
HOUSE BILL 2852

State of Washington 54th Legislature 1996 Regular Session

By Representatives Carlson, Dyer, Brumsickle, Benton, Radcliff, Cooke, Scheuerman and Mitchell

Read first time 01/23/96. Referred to Committee on Appropriations.

1 AN ACT Relating to the Washington state teachers' retirement
2 system; amending RCW 41.05.011 and 41.05.080; and providing an
3 effective date.

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

5 **Sec. 1.** RCW 41.05.011 and 1995 1st sp.s. c 6 s 2 are each amended
6 to read as follows:

7 Unless the context clearly requires otherwise, the definitions in
8 this section shall apply throughout this chapter.

9 (1) "Administrator" means the administrator of the authority.

10 (2) "State purchased health care" or "health care" means medical
11 and health care, pharmaceuticals, and medical equipment purchased with
12 state and federal funds by the department of social and health
13 services, the department of health, the basic health plan, the state
14 health care authority, the department of labor and industries, the
15 department of corrections, the department of veterans affairs, and
16 local school districts.

17 (3) "Authority" means the Washington state health care authority.

18 (4) "Insuring entity" means an insurer as defined in chapter 48.01
19 RCW, a health care service contractor as defined in chapter 48.44 RCW,

1 or a health maintenance organization as defined in chapter 48.46 RCW.

2 (5) "Flexible benefit plan" means a benefit plan that allows
3 employees to choose the level of health care coverage provided and the
4 amount of employee contributions from among a range of choices offered
5 by the authority.

6 (6) "Employee" includes all full-time and career seasonal employees
7 of the state, whether or not covered by civil service; elected and
8 appointed officials of the executive branch of government, including
9 full-time members of boards, commissions, or committees; and includes
10 any or all part-time and temporary employees under the terms and
11 conditions established under this chapter by the authority; justices of
12 the supreme court and judges of the court of appeals and the superior
13 courts; and members of the state legislature or of the legislative
14 authority of any county, city, or town who are elected to office after
15 February 20, 1970. "Employee" also includes: (a) Employees of a
16 county, municipality, or other political subdivision of the state if
17 the legislative authority of the county, municipality, or other
18 political subdivision of the state seeks and receives the approval of
19 the authority to provide any of its insurance programs by contract with
20 the authority, as provided in RCW 41.04.205; (b) employees of employee
21 organizations representing state civil service employees, at the option
22 of each such employee organization, and, effective October 1, 1995,
23 employees of employee organizations currently pooled with employees of
24 school districts for the purpose of purchasing insurance benefits, at
25 the option of each such employee organization; and (c) employees of a
26 school district if the authority agrees to provide any of the school
27 districts' insurance programs by contract with the authority as
28 provided in RCW 28A.400.350.

29 (7) "Board" means the public employees' benefits board established
30 under RCW 41.05.055.

31 (8) "Retired or disabled school employee" means:

32 (a) Persons who separated from employment with a school district or
33 educational service district and are receiving a retirement allowance
34 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

35 (b) Persons who separate from employment with a school district or
36 educational service district on or after October 1, 1993, and
37 immediately upon separation receive a retirement allowance under
38 chapter 41.32 or 41.40 RCW;

1 (c) Persons who separate from employment with a school district or
2 educational service district due to a total and permanent disability,
3 and are eligible to receive a deferred retirement allowance under
4 chapter 41.32 or 41.40 RCW.

5 (9) "Benefits contribution plan" means a premium only contribution
6 plan, a medical flexible spending arrangement, or a cafeteria plan
7 whereby state and public employees may agree to a contribution to
8 benefit costs which will allow the employee to participate in benefits
9 offered pursuant to 26 U.S.C. Sec. 125 or other sections of the
10 internal revenue code.

11 (10) "Salary" means a state employee's monthly salary or wages.

12 (11) "Participant" means an individual who fulfills the eligibility
13 and enrollment requirements under the benefits contribution plan.

14 (12) "Plan year" means the time period established by the
15 authority.

16 (13) "Separated school employees" means persons who separate from
17 employment with a school district or educational service district on or
18 after July 1, 1996, and who are at least age fifty-five and have ten
19 years of service under teachers' retirement system plan III as defined
20 in RCW 41.32.010(40).

21 **Sec. 2.** RCW 41.05.080 and 1994 c 153 s 7 are each amended to read
22 as follows:

23 (1) Under the qualifications, terms, conditions, and benefits set
24 by the board:

25 (a) Retired or disabled state employees, retired or disabled school
26 employees, or employees of county, municipal, or other political
27 subdivisions covered by this chapter who are retired may continue their
28 participation in insurance plans and contracts after retirement or
29 disablement((, under the qualifications, terms, conditions, and
30 benefits set by the board: PROVIDED, That the))i

31 (b) Separated school employees may continue their participation in
32 insurance plans and contracts if participation is selected immediately
33 upon separation from employment;

34 (c) Separated school employees who, upon separation did not
35 continue their participation in insurance plans and contracts under (b)
36 of this subsection, may participate in insurance plans and contracts
37 only if participation is selected immediately upon receiving a
38 retirement allowance under RCW 41.32.875.

1 (2) Rates charged retired or disabled employees, separated school
2 employees, spouses, or dependent children who are not eligible for
3 parts A and B of medicare shall be based on the experience of the
4 community rated risk pool established under RCW 41.05.022(~~(:—PROVIDED~~
5 ~~FURTHER, That)~~)).

6 (3) Rates charged to retired or disabled employees, separated
7 school employees, spouses, or children who are eligible for parts A and
8 B of medicare shall be calculated from a separate experience risk pool
9 comprised only of individuals eligible for parts A and B of medicare;
10 however, the premiums charged to medicare-eligible retirees and
11 disabled employees shall be reduced by the amount of the subsidy
12 provided under RCW 41.05.085(~~(:—PROVIDED FURTHER, That)~~)).

13 (4) Retired or disabled and separated school employees shall be
14 responsible for payment of premium rates developed by the authority
15 which shall include the cost to the authority of providing insurance
16 coverage including any amounts necessary for reserves and
17 administration in accordance with this chapter(~~(:—PROVIDED FURTHER,~~
18 ~~That such)~~). These self pay rates will be established based on a
19 separate rate for the employee, the spouse, and the children.

20 (5) The term "retired state employees" for the purpose of this
21 section shall include but not be limited to members of the legislature
22 whether voluntarily or involuntarily leaving state office.

23 NEW SECTION. **Sec. 3.** This act shall take effect July 1, 1996.

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