

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 2887**

60th Legislature  
2008 Regular Session

Passed by the House March 8, 2008  
Yeas 93 Nays 0

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**Speaker of the House of Representatives**

Passed by the Senate March 5, 2008  
Yeas 44 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2887** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 2887

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AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington                      60th Legislature                      2008 Regular Session

By Representatives Fromhold, Crouse, Conway, Wood, and Kessler

Read first time 01/17/08. Referred to Committee on Appropriations.

1            AN ACT Relating to purchasing an increased benefit multiplier for  
2 past judicial service for judges in the public employees' retirement  
3 system; and amending RCW 41.40.124, 41.40.127, 41.40.870, and  
4 41.40.873.

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

6            **Sec. 1.** RCW 41.40.124 and 2007 c 123 s 1 are each amended to read  
7 as follows:

8            (1) Between January 1, 2007, and December 31, 2007, a member of  
9 plan 1 or plan 2 employed as a supreme court justice, court of appeals  
10 judge, or superior court judge may make a one-time irrevocable  
11 election, filed in writing with the member's employer, the department,  
12 and the administrative office of the courts, to accrue an additional  
13 benefit equal to one and one-half percent of average final compensation  
14 for each year of future service credit from the date of the election in  
15 lieu of future employee and employer contributions to the judicial  
16 retirement account plan under chapter 2.14 RCW.

17            (2)((+a)) A member who ((chooses to make)) made the election under  
18 subsection (1) of this section may apply, at the time of filing a  
19 written application for retirement with the department, to the

1 department to increase the member's benefit multiplier by an additional  
2 one and one-half percent per year of service for the period in which  
3 the member served as a justice or judge prior to the election. The  
4 member may purchase, beginning with the most recent judicial service,  
5 the higher benefit multiplier for ~~((up to seventy percent of))~~ that  
6 portion of the member's prior judicial service for which the higher  
7 benefit multiplier was not previously purchased, and that would ensure  
8 that the member has no more than a seventy-five percent of average  
9 final compensation benefit ~~((accrued by age sixty four for members of~~  
10 ~~plan 1, and age sixty six for members of plan 2))~~. The member shall  
11 pay five percent of the salary earned for each month of service for  
12 which the higher benefit multiplier is being purchased, plus ~~((interest~~  
13 ~~as determined by the director))~~ five and one-half percent interest  
14 applied from the dates that the service was earned. The purchase price  
15 shall not exceed the actuarially equivalent value of the increase in  
16 the member's benefit resulting from the increase in the benefit  
17 multiplier. This payment must be made prior to retirement ~~((and prior~~  
18 ~~to December 31, 2007. After December 31, 2007, a member may purchase~~  
19 ~~the higher benefit multiplier for any of the member's prior judicial~~  
20 ~~service at the actuarially equivalent value of the increase in the~~  
21 ~~member's benefit resulting from the increase in the benefit multiplier,~~  
22 ~~as determined by the director)),~~ subject to rules adopted by the  
23 department.

24 ~~((b))~~ (3) From January 1, 2009, through June 30, 2009, the  
25 following members may apply to the department to increase their benefit  
26 multiplier by an additional one and one-half percent per year of  
27 service for the period in which they served as a justice or judge:

28 (a) Active members of plan 1 or plan 2 who are not currently  
29 employed as a supreme court justice, court of appeals judge, or  
30 superior court judge, and who have past service as a supreme court  
31 justice, court of appeals judge, or superior court judge; and

32 (b) Inactive vested members of plan 1 or plan 2 who have separated,  
33 have not yet retired, and who have past service as a supreme court  
34 justice, court of appeals judge, or superior court judge.

35 A member eligible under this subsection may purchase the higher  
36 benefit multiplier for all or part of the member's prior judicial  
37 service beginning with the most recent judicial service. The member

1 shall pay, for the applicable period of service, the actuarially  
2 equivalent value of the increase in the member's benefit resulting from  
3 the increase in the benefit multiplier as determined by the director.

