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HOUSE BILL 1713

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State of Washington                      58th Legislature                      2003 Regular Session

By Representatives Romero, Haigh, Grant, Hunt, Armstrong,  
Rockefeller, Fromhold, Conway, Miloscia and Campbell

Read first time 02/05/2003. Referred to Committee on Appropriations.

1            AN ACT Relating to public employees' retirement system, plan 1  
2 members' monetary compensation for accrued sick leave; reenacting and  
3 amending RCW 41.04.340; providing an expiration date; and declaring an  
4 emergency.

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

6            **Sec. 1.** RCW 41.04.340 and 1998 c 254 s 1 and 1998 c 116 s 2 are  
7 each reenacted and amended to read as follows:

8            (1) An attendance incentive program is established for all eligible  
9 employees. As used in this section the term "eligible employee" means  
10 any employee of the state, other than eligible employees of the  
11 community and technical colleges and the state board for community and  
12 technical colleges identified in RCW 28B.50.553, and teaching and  
13 research faculty at the state and regional universities and The  
14 Evergreen State College, entitled to accumulate sick leave and for whom  
15 accurate sick leave records have been maintained. No employee may  
16 receive compensation under this section for any portion of sick leave  
17 accumulated at a rate in excess of one day per month. The state and  
18 regional universities and The Evergreen State College shall maintain

1 complete and accurate sick leave records for all teaching and research  
2 faculty.

3 (2) In January of the year following any year in which a minimum of  
4 sixty days of sick leave is accrued, and each January thereafter, any  
5 eligible employee may receive remuneration for unused sick leave  
6 accumulated in the previous year at a rate equal to one day's monetary  
7 compensation of the employee for each four full days of accrued sick  
8 leave in excess of sixty days. Sick leave for which compensation has  
9 been received shall be deducted from accrued sick leave at the rate of  
10 four days for every one day's monetary compensation.

11 (3)(a) Except under (b) of this subsection, at the time of  
12 separation from state service due to retirement or death, an eligible  
13 employee or the employee's estate may elect to receive remuneration at  
14 a rate equal to one day's current monetary compensation of the employee  
15 for each four full days of accrued sick leave.

16 (b)(i) At the time of separation from state service due to  
17 retirement or death, an eligible employee who is a member of the public  
18 employees' retirement system, plan 1 or the employee's estate may elect  
19 to receive remuneration at a rate equal to one day's current monetary  
20 compensation of the employee for each two full days of accrued sick  
21 leave.

22 (ii) Notice of intent to retire under (b)(i) of this subsection  
23 must be made by September 1, 2003. The employee's retirement must be  
24 effective before January 1, 2004.

25 (4) Remuneration or benefits received under this section shall not  
26 be included for the purpose of computing a retirement allowance under  
27 any public retirement system in this state.

28 (5) Except as provided in subsections (7) through (9) of this  
29 section for employees not covered by chapter 41.06 RCW, this section  
30 shall be administered, and rules shall be adopted to carry out its  
31 purposes, by the Washington personnel resources board for persons  
32 subject to chapter 41.06 RCW: PROVIDED, That determination of classes  
33 of eligible employees shall be subject to approval by the office of  
34 financial management.

35 (6) Should the legislature revoke any remuneration or benefits  
36 granted under this section, no affected employee shall be entitled  
37 thereafter to receive such benefits as a matter of contractual right.

1           (7) In lieu of remuneration for unused sick leave at retirement as  
2 provided in subsection (3) of this section, an agency head or designee  
3 may with equivalent funds, provide eligible employees with a benefit  
4 plan that provides for reimbursement for medical expenses. This plan  
5 shall be implemented only after consultation with affected groups of  
6 employees. For eligible employees covered by chapter 41.06 RCW,  
7 procedures for the implementation of these plans shall be adopted by  
8 the Washington personnel resources board. For eligible employees  
9 exempt from chapter 41.06 RCW, and classified employees who have opted  
10 out of coverage of chapter 41.06 RCW as provided in RCW 41.56.201,  
11 implementation procedures shall be adopted by an agency head having  
12 jurisdiction over the employees.

13           (8) Implementing procedures adopted by the Washington personnel  
14 resources board or agency heads shall require that each medical expense  
15 plan authorized by subsection (7) of this section apply to all eligible  
16 employees in any one of the following groups: (a) Employees in an  
17 agency; (b) employees in a major organizational subdivision of an  
18 agency; (c) employees at a major operating location of an agency; (d)  
19 exempt employees under the jurisdiction of an elected or appointed  
20 Washington state executive; (e) employees of the Washington state  
21 senate; (f) employees of the Washington state house of representatives;  
22 (g) classified employees in a bargaining unit established by the  
23 Washington personnel resources board; or (h) other group of employees  
24 defined by an agency head that is not designed to provide an  
25 individual-employee choice regarding participation in a medical expense  
26 plan. However, medical expense plans for eligible employees in any of  
27 the groups under (a) through (h) of this subsection who are covered by  
28 a collective bargaining agreement shall be implemented only by written  
29 agreement with the bargaining unit's exclusive representative and a  
30 separate medical expense plan may be provided for unrepresented  
31 employees.

32           (9) Medical expense plans authorized by subsection (7) of this  
33 section must require as a condition of participation in the plan that  
34 employees in the group affected by the plan sign an agreement with the  
35 employer. The agreement must include a provision to hold the employer  
36 harmless should the United States government find that the employer or  
37 the employee is in debt to the United States as a result of the  
38 employee not paying income taxes due on the equivalent funds placed

1 into the plan, or as a result of the employer not withholding or  
2 deducting a tax, assessment, or other payment on the funds as required  
3 by federal law. The agreement must also include a provision that  
4 requires an eligible employee to forfeit remuneration under subsection  
5 (3) of this section if the employee belongs to a group that has been  
6 designated to participate in the medical expense plan permitted under  
7 this section and the employee refuses to execute the required  
8 agreement.

9 NEW SECTION. **Sec. 2.** Section 1 of this act expires July 1, 2004.

10 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
11 preservation of the public peace, health, or safety, or support of the  
12 state government and its existing public institutions, and takes effect  
13 immediately.

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