



RULE-MAKING ORDER
(RCW 34.05.360)

CR-103 (7/23/95)

Agency: State Board for Community and Technical Colleges

- Permanent Rule**
 Emergency Rule
 Expedited Repeal

(1) Date of adoption: September 18, 1997

(2) Purpose:

To allow authorized college boards (and the State Board for its own employees) to provide tax-free medical expense plans. Funding for each eligible employee's medical expense account is from sick-leave buyout. Implements SHB 2090 during the '97 session.

(3) Citation of existing rules affected by this order:

Repealed:

Amended: Adds two new sections WAC 131-16-067 and WAC 131-16-068

Suspended:

(4) Statutory authority for adoption: RCW 28B.50

Other authority: Implements SHB 2090 passed during the 1997 legislative session.

PERMANENT RULE ONLY

Adopted under notice filed as WSR 97-16-089 on 8/5/97 (date).

Describe any changes other than editing from proposed to adopted version:

None.

EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

- (a) That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- (b) That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

EXPEDITED REPEAL ONLY

Under Preproposal Statement of Inquiry filed as WSR _____ on _____ (date).

(5.3) Any other findings required by other provisions of law as precondition to adoption of effectiveness of rule?

- Yes No If Yes, explain:

(6) Effective date of rule:

Permanent Rules

31 days after filing

Other (specify) _____*

Emergency Rules

Immediately

Later (specify) _____

*(If less than 31 days after filing, specific finding in 5.3 under RCW 34.05.380(3) is required)

NAME (TYPE OR PRINT)

Claire C. Krueger

SIGNATURE

Claire C. Krueger

TITLE Executive Assistant/Agency Rules Coordinator

DATE 9/23/97

CODE REVISER USE ONLY

CODE REVISER'S OFFICE
STATE OF WASHINGTON
FILED

SEP 23 1997

TIME: 10¹⁵

97-20-030

Note: If any category is left blank, it will be calculated as zero.

No descriptive text.

Count by whole WAC sections only, from the WAC number through the history note.

A section may be counted in more than one category.

The number of sections adopted in order to comply with:

| | | | |
|-----------------------------------|--------------|------------------|-------------------|
| Federal statute: | New <u>0</u> | Amended <u>0</u> | Repealed <u>0</u> |
| Federal rules or standards: | New <u>0</u> | Amended <u>0</u> | Repealed <u>0</u> |
| Recently enacted* state statutes: | New <u>2</u> | Amended <u>0</u> | Repealed <u>0</u> |

*(current calendar year)

The number of sections adopted at the request of a nongovernmental entity:

New Amended 0 Repealed 0

The number of sections adopted on the agency's own initiative:

New 2 Amended 0 Repealed

The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New 2 Amended Repealed

The number of sections adopted using:

| | | | |
|--------------------------------|-----------------|---------------------|----------------------|
| Negotiated rule making: | New <u> </u> | Amended <u> </u> | Repealed <u> </u> |
| Pilot rule making: | New <u> </u> | Amended <u> </u> | Repealed <u> </u> |
| Other alternative rule making: | New <u>2</u> | Amended <u> </u> | Repealed <u> </u> |

(Normal rules adoption process)

NEW SECTION

WAC 131-16-067 Medical expense plans--Definitions. For purposes of establishing medical expense plans authorized under WAC 131-16-068, the following terms are defined:

(1) "Eligible employees" means any of the following groups of community and technical college system employees:

(a) Academic employees as defined in RCW 28B.52.020;

(b) Classified employees of technical colleges whose employment is governed under chapter 41.56 RCW;

(c) Professional, paraprofessional, and administrative employees exempt from chapter 41.06 RCW; and

(d) Employees of the state board for community and technical colleges who are exempt from chapter 41.06 RCW.

(2) "Covered eligible employee" means an eligible employee who is in a group for which a college board or the state board for community and technical colleges has established a medical expense plan.

NEW SECTION

WAC 131-16-068 Medical expense plans authorized. (1) In lieu of remuneration for unused sick leave at retirement, a college board (or the state board for community and technical colleges for employees under its jurisdiction) may provide with equivalent funds a medical expense plan for eligible employees.

(2) A medical expense plan provided under this section shall require, as a condition of participation, that each covered eligible employee sign an agreement to hold the employer harmless if the employee or employer is later found to be indebted to the United States as a result of:

(a) The employee not paying income taxes on amounts contributed to the plan; or

(b) The employer not withholding or deducting a tax, assessment, or other payment on funds contributed to the plan as required by federal law.

Such agreement shall also include a provision requiring each covered eligible employee to forfeit remuneration for accrued sick leave at retirement if he/she is covered by a medical expense plan and the employee refuses to sign the required agreement.

(3) In providing a medical expense plan authorized under this section, a college board or the state board may only provide such plan covering all employees in one or more of the groups defined in WAC 131-16-067.

(4) In providing a medical expense plan for a group of eligible employees whose conditions of employment are governed by chapter 28B.52 or 41.56 RCW, a college board may only provide such

plan by agreement applicable to all of the members of a bargaining unit.

(5) A medical expense plan established under this section shall be applicable to all retirements of covered eligible employees within a calendar year. Such a medical expense plan may be discontinued in any future year, but once discontinued it may not be reinstated for the same group of eligible employees within the same calendar year as it was discontinued.