4 (4) Subject to rules adopted by the department, a member applying  
5 to increase the member's benefit multiplier under this section may pay  
6 all or part of the cost with a lump sum payment, eligible rollover,  
7 direct rollover, or trustee-to-trustee transfer from an eligible  
8 retirement plan. The department shall adopt rules to ensure that all  
9 lump sum payments, rollovers, and transfers comply with the  
10 requirements of the internal revenue code and regulations adopted by  
11 the internal revenue service. The rules adopted by the department may  
12 condition the acceptance of a rollover or transfer from another plan on  
13 the receipt of information necessary to enable the department to  
14 determine the eligibility of any transferred funds for tax-free  
15 rollover treatment or other treatment under federal income tax law.

16 **Sec. 2.** RCW 41.40.127 and 2007 c 123 s 2 are each amended to read  
17 as follows:

18 (1) Between January 1, 2007, and December 31, 2007, a member of  
19 plan 1 or plan 2 employed as a district court judge or municipal court  
20 judge may make a one-time irrevocable election, filed in writing with  
21 the member's employer and the department, to accrue an additional  
22 benefit equal to one and one-half percent of average final compensation  
23 for each year of future service credit from the date of the election.

24 (2)~~((a))~~ A member who ~~((chooses to make))~~ made the election under  
25 subsection (1) of this section may apply, at the time of filing a  
26 written application for retirement with the department, to the  
27 department to increase the member's benefit multiplier by one and one-  
28 half percent per year of service for the period in which the member  
29 served as a judge prior to the election. The member may purchase,  
30 beginning with the most recent judicial service, the higher benefit  
31 multiplier for ~~((up to seventy percent of))~~ that portion of the  
32 member's prior judicial service for which the higher benefit multiplier  
33 was not previously purchased, and that would ensure that the member has  
34 no more than a seventy-five percent of average final compensation  
35 benefit ~~((accrued by age sixty four for members of plan 1, and age~~  
36 ~~sixty six for members of plan 2))~~. The member shall pay five percent  
37 of the salary earned for each month of service for which the higher

1 benefit multiplier is being purchased, plus (~~interest as determined by~~  
2 ~~the director~~) five and one-half percent interest applied from the  
3 dates that the service was earned. The purchase price shall not exceed  
4 the actuarially equivalent value of the increase in the member's  
5 benefit resulting from the increase in the benefit multiplier. This  
6 payment must be made prior to retirement (~~and prior to December 31,~~  
7 ~~2007.~~ ~~After December 31, 2007, a member may purchase the higher~~  
8 ~~benefit multiplier for any of the member's prior judicial service at~~  
9 ~~the actuarially equivalent value of the increase in the member's~~  
10 ~~benefit resulting from the increase in the benefit multiplier, as~~  
11 ~~determined by the director~~), subject to rules adopted by the  
12 department.

13 ~~((b))~~ (3) From January 1, 2009, through June 30, 2009, the  
14 following members may apply to the department to increase their benefit  
15 multiplier by an additional one and one-half percent per year of  
16 service for the period in which they served as a justice or judge:

17 (a) Active members of plan 1 or plan 2 who are not currently  
18 employed as a district court judge or municipal court judge, and who  
19 have past service as a district court judge or municipal court judge;  
20 and

21 (b) Inactive vested members of plan 1 or plan 2 who have separated,  
22 have not yet retired, and who have past service as a district court  
23 judge or municipal court judge.

24 A member eligible under this subsection may purchase the higher  
25 benefit multiplier for all or part of the member's prior judicial  
26 service beginning with the most recent judicial service. The member  
27 shall pay, for the applicable period of service, the actuarially  
28 equivalent value of the increase in the member's benefit resulting from  
29 the increase in the benefit multiplier as determined by the director.

30 (4) Subject to rules adopted by the department, a member applying  
31 to increase the member's benefit multiplier under this section may pay  
32 all or part of the cost with a lump sum payment, eligible rollover,  
33 direct rollover, or trustee-to-trustee transfer from an eligible  
34 retirement plan. The department shall adopt rules to ensure that all  
35 lump sum payments, rollovers, and transfers comply with the  
36 requirements of the internal revenue code and regulations adopted by  
37 the internal revenue service. The rules adopted by the department may  
38 condition the acceptance of a rollover or transfer from another plan on

1 the receipt of information necessary to enable the department to  
2 determine the eligibility of any transferred funds for tax-free  
3 rollover treatment or other treatment under federal income tax law.

