SSB 5829 - S AMD 174

 By Senator Van De Wege

PULLED 03/11/2019

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

3 "Sec. 1. RCW 41.24.010 and 2010 c 60 s 2 are each reenacted and 4 amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Administrative fund" means the volunteer firefighters' and reserve officers' administrative fund created under RCW 41.24.030.
- (2) "Appropriate legislation" means an ordinance when an ordinance is the means of legislating by any municipality, and resolution in all other cases.
- (3) "Board of trustees" or "local board" means: (a) For matters affecting firefighters, a firefighter board of trustees created under RCW 41.24.060; (b) for matters affecting an emergency worker, an emergency medical service district board of trustees created under RCW 41.24.330; or (c) for matters affecting reserve officers, a reserve officer board of trustees created under RCW 41.24.460.
- (4) "Emergency worker" means any emergency medical service personnel, regulated by chapters 18.71 and 18.73 RCW, who is a member of an emergency medical service district but shall not include emergency medical service personnel who are eligible for participation in the Washington public employees' retirement system, with respect to periods of service rendered in such capacity.
- (5) "Fire department" means any regularly organized fire department or emergency medical service district consisting wholly of volunteer firefighters, or any part-paid and part-volunteer fire department duly organized and maintained by any municipality: PROVIDED, That any such municipality wherein a part-paid fire department is maintained may by appropriate legislation permit the full-paid members of its department to come under the provisions of chapter 41.16 RCW.

(6) "Firefighter" includes any firefighter ((er)), emergency worker, or chaplain who is a member of any fire department of any municipality but shall not include firefighters who are eligible for participation in the Washington law enforcement officers' and firefighters' retirement system or the Washington public employees' retirement system, with respect to periods of service rendered in such capacity.

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- (7) "Municipal corporation" or "municipality" includes any county, city, town or combination thereof, fire protection district, local law enforcement agency, or any emergency medical service district or other special district, authorized by law to protect life or property within its boundaries through a fire department, emergency workers, or reserve officers.
- (8) "Participant" means: (a) For purposes of relief, any reserve officer who is or may become eligible for relief under this chapter or any firefighter or emergency worker; and (b) for purposes of retirement pension, any firefighter, emergency worker, or reserve officer who is or may become eligible to receive a benefit of any type under the retirement provisions of this chapter, or whose beneficiary may be eligible to receive any such benefit.
- (9) "Performance of duty" or "performance of service" shall be construed to mean and include any work in and about company quarters, any fire station, any law enforcement office or precinct, or any other place under the direction or general orders of the chief or other officer having authority to order such member to perform such work; performing other officially assigned duties that are secondary to his or her duties as a firefighter, emergency worker, or reserve officer such as maintenance, public education, inspections, investigations, court testimony, and fund-raising for the benefit of the department; being on call or on standby under the orders of the chief or designated officer of the department, except at the individual's home or place of business; responding to, working at, or returning from an alarm of fire, emergency call, or law enforcement duties; drill or training; or any work performed of an emergency nature in accordance with the rules and regulations of the fire department or local law enforcement agency.
- 37 (10) "Principal fund" means the volunteer firefighters' and 38 reserve officers' relief and pension principal fund created under RCW 39 41.24.030.

1 (11) "Relief" means all medical, death, and disability benefits 2 available under this chapter that are made necessary from death, 3 sickness, injury, or disability arising in the performance of duty, 4 including benefits provided under RCW 41.24.110, 41.24.150, 5 41.24.160, 41.24.175, 41.24.220, and 41.24.230, but does not include 6 retirement pensions provided under this chapter.

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- (12) "Reserve officer" means the same as defined by the Washington state criminal justice training commission under chapter 43.101 RCW, or volunteer law enforcement chaplains as authorized under chapter 41.22 RCW, but shall not include enforcement officers who are eligible for participation in the Washington law enforcement officers' and firefighters' retirement system or the Washington public employees' retirement system, with respect to periods of service rendered in such capacity.
- 15 (13) "Retired participant" means any participant who is at least 16 sixty-five years of age and has been retired by the board of trustees 17 under RCW 41.24.170 and has been in receipt of a monthly pension for 18 no less than three months.
- 19 (14) "Retirement pension" means retirement payments for the 20 performance of service, as provided under RCW 41.24.170, 41.24.172, 21 41.24.175, 41.24.180, and 41.24.185.
- 22 (15) "State board" means the state board for volunteer 23 firefighters and reserve officers.
- 24 **Sec. 2.** RCW 41.24.030 and 2005 c 37 s 2 are each amended to read 25 as follows:
 - (1) The volunteer firefighters' and reserve officers' relief and pension principal fund is created in the state treasury as a trust fund for the benefit of the participants covered by this chapter consisting of:
- 30 (a) All bequests, fees, gifts, emoluments, or donations given or 31 paid to the fund.
- 32 (b) An annual fee for each member of its fire department to be 33 paid by each municipal corporation for the purpose of affording 34 relief provided in this chapter for firefighters as follows:
- 35 (i) ((Thirty)) Fifty dollars for each volunteer or part-paid 36 member of its fire department;
- 37 (ii) A sum equal to one and one-half of one percent of the annual 38 salary attached to the rank of each full-paid member of its fire

department, prorated for 1970 on the basis of services prior to March 2, 1970.

