

FORM OF ORDER AND TRANSMITTAL BY BOARD, COMMISSION, OR COUNCIL

State of Washington

STATE BOARD FOR COMMUNITY COLLEGE EDUCATION

(name of governing body)

(agency name, if applicable)

Resolution No. 83-25

Administrative Order No. 95

(1) Be it resolved by the State Board for Community College Education

acting at Olympia Technical Community College, 2011 Mottman Rd., Olympia, WA 98502.

(place)

that it does adopt the annexed rules relating to:

Operations of the annuity retirement system for community college faculty and exempt administrators.

(2) ALTERNATIVE A. Use only for Adoption of Permanent Rules.

This action is taken pursuant to Notice No. 83.16.057

filed with the code reviser on August 2, 1983. These rules shall take effect:

XX thirty days after they are filed with the code reviser pursuant to RCW 34.04.040(2).

at a later date, such date being

(2) ALTERNATIVE B. Use only for Adoption of Emergency Rules.

We, find that an emergency exists and that this order is necessary for the preservation of the public health, safety, or general welfare and that observance of the requirements of notice and opportunity to present views on the proposed action would be contrary to public interest. A statement of the facts constituting the emergency is:

These rules are therefore adopted as emergency rules to take effect upon filing with the code reviser.

(3) Pursuant to the requirements of RCW 34.04.026 that every agency shall incorporate the most specific, but in no case omit all, of the following language alternatives when adopting or amending rules fill in statement (a), (b), or (c) as appropriate:

XX (a) This rule is promulgated pursuant to RCW 28B.10.400 and is intended to administratively implement that statute.

(b) This rule is promulgated pursuant to RCW which directs that the

(agency)

has authority to implement the provisions of

(name of act or RCW citation)

(c) This rule is promulgated under the general rule-making authority of the

(agency)

as authorized in RCW

(4) The undersigned hereby declares that the agency has complied with the provisions of the Open Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act (chapter 34.04 RCW), and the State Register Act (chapter 34.08 RCW) in the adoption of these rules.

(5) This order, after being first recorded in the order register of this governing body, is herewith transmitted to the Code Reviser for filing pursuant to chapter 34.04 RCW and chapter 1-12 WAC.

STATE OF WASHINGTON APPROVED AND ADOPTED September 15, 1983

SEP 28 1983

By [Signature]

Assistant Director Title

CODE REVISER'S OFFICE WSR 83-20-042

AMENDATORY SECTION (Amending Order 91, Resolution No. 82-6, filed 5/10/82)

WAC 131-16-011 DEFINITIONS. For the purpose of WAC 131-16-005 through 131-16-069, the following definitions shall apply:

(1) "Participant" shall be defined as any individual who is eligible to purchase retirement annuities through the TIAA/CREF plan and whose basic contribution to such plan is matched by the employing college district or the state board for community college education pursuant to the provisions of WAC 131-16-050.

(2) "Supplemental retirement benefit" shall be defined as payments, as calculated in accordance with WAC 131-16-061 and 131-16-062, made by the community college district or the state board to an eligible retired participant or designated beneficiary whose retirement benefits provided by the TIAA/CREF plan do not attain the level of the retirement benefit goal established by WAC 131-16-015.

(3) "Year of full-time service" shall be defined as retirement credit based on full-time employment or the equivalent thereof based on part-time employment in an eligible position for a period of not less than five months in any fiscal year during which TIAA/CREF contributions were made by both the participant and a Washington public higher education institution or any year or fractional year of prior service in a Washington public retirement system while employed at a Washington public higher education institution; provided, the participant will receive a pension benefit from such other retirement system; and provided further, that not more than one year of full-time service will be credited for service in any one fiscal year.

(4) "Fiscal year" shall be defined as the period beginning on July 1 of any calendar year and ending on June 30 of the succeeding calendar year.

(5) "Average annual salary" shall be defined as the amount derived when the salary received during any two consecutive fiscal years of full-time service for which TIAA/CREF contributions were made by both the participant and a Washington public higher education institution is divided by two.

(6) "TIAA/CREF retirement benefit" shall be defined as the amount of annual retirement income derived from a participant's accumulated annuities including dividends at the time of retirement; provided that, solely for the purpose of calculating a potential supplemental retirement benefit, such amount shall be adjusted to meet the assumptions set forth in WAC 131-16-061, subsection (2).