4 **Sec. 3.** RCW 41.40.870 and 2007 c 123 s 3 are each amended to read  
5 as follows:

6 (1) Between January 1, 2007, and December 31, 2007, a member of  
7 plan 3 employed as a supreme court justice, court of appeals judge, or  
8 superior court judge may make a one-time irrevocable election, filed in  
9 writing with the member's employer, the department, and the  
10 administrative office of the courts, to accrue an additional plan 3  
11 defined benefit equal to six-tenths percent of average final  
12 compensation for each year of future service credit from the date of  
13 the election in lieu of future employer contributions to the judicial  
14 retirement account plan under chapter 2.14 RCW.

15 (2)~~((a))~~ A member who ~~((chooses to make))~~ made the election under  
16 subsection (1) of this section may apply, at the time of filing a  
17 written application for retirement with the department, to the  
18 department to increase the member's benefit multiplier by six-tenths  
19 percent per year of service for the period in which the member served  
20 as a justice or judge prior to the election. The member may purchase,  
21 beginning with the most recent judicial service, the higher benefit  
22 multiplier for ~~((up to seventy percent of))~~ that portion of the  
23 member's prior judicial service for which the higher benefit multiplier  
24 was not previously purchased, and that would ensure that the member has  
25 no more than a thirty-seven and one-half percent of average final  
26 compensation benefit ~~((accrued by age sixty six))~~. The member shall  
27 pay two and one-half percent of the salary earned for each month of  
28 service for which the higher benefit multiplier is being purchased,  
29 plus ~~((interest as determined by the director))~~ five and one-half  
30 percent interest applied from the dates that the service was earned.  
31 The purchase price shall not exceed the actuarially equivalent value of  
32 the increase in the member's benefit resulting from the increase in the  
33 benefit multiplier. This payment must be made prior to retirement  
34 ~~((and prior to December 31, 2007. After December 31, 2007, a member~~  
35 ~~may purchase the higher benefit multiplier for any of the member's~~  
36 ~~prior judicial service at the actuarially equivalent value of the~~

1 ~~increase in the member's benefit resulting from the increase in the~~  
2 ~~benefit multiplier, as determined by the director)), subject to rules  
3 adopted by the department.~~

4 ~~((b))~~ (3) From January 1, 2009, through June 30, 2009, the  
5 following members may apply to the department to increase their benefit  
6 multiplier by an additional six-tenths percent per year of service for  
7 the period in which they served as a justice or judge:

8 (a) Active members of plan 3 who are not currently employed as a  
9 supreme court justice, court of appeals judge, or superior court judge,  
10 and who have past service as a supreme court justice, court of appeals  
11 judge, or superior court judge; and

12 (b) Inactive vested members of plan 3 who have separated, have not  
13 yet retired, and who have past service as a supreme court justice,  
14 court of appeals judge, or superior court judge.

15 A member eligible under this subsection may purchase the higher  
16 benefit multiplier for all or part of the member's prior judicial  
17 service beginning with the most recent judicial service. The member  
18 shall pay, for the applicable period of service, the actuarially  
19 equivalent value of the increase in the member's benefit resulting from  
20 the increase in the benefit multiplier as determined by the director.

21 (4) Subject to rules adopted by the department, a member applying  
22 to increase the member's benefit multiplier under this section may pay  
23 all or part of the cost with a lump sum payment, eligible rollover,  
24 direct rollover, or trustee-to-trustee transfer from an eligible  
25 retirement plan. The department shall adopt rules to ensure that all  
26 lump sum payments, rollovers, and transfers comply with the  
27 requirements of the internal revenue code and regulations adopted by  
28 the internal revenue service. The rules adopted by the department may  
29 condition the acceptance of a rollover or transfer from another plan on  
30 the receipt of information necessary to enable the department to  
31 determine the eligibility of any transferred funds for tax-free  
32 rollover treatment or other treatment under federal income tax law.

