

---

HOUSE BILL 1270

---

State of Washington                      52nd Legislature                      1991 Regular Session

By Representatives Spanel, Silver, Hine, Paris, May, P. Johnson, Winsley, Hochstatter, Nealey, Wynne, Edmondson, Bowman, D. Sommers, Betrozoff, Wood, Horn, Miller, Ballard, McLean and Basich.

Read first time January 25, 1991.                      Referred to Committee on Appropriations.

1            AN ACT Relating to reorganizing the statutes governing the state's  
2 retirement system; amending RCW 41.26.005, 41.26.030, 41.26.035,  
3 41.26.040, 41.26.060, 41.26.080, 41.26.090, 41.26.120, 41.26.130,  
4 41.26.140, 41.26.150, 41.26.160, 41.26.170, 41.26.180, 41.26.190,  
5 41.26.240, 41.26.280, 41.26.410, 41.32.005, 41.32.010, 41.32.030,  
6 41.32.120, 41.32.130, 41.32.160, 41.32.190, 41.32.230, 41.32.240,  
7 41.32.242, 41.32.260, 41.32.300, 41.32.310, 41.32.330, 41.32.340,  
8 41.32.350, 41.32.360, 41.32.366, 41.32.390, 41.32.405, 41.32.420,  
9 41.32.430, 41.32.480, 41.32.4945, 41.32.498, 41.32.499, 41.32.500,  
10 41.32.520, 41.32.522, 41.32.523, 41.32.540, 41.32.550, 41.32.590,  
11 41.32.610, 41.32.620, 41.32.630, 41.32.780, 41.32.790, 41.40.005,  
12 41.40.010, 41.40.020, 41.40.080, 41.40.083, 41.40.100, 41.40.110,  
13 41.40.130, 41.40.160, 41.40.170, 41.40.195, 41.40.200, 41.40.220,  
14 41.40.230, 41.40.235, 41.40.250, 41.40.260, 41.40.280, 41.40.310,  
15 41.40.320, 41.40.340, 41.40.350, 41.40.363, 41.40.380, 41.40.410,  
16 41.40.412, 41.40.440, 41.40.450, 41.40.610, 41.40.625, 41.40.670, and  
17 41.40.710; amending 1990 c 274 s 19 (uncodified); reenacting and

1 amending RCW 41.40.005; adding new sections to chapter 41.26 RCW;  
2 adding new sections to chapter 41.32 RCW; adding new sections to  
3 chapter 41.40 RCW; adding new sections to chapter 41.50 RCW; creating  
4 new sections; recodifying RCW 41.26.060, 41.32.030, 41.32.120,  
5 41.32.130, 41.32.190, 41.32.230, 41.32.405, 41.32.420, 41.32.430,  
6 41.32.830, 41.40.080, 41.40.083, 41.40.100, 41.40.110, 41.40.350,  
7 41.26.900, 41.26.910, 41.26.920, 41.26.901, 41.26.921, 41.32.011,  
8 41.40.005, 41.40.010, 41.40.020, 41.40.120, 41.40.123, 41.40.130,  
9 41.40.165, 41.40.223, 41.40.340, 41.40.361, 41.40.370, 41.40.380,  
10 41.40.400, 41.40.403, 41.40.410, 41.40.412, 41.40.414, 41.40.420,  
11 41.40.440, 41.40.450, 41.40.530, 41.40.540, 41.40.542, 41.40.800,  
12 41.40.810, 41.40.150, 41.40.160, 41.40.170, 41.40.180, 41.40.185,  
13 41.40.188, 41.40.190, 41.40.193, 41.40.195, 41.40.198, 41.40.1981,  
14 41.40.200, 41.40.210, 41.40.220, 41.40.230, 41.40.235, 41.40.250,  
15 41.40.260, 41.40.270, 41.40.280, 41.40.300, 41.40.310, 41.40.320,  
16 41.40.325, 41.40.330, 41.40.363, 41.40.610, 41.40.620, 41.40.625,  
17 41.40.630, 41.40.640, 41.40.650, 41.40.660, 41.40.670, 41.40.680,  
18 41.40.690, 41.40.700, 41.40.710, 41.40.720, 41.40.730, 41.40.740,  
19 41.40.900, and 41.40.920; decodifying RCW 41.26.043, 41.26.051,  
20 41.26.310, 41.26.400, 41.26.475, 41.26.560, 41.32.015, 41.32.243,  
21 41.32.2431, 41.32.2432, 41.32.245, 41.32.250, 41.32.265, 41.32.280,  
22 41.32.290, 41.32.310, 41.32.365, 41.32.486, 41.32.491, 41.32.492,  
23 41.32.494, 41.32.4943, 41.32.560, 41.32.561, 41.32.567, 41.32.583,  
24 41.32.750, 41.40.011, 41.40.022, 41.40.135, 41.40.138, 41.40.1982,  
25 41.40.199, 41.40.225, 41.40.405, 41.40.406, 41.40.407, 41.40.411,  
26 41.40.500, 41.40.501, 41.40.502, 41.40.503, 41.40.504, 41.40.505,  
27 41.40.506, 41.40.507, 41.40.509, 41.40.515, 41.40.516, 41.40.517,  
28 41.40.518, 41.40.519, 41.40.520, 41.40.521, 41.40.522, 41.40.527,  
29 41.40.535, and 41.40.600; and repealing RCW 2.10.095, 2.12.070,  
30 2.12.080, 41.04.065, 41.26.065, 41.26.070, 41.26.320, 41.26.330,

1 41.26.600, 41.32.045, 41.32.140, 41.32.170, 41.32.180, 41.32.201,  
2 41.32.202, 41.32.203, 41.32.207, 41.32.220, 41.32.320, 41.32.401,  
3 41.32.440, 41.32.4944, 41.32.565, 41.32.600, 41.32.610, 41.32.620,  
4 41.32.630, 41.32.650, 41.40.072, 41.40.075, 41.40.077, 41.40.090,  
5 41.40.155, 43.43.170, 43.43.175, 43.43.180, 43.43.190, and 43.43.225.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature intends to  
8 reorganize chapter 41.26 RCW. The goals of this reorganization are to:  
9 (a) Arrange provisions relating to the Washington law enforcement  
10 officers' and fire fighters' retirement system plan I, the Washington  
11 law enforcement officers' and fire fighters' retirement system plan II,  
12 and those provisions relating to both plan I and plan II into three  
13 separate subchapters within chapter 41.26 RCW; (b) decodify or repeal  
14 obsolete statutes; (c) update references to the retirement board to  
15 refer to either the department of retirement systems or the director of  
16 that department, as appropriate; (d) make all references gender  
17 neutral; and (e) recodify administrative provisions. The legislature  
18 does not intend to make substantive changes in the meaning,  
19 interpretation, court construction, or constitutionality of any  
20 provision of chapter 41.26 RCW or other statutory provisions or rules  
21 adopted under those provisions.