- (c) An annual fee for each emergency worker of an emergency medical service district paid by the district that is sufficient to pay the full costs of covering the emergency worker under the relief provisions of this chapter, including operating expenses. The state board shall determine the amount of this fee based on the latest actuarial valuation of the system.
- (d) Where a municipal corporation has elected to make relief provisions of this chapter available to its reserve officers, an annual fee for each reserve officer paid by the municipal corporation that is sufficient to pay the full costs of covering the reserve officer under the relief provisions of this chapter, including operating expenses. The state board shall determine the amount of this fee based on the latest actuarial valuation of the system.
- (e) Where a municipal corporation has elected to make the retirement pension provisions of this chapter available to members of its fire department, an annual fee of ((sixty)) ninety dollars for each of its firefighters electing to enroll, ((thirty)) forty-five dollars of which shall be paid by the municipality and ((thirty)) forty-five dollars of which shall be paid by the firefighter. However, nothing in this section prohibits any municipality from voluntarily paying the firefighters' fee for this retirement pension coverage.
- (f) Where an emergency medical service district has elected to make the retirement pension provisions of this chapter available to its emergency workers, for each emergency worker electing to enroll:

 (i) An annual fee of ((thirty)) forty-five dollars shall be paid by the emergency worker; and (ii) an annual fee paid by the emergency medical service district that, together with the ((thirty)) forty-five dollar fee per emergency worker, is sufficient to pay the full costs of covering the emergency worker under the retirement pension benefits provided under this chapter, including operating expenses. The state board shall determine the amount of this fee based on the latest actuarial valuation of the system. However, nothing in this section prohibits any emergency medical service district from voluntarily paying the emergency workers' fees for this retirement pension coverage.
- 39 (g) Where a municipal corporation has elected to make the 40 retirement pension provisions of this chapter available to its Code Rev/KS:eab 4 S-2661.1/19

- 1 reserve officers, for each reserve officer electing to enroll: (i) An annual fee of ((thirty)) forty-five dollars shall be paid by the 2 reserve officer; and (ii) an annual fee paid by the municipal 3 corporation that, together with the ((thirty)) forty-five dollar fee 4 per reserve officer, is sufficient to pay the full costs of covering 5 6 the reserve officer under the retirement pension benefits provided under this chapter, including operating expenses. The state board 7 shall determine the amount of this fee based on the latest actuarial 8 valuation of the system. However, nothing in this section prohibits 9 any municipal corporation from voluntarily paying the reserve 10 11 officers' fees for this retirement pension coverage.
 - (h) Moneys transferred from the administrative fund, as provided under subsection (4) of this section, which may only be used to pay relief and retirement pensions for firefighters.

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- (i) Earnings from the investment of moneys in the principal fund.
- (2) The state investment board, upon request of the state treasurer shall have full power to invest, reinvest, manage, contract, sell, or exchange investments acquired from that portion of the amounts credited to the principal fund as is not, in the judgment of the state board, required to meet current withdrawals. Investments shall be made in the manner prescribed by RCW 43.84.150 and not otherwise.
- All bonds, investments, or other obligations purchased by the state investment board shall be placed in the custody of the state treasurer, and he or she shall collect the principal thereof and interest thereon when due.
- The state investment board may sell any of the bonds, investments, or obligations so acquired and the proceeds thereof shall be paid to the state treasurer.
- (3) The interest, earnings, and proceeds from the sale and redemption of any investments held by the principal fund and invested by the state investment board shall be credited to and form a part of the principal fund, less the allocation to the state investment board expense account pursuant to RCW 43.33A.160.
- Subject to restrictions contained in this chapter, all amounts credited to the principal fund shall be available for making the benefit payments required by this chapter.
- The state treasurer shall make an annual report showing the condition of the fund.

(4) The volunteer firefighters' and reserve officers' administrative fund is created in the state treasury. Moneys in the fund, including unanticipated revenues under RCW 43.79.270, may be spent only after appropriation, and may be used only for operating expenses of the volunteer firefighters' and reserve officers' relief and pension principal fund, the operating expenses of the volunteer firefighters' and reserve officers' administrative fund, or for transfer from the administrative fund to the principal fund.