33 ~~((3))~~ (5) A member who chooses to make the election under  
34 subsection (1) of this section shall contribute a minimum of seven and  
35 one-half percent of pay to the member's defined contribution account.

36 **Sec. 4.** RCW 41.40.873 and 2007 c 123 s 4 are each amended to read  
37 as follows:

1 (1) Between January 1, 2007, and December 31, 2007, a member of  
2 plan 3 employed as a district court judge or municipal court judge may  
3 make a one-time irrevocable election, filed in writing with the  
4 member's employer and the department, to accrue an additional plan 3  
5 defined benefit equal to six-tenths percent of average final  
6 compensation for each year of future service credit from the date of  
7 the election.

8 (2)~~((a))~~ A member who ~~((chooses to make))~~ made the election under  
9 subsection (1) of this section may apply, at the time of filing a  
10 written application for retirement with the department, to the  
11 department to increase the member's benefit multiplier by six-tenths  
12 percent per year of service for the period in which the member served  
13 as a judge prior to the election. The member may purchase, beginning  
14 with the most recent judicial service, the higher benefit multiplier  
15 for ~~((up to seventy percent of))~~ that portion of the member's prior  
16 judicial service for which the higher benefit multiplier was not  
17 previously purchased, and that would ensure that the member has no more  
18 than a thirty-seven and one-half percent of average final compensation  
19 benefit ~~((accrued by age sixty six))~~. The member shall pay two and  
20 one-half percent of the salary earned for each month of service for  
21 which the higher benefit multiplier is being purchased, plus ~~((interest~~  
22 ~~as determined by the director))~~ five and one-half percent interest  
23 applied from the dates that the service was earned. The purchase price  
24 shall not exceed the actuarially equivalent value of the increase in  
25 the member's benefit resulting from the increase in the benefit  
26 multiplier. This payment must be made prior to retirement ~~((and prior~~  
27 ~~to December 31, 2007. After December 31, 2007, a member may purchase~~  
28 ~~the higher benefit multiplier for any of the member's prior judicial~~  
29 ~~service at the actuarially equivalent value of the increase in the~~  
30 ~~member's benefit resulting from the increase in the benefit multiplier,~~  
31 ~~as determined by the director)), subject to rules adopted by the~~  
32 department.

33 ~~((b))~~ (3) From January 1, 2009, through June 30, 2009, the  
34 following members may apply to the department to increase their benefit  
35 multiplier by an additional six-tenths percent per year of service for  
36 the period in which they served as a justice or judge:

37 (a) Active members of plan 3 who are not currently employed as a



1 district court judge or municipal court judge, and who have past  
2 service as a district court judge or municipal court judge; and

3 (b) Inactive vested members of plan 3 who have separated, have not  
4 yet retired, and who have past service as a district court judge or  
5 municipal court judge.

6 A member eligible under this subsection may purchase the higher  
7 benefit multiplier for all or part of the member's prior judicial  
8 service beginning with the most recent judicial service. The member  
9 shall pay, for the applicable period of service, the actuarially  
10 equivalent value of the increase in the member's benefit resulting from  
11 the increase in the benefit multiplier as determined by the director.

12 (4) Subject to rules adopted by the department, a member applying  
13 to increase the member's benefit multiplier under this section may pay  
14 all or part of the cost with a lump sum payment, eligible rollover,  
15 direct rollover, or trustee-to-trustee transfer from an eligible  
16 retirement plan. The department shall adopt rules to ensure that all  
17 lump sum payments, rollovers, and transfers comply with the  
18 requirements of the internal revenue code and regulations adopted by  
19 the internal revenue service. The rules adopted by the department may  
20 condition the acceptance of a rollover or transfer from another plan on  
21 the receipt of information necessary to enable the department to  
22 determine the eligibility of any transferred funds for tax-free  
23 rollover treatment or other treatment under federal income tax law.

24 ~~((+3))~~ (5) A member who chooses to make the election under  
25 subsection (1) of this section shall contribute a minimum of seven and  
26 one-half percent of pay to the member's defined contribution account.

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