22 (2) The legislature intends to reorganize chapter 41.32 RCW. The  
23 goals of this reorganization are to: (a) Arrange provisions relating  
24 to the Washington teachers' retirement system plan I, the Washington  
25 teachers' retirement system plan II, and both plan I and plan II into  
26 three separate subchapters within chapter 41.32 RCW; (b) decodify or  
27 repeal obsolete statutes; (c) update references to the retirement board  
28 to refer to either the department of retirement systems or the director

1 of that department, as appropriate; (d) make all references gender  
2 neutral; and (e) recodify administrative provisions. The legislature  
3 does not intend to make substantive changes in the meaning,  
4 interpretation, court construction, or constitutionality of any  
5 provision of chapter 41.32 RCW or other statutory provisions or rules  
6 adopted under those provisions.

7 (3) The legislature intends to reorganize chapter 41.40 RCW. The  
8 goals of this reorganization are to: (a) Arrange provisions relating  
9 to the public employees' retirement system plan I, the public  
10 employees' retirement system plan II, and both plan I and plan II into  
11 three separate subchapters within chapter 41.40 RCW; (b) decodify  
12 obsolete statutes; (c) update references to the retirement board to  
13 refer to either the department of retirement systems or the director of  
14 that department, as appropriate; (d) make all references gender  
15 neutral; and (e) recodify administrative provisions. The legislature  
16 does not intend to make substantive changes in the meaning,  
17 interpretation, court construction, or constitutionality of any  
18 provision of chapter 41.40 RCW or other statutory provisions or rules  
19 adopted under those provisions.

20 (4) This act is technical in nature and shall not have the effect  
21 of terminating or in any way modifying any rights, proceedings, or  
22 liabilities, civil or criminal, which exist on the effective date of  
23 this section.

24 NEW SECTION. **Sec. 2.** The code reviser shall correct all  
25 statutory references recodified or decodified by this act.

26 NEW SECTION. **Sec. 3.** The following acts or parts of acts are  
27 each repealed:

28 (1) RCW 2.10.095 and 1984 c 184 s 3;

1 (2) RCW 2.12.070 and 1981 c 3 s 23, 1955 c 221 s 1, & 1937 c 229 s  
2 8;

3 (3) RCW 2.12.080 and 1984 c 184 s 4;

4 (4) RCW 41.04.065 and 1988 c 59 s 2;

5 (5) RCW 41.26.065 and 1984 c 184 s 5;

6 (6) RCW 41.26.070 and 1989 c 273 s 12, 1981 c 3 s 28, 1973 1st  
7 ex.s. c 103 s 2, 1971 ex.s. c 216 s 2, & 1969 ex.s. c 209 s 7;

8 (7) RCW 41.26.320 and 1977 ex.s. c 294 s 19;

9 (8) RCW 41.26.330 and 1977 ex.s. c 251 s 8; and

10 (9) RCW 41.26.600 and 1983 c 283 s 2;

11 (10) RCW 41.32.045 and 1984 c 184 s 6;

12 (11) RCW 41.32.140 and 1947 c 80 s 14;

13 (12) RCW 41.32.170 and 1955 c 274 s 4 & 1947 c 80 s 17;

14 (13) RCW 41.32.180 and 1969 ex.s. c 150 s 5 & 1947 c 80 s 18;

15 (14) RCW 41.32.201 and 1973 1st ex.s. c 103 s 3 & 1961 c 297 s 2;

16 (15) RCW 41.32.202 and 1973 1st ex.s. c 103 s 4 & 1961 c 297 s 3;

17 (16) RCW 41.32.203 and 1969 ex.s. c 150 s 7 & 1961 c 297 s 4;

18 (17) RCW 41.32.207 and 1981 c 3 s 29 & 1973 1st ex.s. c 103 s 15;

19 (18) RCW 41.32.220 and 1969 ex.s. c 150 s 8 & 1947 c 80 s 22;

20 (19) RCW 41.32.320 and 1963 ex.s. c 14 s 6, 1955 c 274 s 13, & 1947  
21 c 80 s 32;

22 (20) RCW 41.32.401 and 1989 c 273 s 17, 1984 c 236 s 1, 1982 1st  
23 ex.s. c 52 s 9, 1980 c 87 s 15, & 1963 ex.s. c 14 s 11;

24 (21) RCW 41.32.440 and 1947 c 80 s 44;

25 (22) RCW 41.32.4944 and 1973 1st ex.s. c 189 s 5;

26 (23) RCW 41.32.565 and 1973 1st ex.s. c 190 s 1;

27 (24) RCW 41.32.600 and 1947 c 80 s 60;

28 (25) RCW 41.32.610 and 1947 c 80 s 61;

29 (26) RCW 41.32.620 and 1947 c 80 s 62;

30 (27) RCW 41.32.630 and 1947 c 80 s 63;

- 1 (28) RCW 41.32.650 and 1971 c 81 s 104 & 1947 c 80 s 65;  
2 (29) RCW 41.40.072 and 1981 c 3 s 30 & 1973 1st ex.s. c 103 s 16;  
3 (30) RCW 41.40.075 and 1981 c 3 s 31 & 1959 c 91 s 2;  
4 (31) RCW 41.40.077 and 1977 ex.s. c 251 s 9;  
5 (32) RCW 41.40.090 and 1947 c 274 s 10;  
6 (33) RCW 41.40.155 and 1951 c 50 s 17;  
7 (34) RCW 43.43.170 and 1981 c 3 s 36, 1969 c 12 s 2, & 1965 c 8 s  
8 43.43.170;  
9 (35) RCW 43.43.175 and 1981 c 3 s 37 & 1965 c 8 s 43.43.175;  
10 (36) RCW 43.43.180 and 1965 c 8 s 43.43.180;  
11 (37) RCW 43.43.190 and 1965 c 8 s 43.43.190; and  
12 (38) RCW 43.43.225 and 1984 c 184 s 8.