- (a) Forty percent of all moneys received by the state from taxes on fire insurance premiums shall be paid into the state treasury and credited to the administrative fund.
- (b) The state board shall compute a percentage of the amounts credited to the administrative fund to be paid into the principal fund.
- (c) For the purpose of providing amounts to be used to defray the cost of administration of the principal and administrative funds, the state board shall ascertain at the beginning of each biennium and request from the legislature an appropriation from the administrative fund sufficient to cover estimated expenses for the biennium.
- **Sec. 3.** RCW 41.24.170 and 2003 c 62 s 1 are each amended to read 21 as follows:
 - (1) Except as provided in RCW 41.24.410, whenever any participant has been a member and served honorably for a period of ten years or more as an active member in any capacity, of any regularly organized fire department or law enforcement agency of any municipality in this state, and which municipality has adopted appropriate legislation allowing its firefighters or reserve officers to enroll in the retirement pension provisions of this chapter, and the participant has enrolled under the retirement pension provisions and has reached the age of sixty-five years, the board of trustees shall order and direct that he or she be retired and be paid a monthly pension from the principal fund as provided in this section.
 - (2) (a) Until July 1, 2019, whenever a participant has been a member, and served honorably for a period of twenty-five years or more as an active member in any capacity, of any regularly organized volunteer fire department or law enforcement agency of any municipality in this state, and he or she has reached the age of sixty-five years, and the annual retirement fee has been paid for a period of twenty-five years, the board of trustees shall order and Code Rev/KS:eab

direct that he or she be retired and such participant be paid a monthly pension of three hundred <u>fifty</u> dollars from the fund for the balance of that participant's life.

- (b) Beginning January 1, 2020, whenever a participant has been a member, and served honorably for a period of twenty-five years or more as an active member in any capacity, of any regularly organized volunteer fire department or law enforcement agency of any municipality in this state, and he or she has reached the age of sixty-five years, and the annual retirement fee has been paid for each year of active membership, but at least twenty-five years, the board of trustees shall order and direct that he or she be retired and such participant be paid a monthly pension of three hundred fifty dollars, plus an additional ten dollars per month for each year that the retirement fee was paid beyond twenty-five years, from the fund for the balance of that participant's life.
- (3) Whenever any participant has been a member, and served honorably for a period of twenty-five years or more as an active member in any capacity, of any regularly organized volunteer fire department or law enforcement agency of any municipality in this state, and the participant has reached the age of sixty-five years, and the annual retirement fee has been paid for a period of less than twenty-five years, the board of trustees shall order and direct that he or she be retired and that such participant shall receive a minimum monthly pension of ((fifty)) one hundred dollars increased by the sum of ten dollars each month for each year the annual fee has been paid, but not to exceed ((the maximum monthly pension provided in this section)) three hundred fifty dollars, for the balance of the participant's life.
- (4) No pension provided in this section may become payable before the sixty-fifth birthday of the participant, nor for any service less than twenty-five years: PROVIDED, HOWEVER, That:
- (((1))) <u>(a)</u> Any participant, who is older than fifty-nine years of age, less than sixty-five years of age, and has completed twenty-five years or more of service may irrevocably elect a reduced monthly pension in lieu of the pension that participant would be entitled to under this section at age sixty-five. The participant who elects this option shall receive the reduced pension for the balance of his or her life. The reduced monthly pension is calculated as a percentage of the pension the participant would be entitled to at age sixty-

- five. The percentage used in the calculation is based upon the age of the participant at the time of retirement as follows:
- 3 Age 60 Sixty percent

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- 4 Age 61 Sixty-eight percent
- 5 Age 62 Seventy-six percent
- 6 Age 63 Eighty-four percent
- 7 Age 64 Ninety-two percent
- 8 $((\frac{(2)}{(2)}))$ (b) If a participant is age sixty-five or older but has 9 less than twenty-five years of service, the participant is entitled 10 to a reduced benefit. The reduced benefit shall be computed as 11 follows:
- 12 (((a))) <u>(i)</u> Upon completion of ten years, but less than fifteen 13 years of service, a monthly pension equal to twenty percent of such 14 pension as the participant would have been entitled to receive at age 15 sixty-five after twenty-five years of service;
 - ((\(\frac{\(\)\)}}}}}} \) \right) \chi \right)} \right. \right)}} \right. \nu receive at age sixty-five after twenty-five years of service; and \)}
 - (((c))) <u>(iii)</u> Upon completion of twenty years, but less than twenty-five years of service, a monthly pension equal to seventy-five percent of such pension as the participant would have been entitled to receive at age sixty-five after twenty-five years of service.
 - $((\frac{3}{3}))$ (c) If a participant with less than twenty-five years of service elects to retire after turning age sixty but before turning age sixty-five, the participant's retirement allowance is subject:
- 27 (((a))) <u>(i)</u> First to the reduction under <u>(b) of this</u> subsection 28 (((2) of this section)) based upon the participant's years of 29 service; and
- 30 (((b))) <u>(ii)</u> Second to the reduction under <u>(a) of this</u> subsection 31 (((1) of this section)) based upon the participant's age.
- NEW SECTION. Sec. 4. Section 1 of this act is retroactively applicable to July 1, 2000. Chaplains electing to become a member of the volunteer fire department and law enforcement officer relief and pension system under chapter 41.24 RCW may purchase retirement pension coverage under RCW 41.24.1701.

NEW SECTION. Sec. 5. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2019."

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On page 1, line 3 of the title, after "system;" strike the remainder of the title and insert "amending RCW 41.24.030 and 41.24.170; reenacting and amending RCW 41.24.010; creating a new section; providing an effective date; and declaring an emergency."

 $\underline{\text{EFFECT:}}$ Makes volunteer chaplains eligible for benefits in the volunteer firefighters' and reserve officers' relief and pension system retroactively to July 1, 2000.

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