

# FINAL BILL REPORT

## EHB 2643

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Synopsis as Enacted

**Brief Description:** Cross-referencing pension statutes.

By Representatives Sommers and Silver; by request of  
Department of Retirement Systems.

House Committee on Appropriations  
Senate Committee on Ways & Means

**Background:** Many statutes relating to compensation and benefits for teachers, law enforcement officers/fire fighters, public employees, and judges are not cross-referenced to the statutes governing the retirement systems of these employees.

Assault pay, temporary duty disability, and leave-sharing pay are not payments for "personal services" as defined in retirement system statutes. These payments are included, however, in a member's calculated earnable compensation. Statutes authorizing sick leave cash-outs for state and school district employees and certain vacation leave cash-outs for state employees in excess of 30 days are specifically excluded from the retirement benefit calculation. These definitions and exclusions are not currently cross-referenced to the retirement system statutes.

School district employees may count up to 45 days of sick leave as service solely for the purpose of qualifying for retirement. Teachers' Retirement System (TRS) members may use out-of-state teaching service in calculating eligibility to retire.

A TRS Plan I member must have at least five years of public school service to receive a TRS retirement allowance. This conflicts with the portability law enacted in 1987 which allows employees to vest in a system with five years of combined service between all the systems included in the portability statutes.

An Attorney General opinion has found that a statute denying enrollment of a law enforcement officer or fire fighter in the Law Enforcement Officers' and Fire Fighters' (LEOFF) retirement plan for health reasons also prohibits enrollment in the Public Employees Retirement System (PERS).

LEOFF retirement benefits are protected by statute from assignment or garnishment. Prior to 1990, the provision clearly applied to both LEOFF Plans I and II. In a 1990 re-codification, the anti-assignment sub-chapter was placed in the sub-chapter governing only Plan I.

PERS and TRS statutes define a retiree as an individual "in receipt" of a benefit check.

The 1993 operating budget transferred \$25 million of general state funds to the budget stabilization account to be used for continuing costs of any state retirement system benefits in effect on July 1, 1993.

**Summary:** Certain compensation and benefit statutes are cross-referenced to relevant retirement system statutes, and technical changes are made to clarify how various types of compensation are treated in the retirement system: (1) statutes governing assault pay, temporary duty disability, leave sharing, sick leave and vacation leave cash-outs, and the 45-day service rule are cross-referenced to PERS and TRS; (2) members who have dual retirement system membership are exempted from the statute requiring a TRS member to have five service credit years before he or she may receive a retirement allowance; (3) the PERS membership definition is changed so that the LEOFF statute denying LEOFF membership for health reasons will not disqualify a law enforcement officer or fire fighter from membership in PERS; (4) the LEOFF I anti-assignability section is recodified to the LEOFF subchapter governing both Plan I and II; and (5) a retiree is defined to be an individual who has been mailed a benefit check by the department.

The pension funding account is created. Twenty-five million dollars is transferred from the budget stabilization account to the pension funding account.

Employees in a state-approved apprenticeship program who are employed by a local government are excluded from PERS membership if they are a member of a Taft-Hartley retirement plan or other union-sponsored retirement plan.

**Votes on Final Passage:**

House	96	0	
Senate	43	0	(Senate amended)
House			(House refused to concur)

Conference Committee

Senate	47	0
House	94	0

**Effective:** June 9, 1994