13 NEW SECTION. **Sec. 4.** The following sections are each  
14 decodified:

- 15 RCW 41.26.043;  
16 RCW 41.26.051;  
17 RCW 41.26.310;  
18 RCW 41.26.400;  
19 RCW 41.26.475;  
20 RCW 41.26.560;  
21 RCW 41.32.015;  
22 RCW 41.32.243;  
23 RCW 41.32.2431;  
24 RCW 41.32.2432;  
25 RCW 41.32.245;  
26 RCW 41.32.250;  
27 RCW 41.32.265;  
28 RCW 41.32.280;  
29 RCW 41.32.290;

1 RCW 41.32.310;  
2 RCW 41.32.365;  
3 RCW 41.32.486;  
4 RCW 41.32.491;  
5 RCW 41.32.492;  
6 RCW 41.32.494;  
7 RCW 41.32.4943;  
8 RCW 41.32.560;  
9 RCW 41.32.561;  
10 RCW 41.32.567;  
11 RCW 41.32.583;  
12 RCW 41.32.750;  
13 RCW 41.40.011;  
14 RCW 41.40.022;  
15 RCW 41.40.135;  
16 RCW 41.40.138;  
17 RCW 41.40.1982;  
18 RCW 41.40.199;  
19 RCW 41.40.225;  
20 RCW 41.40.405;  
21 RCW 41.40.406;  
22 RCW 41.40.407;  
23 RCW 41.40.411;  
24 RCW 41.40.500;  
25 RCW 41.40.501;  
26 RCW 41.40.502;  
27 RCW 41.40.503;  
28 RCW 41.40.504;  
29 RCW 41.40.505;  
30 RCW 41.40.506;

1 RCW 41.40.507;  
2 RCW 41.40.509;  
3 RCW 41.40.515;  
4 RCW 41.40.516;  
5 RCW 41.40.517;  
6 RCW 41.40.518;  
7 RCW 41.40.519;  
8 RCW 41.40.520;  
9 RCW 41.40.521;  
10 RCW 41.40.522;  
11 RCW 41.40.527;  
12 RCW 41.40.535; and  
13 RCW 41.40.600.

14 NEW SECTION. **Sec. 5.** RCW 41.26.060 is recodified as a section  
15 in chapter 41.50 RCW.

16 NEW SECTION. **Sec. 6.** The following sections are each recodified  
17 as sections in chapter 41.50 RCW:

18 RCW 41.32.030, 41.32.120, 41.32.130, 41.32.190, 41.32.230,  
19 41.32.405, 41.32.420, 41.32.430, and 41.32.830.

20 NEW SECTION. **Sec. 7.** The following sections are each recodified  
21 as sections in chapter 41.50 RCW:

22 RCW 41.40.080;  
23 RCW 41.40.083;  
24 RCW 41.40.100;  
25 RCW 41.40.110; and  
26 RCW 41.40.350.



1        NEW SECTION.    **Sec. 8.**        (1)    The    following    sections    are  
2    designated as a subchapter within chapter 41.26 RCW with the subchapter  
3    heading:    "Provisions Applicable to Plan I and Plan II":

4        RCW 41.26.005;

5        RCW 41.26.010;

6        RCW 41.26.020;

7        RCW 41.26.030;

8        RCW 41.26.035;

9        RCW 41.26.040;

10       RCW 41.26.045;

11       RCW 41.26.046;

12       RCW 41.26.047;

13       RCW 41.26.210;

14       RCW 41.26.220;

15       RCW 41.26.230;

16       RCW 41.26.280; and

17       RCW 41.26.300.

18       (2)(a) The following sections are designated as a subchapter of  
19    chapter 41.26 RCW under the subchapter designation "Plan I":

20       RCW 41.26.080;

21       RCW 41.26.090;

22       RCW 41.26.100;

23       RCW 41.26.110;

24       RCW 41.26.115;

25       RCW 41.26.120;

26       RCW 41.26.125;

27       RCW 41.26.130;

28       RCW 41.26.135;

29       RCW 41.26.140;

30       RCW 41.26.150;

1 RCW 41.26.160;

2 RCW 41.26.170;

3 RCW 41.26.180;

4 RCW 41.26.190;

5 RCW 41.26.200;

6 RCW 41.26.240;

7 RCW 41.26.250;

8 RCW 41.26.260; and

9 RCW 41.26.270.

10 (b) RCW 41.26.900, 41.26.910, and 41.26.920 are each recodified  
11 within the subchapter defined by (a) of this subsection.

12 (3)(a) The following sections are designated as a subchapter of  
13 chapter 41.26 RCW under the subchapter designation "Plan II":

14 RCW 41.26.410;

15 RCW 41.26.420;

16 RCW 41.26.425;

17 RCW 41.26.430;

18 RCW 41.26.440;

19 RCW 41.26.450;

20 RCW 41.26.460;

21 RCW 41.26.470;

22 RCW 41.26.480;

23 RCW 41.26.490;

24 RCW 41.26.500;

25 RCW 41.26.510;

26 RCW 41.26.520;

27 RCW 41.26.530;

28 RCW 41.26.540; and

29 RCW 41.26.550.

1 (b) The following sections are recodified within chapter 41.26 RCW  
2 such that the sections fall within the subchapter designation created  
3 by (a) of this subsection:

4 RCW 41.26.901; and

5 RCW 41.26.921.

6 NEW SECTION. **Sec. 9.** (1) The following sections are  
7 designated as a subchapter within chapter 41.32 RCW with the subchapter  
8 heading: "Provisions Applicable to Plan I and Plan II":

9 RCW 41.32.005;

10 RCW 41.32.010;

11 RCW 41.32.020;

12 RCW 41.32.160;

13 RCW 41.32.242;

14 RCW 41.32.403;

15 RCW 41.32.460;

16 RCW 41.32.580;

17 RCW 41.32.590;

18 RCW 41.32.670;

19 RCW 41.32.850; and

20 RCW 41.32.013.

21 These sections shall be designated by statute numbers greater than  
22 RCW 41.32.004 and less than RCW 41.32.070.

23 (2)(a) The following sections are designated as a subchapter of  
24 chapter 41.32 RCW under the subchapter designation "Plan I":

