subsection.

14 (d) No earlier than five years after the effective date the member elects to transfer service credit under this section and upon 15 completion of the payment required in (b) of this subsection, the 16 17 department shall transfer from the public employees' retirement system plan 1 or plan 2 to the law enforcement officers' and fire fighters' 18 retirement system plan 2: (i) All of the employee's applicable 19 accumulated contributions plus interest and an equal amount of employer 20 21 contributions; and (ii) all applicable months of service, as defined in 22 RCW 41.26.030(14)(b), credited to the employee under this chapter for 23 service as an emergency services provider for a city, town, county, or 24 district as though that service was rendered as a member of the law 25 enforcement officers' and fire fighters' retirement system plan 2.

26 (((d))) (e) Upon transfer of service credit, contributions, and 27 interest under this subsection, the employee is permanently excluded 28 from membership in the public employees' retirement system for all 29 service transfers related to their time served as an emergency medical 30 technician for a city, town, county, or district under the public 31 employees' retirement system plan 1 or plan 2.

32 <u>NEW SECTION.</u> Sec. 3. This act expires July 1, 2013. Passed by the House March 11, 2005. Passed by the Senate April 15, 2005. Approved by the Governor May 13, 2005. Filed in Office of Secretary of State May 13, 2005.