(7) "Salary" shall be defined as all remuneration received by the participant from the employing community college district or the state board including summer quarter compensation, extra duty pay, leave stipends, and grants made by or through the college district or state board.

(8) "Designated beneficiary" shall be defined as the surviving spouse of the retiree or, with the consent of such spouse, if any, such other person or persons as shall have an insurable interest in the retiree's life and shall have been nominated by written designation duly executed and filed with the retiree's institution of higher education.

AMENDATORY SECTION (Amending Order 55, filed 4/2/76)

WAC 131-16-020 EMPLOYEES ELIGIBLE TO PARTICIPATE IN RETIREMENT ANNUITY PURCHASE PLAN. (1) Classes of employees eligible to participate in the TIAA/CREF plan are:

(a) All employees of community college districts holding probationary or tenured faculty appointments as defined by RCW 28B.50.851.

(b) All employees of community college districts holding administrative appointments as defined by RCW 28B.50.851.

(c) The president of any community college or community college district.

(d) The state director for community college education and any member of his staff that he may designate.

(e) Other such full-time employees as may be designated by the district boards of trustees so long as they are in positions exempt under the provisions of chapter 28B.16 RCW, the state higher education personnel law, provided, that any full-time employee of a community college district, who has been granted leave of absence without pay for reason of extended illness or disability and who is receiving salary continuation insurance benefits through a plan made available by such community college district, shall be eligible to participate in the TIAA/CREF plan on the basis of premium contributions paid as a part of such salary continuation insurance benefit in lieu of the normal employer's premium contribution; provided further, that such non-contributory participation shall not be creditable toward the number of years of full-time service utilized in calculating eligibility for supplemental retirement benefits pursuant to WAC 131-16-061.

(2) A full-time employee shall be defined as one who is employed for at least 80 percent of the normal work period for his class of employee; however, any such employee who is employed for less than 90 days during the fiscal year or who is designated as a temporary employee shall not be eligible for participation in this plan.

(3) An employee reclassified to an eligible position may become a participant if he so elects in writing within six months after being reclassified. If he does not so elect, he hereby permanently waives his right to become a participant. A participant who is reclassified to a classified position covered by chapter 28B.16 RCW may continue to be a participant if he so elects in writing within six months after being reclassified. Such election shall be irrevocable.

(4) Any participant who has not retired and whose employment is reduced to less than the amount specified for eligibility to participate in the TIAA/CREF plan shall continue to be a participant and shall earn fractional years of service credit as long as he continues to be employed as a teacher, counselor, librarian, administrator, or other similar exempt position as provided in chapter 28B.16 RCW (~~of the State Higher Education Personnel Law~~).

(5) Any eligible employee may become a participant immediately upon employment but must become a participant within two years following initial appointment.

AMENDATORY SECTION (Amending Order 80, Resolution 79-44, filed 11/30/79)

WAC 131-16-040 SPECIAL RETIREMENT PROVISIONS FOR TIAA/CREF PARTICIPANTS. (1) The normal retirement age shall be defined as the end of the academic year in which the participant attains age sixty-five; PROVIDED, That any participant may elect to retire at the earliest age specified for retirement by federal social security law.

(2) (~~There shall be no prior service benefits associated with participation in the TIAA/CREF plan.~~

~~(3))~~ The board of trustees of any college district may approve the retirement of any employee under the age of seventy for reasons of health or permanent disability either upon the request of the individual employee or the district president; provided that the board of trustees shall first give reasonable consideration to the written recommendations regarding such requested retirement from the employee's personal physician and, if requested by either the employee or the district president, a review of such recommendations by another physician appointed by the board of trustees.

AMENDATORY SECTION (Amending Order 91, Resolution No. 82-6, filed 5/10/82)

WAC 131-16-061 SUPPLEMENTAL RETIREMENT BENEFITS. (1) A participant is eligible to receive supplemental retirement benefit payments if at the time of retirement the participant is age sixty-two or over and has ~~((participated))~~ at least ten years of full-time service in the TIAA/CREF plan at a Washington public institution of higher education ~~((for-at-least-ten-years))~~; provided that the amount of the supplemental retirement benefit, as calculated in accordance with the provisions of this section, is a positive amount.