25 RCW 41.32.240;

26 RCW 41.32.300;

27 RCW 41.32.310;

28 RCW 41.32.260;

29 RCW 41.32.270;

1 RCW 41.32.330;  
2 RCW 41.32.340;  
3 RCW 41.32.350;  
4 RCW 41.32.360;  
5 RCW 41.32.366;  
6 RCW 41.32.380;  
7 RCW 41.32.390;  
8 RCW 41.32.470;  
9 RCW 41.32.480;  
10 RCW 41.32.485;  
11 RCW 41.32.487;  
12 RCW 41.32.488;  
13 RCW 41.32.4931;  
14 RCW 41.32.4945;  
15 RCW 41.32.497;  
16 RCW 41.32.498;  
17 RCW 41.32.499;  
18 RCW 41.32.500;  
19 RCW 41.32.510;  
20 RCW 41.32.520;  
21 RCW 41.32.522;  
22 RCW 41.32.523;  
23 RCW 41.32.530;  
24 RCW 41.32.540;  
25 RCW 41.32.550;  
26 RCW 41.32.570; and  
27 RCW 41.32.575.

28 (b) RCW 41.32.011 is recodified within chapter 41.32 RCW such that  
29 it falls within the subchapter created under (a) of this section.

1 (3) The following sections are designated as a subchapter of  
2 chapter 41.32 RCW under the subchapter designation "Plan II":

3 RCW 41.32.755;

4 RCW 41.32.760;

5 RCW 41.32.762;

6 RCW 41.32.765;

7 RCW 41.32.770;

8 RCW 41.32.775;

9 RCW 41.32.780;

10 RCW 41.32.785;

11 RCW 41.32.790;

12 RCW 41.32.795;

13 RCW 41.32.800;

14 RCW 41.32.805;

15 RCW 41.32.810;

16 RCW 41.32.815;

17 RCW 41.32.820; and

18 RCW 41.32.825.

19 NEW SECTION. **Sec. 10.** (1) The following sections are  
20 recodified and designated as a subchapter within chapter 41.40 RCW with  
21 the subchapter heading of "Provisions Applicable to Plan I and Plan  
22 II":

23 RCW 41.40.005;

24 RCW 41.40.010;

25 RCW 41.40.020;

26 RCW 41.40.120;

27 RCW 41.40.123; and

28 RCW 41.40.130.

1 (2) The following sections are recodified within chapter 41.40 RCW  
2 such that the sections fall within the subchapter created under  
3 subsection (1) of this section and are designated by statute numbers  
4 greater than RCW 41.40.004 and less than RCW 41.40.126:

5 RCW 41.40.165;

6 RCW 41.40.223;

7 RCW 41.40.340;

8 RCW 41.40.361;

9 RCW 41.40.370;

10 RCW 41.40.380;

11 RCW 41.40.400;

12 RCW 41.40.403;

13 RCW 41.40.410;

14 RCW 41.40.412;

15 RCW 41.40.414;

16 RCW 41.40.420;

17 RCW 41.40.440;

18 RCW 41.40.450;

19 RCW 41.40.530;

20 RCW 41.40.540;

21 RCW 41.40.542;

22 RCW 41.40.800;

23 RCW 41.40.810; and

24 section 101 of this act.

25 (3) The following sections are recodified and designated as a  
26 subchapter of chapter 41.40 RCW under the subchapter designation "Plan  
27 I":

28 RCW 41.40.150;

29 RCW 41.40.160;

30 RCW 41.40.170;

1 RCW 41.40.180;  
2 RCW 41.40.185;  
3 RCW 41.40.188;  
4 RCW 41.40.190;  
5 RCW 41.40.193;  
6 RCW 41.40.195;  
7 RCW 41.40.198;  
8 RCW 41.40.1981;  
9 RCW 41.40.200;  
10 RCW 41.40.210;  
11 RCW 41.40.220;  
12 RCW 41.40.230;  
13 RCW 41.40.235;  
14 RCW 41.40.250;  
15 RCW 41.40.260;  
16 RCW 41.40.270;  
17 RCW 41.40.280;  
18 RCW 41.40.300;  
19 RCW 41.40.310;  
20 RCW 41.40.320;  
21 RCW 41.40.325;  
22 RCW 41.40.330; and  
23 RCW 41.40.363.

24 (4) The following sections are recodified and designated as a  
25 subchapter of chapter 41.40 RCW under the subchapter designation "Plan  
26 II":

27 RCW 41.40.610;  
28 RCW 41.40.620;  
29 RCW 41.40.625;  
30 RCW 41.40.630;

1 RCW 41.40.640;  
2 RCW 41.40.650;  
3 RCW 41.40.660;  
4 RCW 41.40.670;  
5 RCW 41.40.680;  
6 RCW 41.40.690;  
7 RCW 41.40.700;  
8 RCW 41.40.710;  
9 RCW 41.40.720;  
10 RCW 41.40.730;  
11 RCW 41.40.740;  
12 RCW 41.40.900; and  
13 RCW 41.40.920.

14 **Sec. 11.** 1990 c 274 s 19 (uncodified) is amended to read as  
15 follows:

16 Beginning on June 7, 1990, the 1990 amendments to RCW 41.40.690,  
17 41.26.500, ((41.32.780)) 41.32.800, and 2.10.155 regarding  
18 postretirement employment are available prospectively to all members of  
19 the retirement systems defined in RCW 2.10.040, 41.26.005(2),  
20 41.32.005(2), and 41.40.005(2), regardless of the member's date of  
21 retirement. The legislature reserves the right to revoke or amend the  
22 1990 amendments to RCW 41.40.690, 41.26.500, ((41.32.780)) 41.32.800,  
23 and 2.10.155. The 1990 amendments to RCW 41.40.690, 41.26.500,  
24 ((41.32.780)) 41.32.800, and 2.10.155 do not grant a contractual right  
25 to the members or retirees of the affected systems.

