

HB 2887 - S COMM AMD

By Committee on Ways & Means

ADOPTED 03/05/2008

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 41.40.124 and 2007 c 123 s 1 are each amended to read  
4 as follows:

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

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

1 shall not exceed the actuarially equivalent value of the increase in  
2 the member's benefit resulting from the increase in the benefit  
3 multiplier. This payment must be made prior to retirement (~~and prior~~  
4 ~~to December 31, 2007. After December 31, 2007, a member may purchase~~  
5 ~~the higher benefit multiplier for any of the member's prior judicial~~  
6 ~~service at the actuarially equivalent value of the increase in the~~  
7 ~~member's benefit resulting from the increase in the benefit multiplier,~~  
8 ~~as determined by the director)), subject to rules adopted by the  
9 department.~~

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

14 (a) Active members of plan 1 or plan 2 who are not currently  
15 employed as a supreme court justice, court of appeals judge, or  
16 superior court judge, and who have past service as a supreme court  
17 justice, court of appeals judge, or superior court judge; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30           (a) Active members of plan 3 who are not currently employed as a  
31 supreme court justice, court of appeals judge, or superior court judge,  
32 and who have past service as a supreme court justice, court of appeals  
33 judge, or superior court judge; and

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

37           A member eligible under this subsection may purchase the higher  
38 benefit multiplier for all or part of the member's prior judicial

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

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

17 ~~((+3))~~ (5) A member who chooses to make the election under  
18 subsection (1) of this section shall contribute a minimum of seven and  
19 one-half percent of pay to the member's defined contribution account.

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

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

29 (2)~~((+a))~~ A member who ~~((chooses to make))~~ made the election under  
30 subsection (1) of this section may apply, at the time of filing a  
31 written application for retirement with the department, to the  
32 department to increase the member's benefit multiplier by six-tenths  
33 percent per year of service for the period in which the member served  
34 as a judge prior to the election. The member may purchase, beginning  
35 with the most recent judicial service, the higher benefit multiplier  
36 for ~~((up to seventy percent of))~~ that portion of the member's prior  
37 judicial service for which the higher benefit multiplier was not

1 previously purchased, and that would ensure that the member has no more  
2 than a thirty-seven and one-half percent of average final compensation  
3 benefit (~~((accrued by age sixty-six))~~). The member shall pay two and  
4 one-half percent of the salary earned for each month of service for  
5 which the higher benefit multiplier is being purchased, plus (~~((interest~~  
6 ~~as determined by the director))~~) five and one-half percent interest  
7 applied from the dates that the service was earned. The purchase price  
8 shall not exceed the actuarially equivalent value of the increase in  
9 the member's benefit resulting from the increase in the benefit  
10 multiplier. This payment must be made prior to retirement (~~((and prior~~  
11 ~~to December 31, 2007. After December 31, 2007, a member may purchase~~  
12 ~~the higher benefit multiplier for any of the member's prior judicial~~  
13 ~~service at the actuarially equivalent value of the increase in the~~  
14 ~~member's benefit resulting from the increase in the benefit multiplier,~~  
15 ~~as determined by the director)),~~ subject to rules adopted by the  
16 department.

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

21 (a) Active members of plan 3 who are not currently employed as a  
22 district court judge or municipal court judge, and who have past  
23 service as a district court judge or municipal court judge; and

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

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

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

1 requirements of the internal revenue code and regulations adopted by  
2 the internal revenue service. The rules adopted by the department may  
3 condition the acceptance of a rollover or transfer from another plan on  
4 the receipt of information necessary to enable the department to  
5 determine the eligibility of any transferred funds for tax-free  
6 rollover treatment or other treatment under federal income tax law.

7 ~~((3))~~ (5) A member who chooses to make the election under  
8 subsection (1) of this section shall contribute a minimum of seven and  
9 one-half percent of pay to the member's defined contribution account."

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By Committee on Ways & Means

**ADOPTED 03/05/2008**

10 On page 1, line 3 of the title, after "system;" strike the  
11 remainder of the title and insert "and amending RCW 41.40.124,  
12 41.40.127, 41.40.870, and 41.40.873."

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