(2) Subject to the provisions of WAC 131-16-062 and subdivisions (c), (d), and (e) of this subsection, the annual amount of supplemental retirement benefit payable to a participant upon retirement is the excess, if any, when the value determined in subdivision (b) is subtracted from the value determined in subdivision (a), as follows:

(a) The lesser of fifty percent of the participant's average annual salary or two percent of the average annual salary multiplied by the number of years of full-time service; provided that if the participant did not elect to contribute ten percent of salary beginning July 1, 1974, or if later, after the first day of the calendar year following attainment of age fifty, service for such periods shall be calculated at the rate of one and one-half percent instead of two percent.

(b) The ~~((TIAA/CREF))~~ combined retirement benefit from the TIAA/CREF annuity and any other Washington state public retirement system as a result of service while employed by a Washington public higher education institution that the participant would receive in the first month of retirement multiplied by twelve; provided that ~~((such))~~ the TIAA/CREF benefit shall be calculated on the following assumptions:

(i) After July 1, 1974, fifty percent of the combined contributions were made to TIAA and fifty percent to CREF during each year of full-time service; provided that benefit calculations related to contributions made prior to July 1, 1974, shall be computed on the basis of actual allocations between TIAA and CREF; and

(ii) The full TIAA/CREF annuity accumulations, including all dividends payable by TIAA and further including the amounts, if any, paid in a single sum under the retirement transition benefit option, were fully settled on a joint and two-thirds survivorship option with a ten-year guarantee, using actual ages of retiree and spouse, but not exceeding a five-year difference; except that for unmarried participants the TIAA accumulations, including dividends, were settled on an installment refund option and the CREF accumulations were settled on a life annuity with ten-year guarantee option, all to be based on TIAA/CREF estimates at the time of retirement; and

(iii) Annuity benefits purchased by premiums paid other than as a participant in a Washington public institution of higher education TIAA/CREF retirement plan shall be excluded.

(iv) For the purposes of this calculation, the assumptions applied to the TIAA/CREF accumulation settlement shall also apply to settlement of the benefit from any other retirement plan.

(c) The amount of supplemental retirement benefit for a participant who has not attained age sixty-five at retirement is the amount calculated in subsection (2) of this section reduced by one-half of one percent for each calendar month remaining until age sixty-five; provided that the supplemental retirement benefit for a participant retired for reason of health or permanent disability shall not be so reduced.

(d) Any portion of participant's TIAA and/or CREF annuity accumulation paid to a participant's spouse upon dissolution of a marriage shall be included in any subsequent calculation of supplemental retirement benefits just as if these funds had remained in the participant's TIAA and/or CREF annuity.

(e) The selection of a TIAA/CREF retirement option other than the joint and two-thirds survivorship with ten-year guarantee shall not alter the method of calculating the supplemental retirement benefit; however, if the participant's combined TIAA/CREF retirement benefit

and calculated supplemental retirement benefit exceeds fifty percent of the participant's average annual salary, the supplemental retirement benefit shall be reduced so that the total combined benefits do not exceed fifty percent of average annual salary.

(3) The payment of supplemental retirement benefits shall be consistent with the following provisions:

(a) Supplemental retirement benefits shall be paid in equal monthly installments, except that if such monthly installments should be less than ten dollars, such benefit payments may be paid at longer intervals as determined by the employer.

(b) Supplemental retirement benefit payments will continue for the lifetime of the retired participant; however, prior to retirement, a participant may choose to provide for the continuation of supplemental retirement benefit payments, on an actuarially equivalent reduced basis, to his or her spouse or designated beneficiary after the retiree's death. Notification of such choice shall be filed in writing with the appropriate college district or state board officer and shall be irrevocable after retirement. If such option is chosen, the supplemental retirement benefit payments shall be in the same proportion as the TIAA/CREF survivor annuity option elected by the participant. If a designation of a survivor's option is not made and the participant dies after attaining age sixty-two but prior to retirement, any supplemental benefit payable shall be based on the two-thirds benefit to survivor option.

(c) Prior to making any supplemental benefit payments, the employing college district or state board shall obtain a document signed by the participant and spouse, if any, or designated beneficiary acknowledging the supplemental retirement benefit option chosen by the participant.

(4) A retired participant who is reemployed shall continue to be eligible to receive retirement income benefits, except that the supplemental retirement benefit shall not continue during periods of employment for more than forty percent of full-time or seventy hours per month or five months duration in any fiscal year. Retirement contributions shall not be made from the salary for such employment, unless the individual once again becomes eligible to participate under the provisions of WAC 131-16-020.