26 **Sec. 12.** RCW 41.26.005 and 1989 c 273 s 10 are each amended to  
27 read as follows:



1       (~~((1) "Law enforcement officers' and fire fighters' retirement~~  
2 ~~system plan I" or "plan I" means the benefits and funding provisions~~  
3 ~~covering persons who first became members of the law enforcement~~  
4 ~~officers' and fire fighters' retirement system prior to October 1,~~  
5 ~~1977.)) The provisions of the following sections of this chapter shall~~  
6 ~~apply ((only)) to members of plan I and plan II: ((RCW 41.26.080,~~  
7 ~~41.26.090, 41.26.100, 41.26.110, 41.26.120, 41.26.125, 41.26.130,~~  
8 ~~41.26.140, 41.26.150, 41.26.160, 41.26.170, 41.26.190, 41.26.200,~~  
9 ~~41.26.240, 41.26.250, 41.26.260, and 41.26.270.~~

10       ~~(2) "Law enforcement officers' and fire fighters' retirement system~~  
11 ~~plan II" or "plan II" means the benefits and funding provisions~~  
12 ~~covering persons who first became members of the law enforcement~~  
13 ~~officers' and fire fighters' retirement system on or after October 1,~~  
14 ~~1977. The provisions of RCW 41.26.400 through 41.26.550 shall apply~~  
15 ~~only to members of plan II)) RCW 41.26.010; 41.26.020; 41.26.030;~~  
16 ~~41.26.035; 41.26.040; 41.26.043; 41.26.045; 41.26.046; 41.26.047;~~  
17 ~~41.26.210; 41.26.220; 41.26.230; 41.26.280; and 41.26.300.~~

18       **Sec. 13.** RCW 41.26.030 and 1987 c 418 s 1 are each amended to read  
19 as follows:

20       As used in this chapter, unless a different meaning is plainly  
21 required by the context:

22       (1) "Retirement system" means the "Washington law enforcement  
23 officers' and fire fighters' retirement system" provided herein.

24       (2) (a) "Employer" for (~~persons who establish membership in the~~  
25 ~~retirement system on or before September 30, 1977)) plan I members,~~  
26 means the legislative authority of any city, town, county, or district  
27 or the elected officials of any municipal corporation that employs any  
28 law enforcement officer and/or fire fighter, any authorized association  
29 of such municipalities, and, except for the purposes of RCW 41.26.150,

1 any labor guild, association, or organization, which represents the  
2 fire fighters or law enforcement officers of at least seven cities of  
3 over 20,000 population and the membership of each local lodge or  
4 division of which is composed of at least sixty percent law enforcement  
5 officers or fire fighters as defined in this chapter.

6 (b) "Employer" for (~~persons who establish membership in the~~  
7 ~~retirement system on or after October 1, 1977~~) plan II members, means  
8 the legislative authority of any city, town, county, or district or the  
9 elected officials of any municipal corporation that employs any law  
10 enforcement officer and/or fire fighter.

11 (3) "Law enforcement officer" means any person who is serving on a  
12 full time, fully compensated basis as a county sheriff or deputy  
13 sheriff, including sheriffs or deputy sheriffs serving under a  
14 different title pursuant to a county charter, city police officer, or  
15 town marshal or deputy marshal, with the following qualifications:

16 (a) No person who is serving in a position that is basically  
17 clerical or secretarial in nature, and who is not commissioned shall be  
18 considered a law enforcement officer;

19 (b) Only those deputy sheriffs, including those serving under a  
20 different title pursuant to county charter, who have successfully  
21 completed a civil service examination for deputy sheriff or the  
22 equivalent position, where a different title is used, and those persons  
23 serving in unclassified positions authorized by RCW 41.14.070 except a  
24 private secretary will be considered law enforcement officers;

25 (c) Only such full time commissioned law enforcement personnel as  
26 have been appointed to offices, positions, or ranks in the police  
27 department which have been specifically created or otherwise expressly  
28 provided for and designated by city charter provision or by ordinance  
29 enacted by the legislative body of the city shall be considered city  
30 police officers; and

1 (d) The term "law enforcement officer" also includes the executive  
2 secretary of a labor guild, association or organization (which is an  
3 employer under RCW 41.26.030(2) as now or hereafter amended) if  
4 ((such)) that individual has five years previous membership in the  
5 retirement system established in chapter 41.20 RCW(~~(: PROVIDED, That~~  
6 ~~for persons who establish membership in the retirement system on or~~  
7 ~~after October 1, 1977,)~~). The provisions of this ((subparagraph))  
8 subsection shall not apply(~~(; and~~

9 ~~(e) The term "law enforcement officer" also includes any person~~  
10 ~~employed on or after November 1, 1975, and prior to December 1, 1975,~~  
11 ~~as a director of public safety so long as the duties of the director~~  
12 ~~substantially involve only police and/or fire duties and no other~~  
13 ~~duties)) to plan II members.~~

14 (4) "Fire fighter" means:

15 (a) Any person who is serving on a full time, fully compensated  
16 basis as a member of a fire department of an employer and who is  
17 serving in a position which requires passing a civil service  
18 examination for fire fighter, ((or fireman if this title is used by the  
19 department,)) and who is actively employed as such;

20 (b) Anyone who is actively employed as a full time fire fighter  
21 where the fire department does not have a civil service examination;

22 (c) Supervisory fire fighter personnel;

23 (d) Any full time executive secretary of an association of fire  
24 protection districts authorized under RCW 52.12.031(~~(: PROVIDED, That~~  
25 ~~for persons who establish membership in the retirement system on or~~  
26 ~~after October 1, 1977,)~~). The provisions of this ((subparagraph))  
27 subsection shall not apply to plan II members;

28 (e) The executive secretary of a labor guild, association or  
29 organization (which is an employer under RCW 41.26.030(2) as now or  
30 hereafter amended), if such individual has five years previous

1 membership in a retirement system established in chapter 41.16 or 41.18  
2 RCW(~~(: PROVIDED, That for persons who establish membership in the~~  
3 ~~retirement system on or after October 1, 1977,)~~). The provisions of  
4 this (~~(subparagraph)~~) subsection shall not apply to plan II members;

5 (f) Any person who is serving on a full time, fully compensated  
6 basis for an employer, as a fire dispatcher, in a department in which,  
7 on March 1, 1970, a dispatcher was required to have passed a civil  
8 service examination for (~~(fireman or)~~) fire fighter; and

9 (g) Any person who on March 1, 1970, was employed on a full time,  
10 fully compensated basis by an employer, and who on May 21, 1971 was  
11 making retirement contributions under the provisions of chapter 41.16  
12 or 41.18 RCW(~~(; and~~

13 ~~(h) the term "fire fighter" also includes any person employed on or~~  
14 ~~after November [1,] 1975, and prior to December 1, 1975, as a director~~  
15 ~~of public safety so long as the duties of the director substantially~~  
16 ~~involve only police and/or fire duties and no other duties.~~

17 ~~(5) "Retirement board" means the Washington public employees'~~  
18 ~~retirement system board established in chapter 41.40 RCW, including two~~  
19 ~~members of the retirement system and two employer representatives as~~  
20 ~~provided for in RCW 41.26.050. The retirement board shall be called~~  
21 ~~the Washington law enforcement officers' and fire fighters' retirement~~  
22 ~~board and may enter in legal relationships in that name. Any legal~~  
23 ~~relationships entered into in that name prior to the adoption of this~~  
24 ~~1972 amendatory act are hereby ratified)).~~

25 (5) "Department" means the department of retirement systems created  
26 in chapter 41.50 RCW.

27 (6) "Surviving spouse" means the surviving widow or widower of a  
28 member. The word shall not include the divorced spouse of a member.

29 (7) (a) "Child" or "children" (~~(whenever used in this chapter means~~  
30 every)) means an unmarried person who is under the age of eighteen or

1 mentally or physically handicapped as determined by the department,  
2 except a handicapped person in the full time care of a state  
3 institution, who is:

4 (i) A natural born child ((and))i

5 (ii) A stepchild where that relationship was in existence prior to  
6 the date benefits are payable under this chapter((~~7~~))i

7 (iii) A posthumous child((~~7~~))i

8 (iv) A child legally adopted or made a legal ward of a member prior  
9 to the date benefits are payable under this chapter((~~7~~and))i or

10 (v) An illegitimate child legitimized prior to the date any  
11 benefits are payable under this chapter((~~7~~all while unmarried, and  
12 either under the age of eighteen years or mentally or physically  
13 handicapped as determined by the retirement board except a handicapped  
14 person in the full time care of a state institution)).

15 (b) A person shall also be deemed to be a child up to and including  
16 the age of twenty years and eleven months while attending any high  
17 school, college, or vocational or other educational institution  
18 accredited, licensed, or approved by the state, in which it is located,  
19 including the summer vacation months and all other normal and regular  
20 vacation periods at the particular educational institution after which  
21 the child returns to school.

22 (8) "Member" means any fire fighter, law enforcement officer, or  
23 other person as would apply under subsections (3) or (4) of this  
24 section whose membership is transferred to the Washington law  
25 enforcement officers' and fire fighters' retirement system on or after  
26 March 1, 1970, and every law enforcement officer and fire fighter who  
27 is employed in that capacity on or after such date.

28 (9) "Retirement fund" means the "Washington law enforcement  
29 officers' and fire fighters' retirement system fund" as provided for  
30 herein.

1 (10) "Employee" means any law enforcement officer or fire fighter  
2 as defined in subsections (3) and (4) (~~(above)~~) of this section.

3 (11) (a) "Beneficiary" for (~~(persons who establish membership in~~  
4 ~~the retirement system on or before September 30, 1977))~~ plan I members,  
5 means any person in receipt of a retirement allowance, disability  
6 allowance, death benefit, or any other benefit described herein.

7 (b) "Beneficiary" for (~~(persons who establish membership in the~~  
8 ~~retirement system on or after October 1, 1977))~~ plan II members, means  
9 any person in receipt of a retirement allowance or other benefit  
10 provided by this chapter resulting from service rendered to an employer  
11 by another person.

12 (12) (a) "Final average salary" for (~~(persons who establish~~  
13 ~~membership in the retirement system on or before September 30, 1977))~~  
14 plan I members, means (i) for a member holding the same position or  
15 rank for a minimum of twelve months preceding the date of retirement,  
16 the basic salary attached to such same position or rank at time of  
17 retirement; (ii) for any other member, including a civil service member  
18 who has not served a minimum of twelve months in the same position or  
19 rank preceding the date of retirement, the average of the greatest  
20 basic salaries payable to such member during any consecutive twenty-  
21 four month period within such member's last ten years of service for  
22 which service credit is allowed, computed by dividing the total basic  
23 salaries  
24 payable to such member during the selected twenty-four month period by  
25 twenty-four; (iii) in the case of disability of any member, the basic  
26 salary payable to such member at the time of disability retirement;  
27 (iv) in the case of a member who hereafter vests pursuant to RCW  
28 41.26.090, the basic salary payable to such member at the time of  
29 vesting.

1 (b) "Final average salary" for (~~persons who establish membership~~  
2 ~~in the retirement system on or after October 1, 1977~~) plan II members,  
3 means the monthly average of the member's basic salary for the highest  
4 consecutive sixty months of service prior to such member's retirement,  
5 termination, or death. Periods constituting authorized unpaid leaves  
6 of absence may not be used in the calculation of final average salary.

7 (13) (a) "Basic salary" for (~~persons who establish membership in~~  
8 ~~the retirement system on or before September 30, 1977~~) plan I members,  
9 means the basic monthly rate of salary or wages, including longevity  
10 pay but not including overtime earnings or special salary or wages,  
11 upon which pension or retirement benefits will be computed and upon  
12 which employer contributions and salary deductions will be based.

13 (b) "Basic salary" for (~~persons who establish membership in the~~  
14 ~~retirement system on or after October 1, 1977~~) plan II members, means  
15 salaries or wages earned by a member during a payroll period for  
16 personal services, including overtime payments, and shall include wages  
17 and salaries deferred under provisions established pursuant to sections  
18 403(b), 414(h), and 457 of the United States Internal Revenue Code, but  
19 shall exclude lump sum payments for deferred annual sick leave, unused  
20 accumulated vacation, unused accumulated annual leave, or any form of  
21 severance pay: PROVIDED, That in any year in which a member serves in  
22 the legislature the member shall have the option of having such  
23 member's basic salary be the greater of:

24 (i) The basic salary the member would have received had such member  
25 not served in the legislature; or

26 (ii) Such member's actual basic salary received for nonlegislative  
27 public employment and legislative service combined. Any additional  
28 contributions to the retirement system required because basic salary  
29 under (~~subparagraph~~) (b) (i) of this subsection is greater than basic

1 salary under ~~((subparagraph))~~ (b) (ii) of this subsection shall be paid  
2 by the member for both member and employer contributions.

3 (14) (a) "Service" for ~~((persons who establish membership in the  
4 retirement system on or before September 30, 1977))~~ plan I members,  
5 means all periods of employment for an employer as a fire fighter or  
6 law enforcement officer, for which compensation is paid, together with  
7 periods of suspension not exceeding thirty days in duration. For the  
8 purposes of this chapter service shall also include service in the  
9 armed forces of the United States as provided in RCW 41.26.190. Credit  
10 shall be allowed for all months of service rendered by a member from  
11 and after the member's initial commencement of employment as a fire  
12 fighter or law enforcement officer, during which the member worked for  
13 seventy or more hours, or was on disability leave or disability  
14 retirement. Only months of service shall be counted in the computation  
15 of any retirement allowance or other benefit provided for in this  
16 chapter. ~~((In addition to the foregoing,))~~

17 (i) For members retiring after May 21, 1971 who were employed under  
18 the coverage of a prior pension act before March 1, 1970, "service"  
19 shall also include ~~((+i+))~~ (A) such military service not exceeding five  
20 years as was creditable to the member as of March 1, 1970, under the  
21 member's particular prior pension act, and ~~((+ii+))~~ (B) such other  
22 periods of service as were then creditable to a particular member under  
23 the provisions of RCW 41.18.165, 41.20.160 or 41.20.170. However, in  
24 no event shall credit be allowed for any service rendered prior to  
25 March 1, 1970, where the member at the time of rendition of such  
26 service was employed in a position covered by a prior pension act,  
27 unless such service, at the time credit is claimed therefor, is also  
28 creditable under the provisions of such prior act ~~((: PROVIDED, That if  
29 such member's prior service is not creditable due to the withdrawal of  
30 his contributions plus accrued interest thereon from a prior pension~~



1 system, such member shall be credited with such prior service, as a law  
2 enforcement officer or fire fighter, by paying to the Washington law  
3 enforcement officers' and fire fighters' retirement system, on or  
4 before March 1, 1975, an amount which is equal to that which was  
5 withdrawn from the prior system by such member, as a law enforcement  
6 officer or fire fighter: ~~PROVIDED FURTHER, That if such member's prior~~  
7 ~~service is not creditable because, although employed in a position~~  
8 ~~covered by a prior pension act, such member had not yet become a member~~  
9 ~~of the pension system governed by such act, such member shall be~~  
10 ~~credited with such prior service as a law enforcement officer or fire~~  
11 ~~fighter, by paying to the Washington law enforcement officers' and fire~~  
12 ~~fighters' retirement system, on or before March 1, 1975, an amount~~  
13 ~~which is equal to the employer's contributions which would have been~~  
14 ~~required under the prior act when such service was rendered if the~~  
15 ~~member had been a member of such system during such period: AND~~  
16 ~~PROVIDED FURTHER, That where))~~).

17 (ii) A member who is employed by two employers at the same time((  
18 he)) shall only be credited with service to one such employer for any  
19 month during which ((he)) the member rendered such dual service.

20 (b) "Service" for ((~~persons who establish membership in the~~  
21 ~~retirement system on or after October 1, 1977~~)) plan II members, means  
22 periods of employment by a member for one or more employers for which  
23 basic salary is earned for ninety or more hours per calendar month.

24 Members of the retirement system who are elected or appointed to a  
25 state elective position may elect to continue to be members of this  
26 retirement system.

27 Years of service shall be determined by dividing the total number  
28 of months of service by twelve. Any fraction of a year of service as  
29 so determined shall be taken into account in the computation of such  
30 retirement allowance or benefits.

1 If a member receives basic salary from two or more employers during  
2 any calendar month, the individual shall receive one month's service  
3 credit during any calendar month in which multiple service for ninety  
4 or more hours is rendered.

5 (15) "Accumulated contributions" means the employee's contributions  
6 made by a member plus accrued interest credited thereon.

7 (16) "Actuarial reserve" means a method of financing a pension or  
8 retirement plan wherein reserves are accumulated as the liabilities for  
9 benefit payments are incurred in order that sufficient funds will be  
10 available on the date of retirement of each member to pay the member's  
11 future benefits during the period of retirement.

12 (17) "Actuarial valuation" means a mathematical determination of  
13 the financial condition of a retirement plan. It includes the  
14 computation of the present monetary value of benefits payable to  
15 present members, and the present monetary value of future employer and  
16 employee contributions, giving effect to mortality among active and  
17 retired members and also to the rates of disability, retirement,  
18 withdrawal from service, salary and interest earned on investments.

19 (18) "Disability board" for plan I members means either the county  
20 disability board or the city disability board established in RCW  
21 41.26.110 (~~((for persons who establish membership in the retirement  
22 system on or before September 30, 1977))~~)).

23 (19) "Disability leave" means the period of six months or any  
24 portion thereof during which a member is on leave at an allowance equal  
25 to the member's full salary prior to the commencement of disability  
26 retirement. The definition contained in this subsection shall apply  
27 only to (~~((persons who establish membership in the retirement system on  
28 or before September 30, 1977))~~) plan I members.

29 (20) "Disability retirement" for (~~((persons who establish membership  
30 in the retirement system on or before September 30, 1977))~~) plan I

1 members, means the period following termination of a member's  
2 disability leave, during which the member is in receipt of a disability  
3 retirement allowance.

4 (21) "Position" means the employment held at any particular time,  
5 which may or may not be the same as civil service rank.

6 (22) "Medical services" for (~~persons who establish membership in~~  
7 ~~the retirement system on or before September 30, 1977~~) plan I members,  
8 shall include the following as minimum services to be provided.  
9 Reasonable charges for these services shall be paid in accordance with  
10 RCW 41.26.150.

11 (a) Hospital expenses: These are the charges made by a hospital,  
12 in its own behalf, for

13 (i) Board and room not to exceed semiprivate room rate unless  
14 private room is required by the attending physician due to the  
15 condition of the patient.

16 (ii) Necessary hospital services, other than board and room,  
17 furnished by the hospital.

18 (b) Other medical expenses: The following charges are considered  
19 "other medical expenses", provided that they have not been considered  
20 as "hospital expenses".

21 (i) The fees of the following:

22 (A) A physician or surgeon licensed under the provisions of chapter  
23 18.71 RCW;

24 (B) An osteopath licensed under the provisions of chapter 18.57  
25 RCW;

26 (C) A chiropractor licensed under the provisions of chapter 18.25  
27 RCW.

28 (ii) The charges of a registered graduate nurse other than a nurse  
29 who ordinarily resides in the member's home, or is a member of the  
30 family of either the member or the member's spouse.

1 (iii) The charges for the following medical services and supplies:  
2 (A) Drugs and medicines upon a physician's prescription;  
3 (B) Diagnostic x-ray and laboratory examinations;  
4 (C) X-ray, radium, and radioactive isotopes therapy;  
5 (D) Anesthesia and oxygen;  
6 (E) Rental of iron lung and other durable medical and surgical  
7 equipment;  
8 (F) Artificial limbs and eyes, and casts, splints, and trusses;  
9 (G) Professional ambulance service when used to transport the  
10 member to or from a hospital when ~~((he is))~~ injured by an accident or  
11 stricken by a disease;  
12 (H) Dental charges incurred by a member who sustains an accidental  
13 injury to his or her teeth and who commences treatment by a legally  
14 licensed dentist within ninety days after the accident;  
15 (I) Nursing home confinement or hospital extended care facility;  
16 (J) Physical therapy by a registered physical therapist;  
17 (K) Blood transfusions, including the cost of blood and blood  
18 plasma not replaced by voluntary donors;  
19 (L) An optometrist licensed under the provisions of chapter 18.53  
20 RCW.  
21 (23) "Regular interest" means such rate as the director may  
22 determine.  
23 (24) "Retiree" for persons who establish membership in the  
24 retirement system on or after October 1, 1977, means any member in  
25 receipt of a retirement allowance or other benefit provided by this  
26 chapter resulting from service rendered to an employer by such member.  
27 ~~((("Department" means the department of retirement systems  
28 created in chapter 41.50 RCW.  
29 (26)))~~ "Director" means the director of the department.

1       (~~(27)~~) (26) "State actuary" or "actuary" means the person  
2 appointed pursuant to RCW 44.44.010(2).

3       (~~(28)~~) (27) "State elective position" means any position held by  
4 any person elected or appointed to state-wide office or elected or  
5 appointed as a member of the legislature.

6       (28) "Plan I" means the law enforcement officers' and fire  
7 fighters' retirement system, plan I providing the benefits and funding  
8 provisions covering persons who first became members of the system  
9 prior to October 1, 1977.

10       (29) "Plan II" means the law enforcement officers' and fire  
11 fighters' retirement system, plan II providing the benefits and funding  
12 provisions covering persons who first became members of the system on  
13 and after October 1, 1977.

14       **Sec. 14.** RCW 41.26.035 and 1971 ex.s. c 257 s 2 are each amended  
15 to read as follows:

16       The term "minimum medical and health standards" means minimum  
17 medical and health standards adopted by the (~~(retirement board pursuant~~  
18 ~~to)~~) department under this chapter.

19       **Sec. 15.** RCW 41.26.040 and 1989 c 273 s 11 are each amended to  
20 read as follows:

21       The Washington law enforcement officers' and fire fighters'  
22 retirement system is hereby created for fire fighters and law  
23 enforcement officers.

24       (1) (~~(a)~~) Notwithstanding RCW 41.26.030(8) (~~(and except as~~  
25 ~~provided in subsection (1)(b) of this section)~~), all fire fighters and  
26 law enforcement officers employed as such on or after March 1, 1970, on  
27 a full time fully compensated basis in this state shall be members of  
28 the retirement system established by this chapter with respect to all

1 periods of service as such, to the exclusion of any pension system  
2 existing under any prior act (~~(except as provided in subsection (2) of~~  
3 ~~this section.~~

4 ~~(b) No fire fighter or law enforcement officer who commences a~~  
5 ~~period of employment on or after July 1, 1979, as a participant under~~  
6 ~~the federal comprehensive employment and training act of 1973 (CETA)~~  
7 ~~(29 U.S.C. Sec. 801 et seq.), as amended, shall be a member of this~~  
8 ~~system during the period of such participation unless, at the~~  
9 ~~commencement of the participation under CETA, the fire fighter or law~~  
10 ~~enforcement officer either:~~

11 ~~(i) Has at least five years of service and the full amount of the~~  
12 ~~employee's contributions for such service remains on deposit in the~~  
13 ~~system; or~~

14 ~~(ii) Has previously been retired from this system)).~~

15 (2) Any employee serving as a law enforcement officer or fire  
16 fighter on March 1, 1970, who is then making retirement contributions  
17 under any prior act shall have his membership transferred to the system  
18 established by this chapter as of such date. Upon retirement for  
19 service or for disability, or death, of any such employee, his  
20 retirement benefits earned under this chapter shall be computed and  
21 paid. In addition, his benefits under the prior retirement act to  
22 which he was making contributions at the time of this transfer shall be  
23 computed as if he had not transferred. For the purpose of such  
24 computations, the employee's creditability of service and eligibility  
25 for service or disability retirement and survivor and all other  
26 benefits shall continue to be as provided in such prior retirement act,  
27 as if transfer of membership had not occurred. The excess, if any, of  
28 the benefits so computed, giving full value to survivor benefits, over  
29 the benefits payable under this chapter shall be paid whether or not  
30 the employee has made application under the prior act. If the

1 employee's prior retirement system was the Washington public employees'  
2 retirement system, payment of such excess shall be made by that system;  
3 if the employee's prior retirement system was the state-wide city  
4 employees' retirement system, payment of such excess shall be made by  
5 the employer which was the member's employer when his transfer of  
6 membership occurred: PROVIDED, That any death in line of duty lump sum  
7 benefit payment shall continue to be the obligation of that system as  
8 provided in RCW 41.44.210; in the case of all other prior retirement  
9 systems, payment of such excess shall be made by the employer which was  
10 the member's employer when his transfer of membership occurred.

11 (3) All funds held by any firemen's or policemen's relief and  
12 pension fund shall remain in that fund for the purpose of paying the  
13 obligations of the fund. The municipality shall continue to  
14 levy the dollar rate as provided in RCW 41.16.060, and this dollar rate  
15 shall be used for the purpose of paying the benefits provided in  
16 chapters 41.16 and 41.18 RCW. The obligations of chapter 41.20 RCW  
17 shall continue to be paid from whatever financial sources the city has  
18 been using for this purpose.

19 ~~((4) Any member transferring from the Washington public employees'~~  
20 ~~retirement system or the state-wide city employees' retirement system~~  
21 ~~shall have transferred from the appropriate fund of the prior system of~~  
22 ~~membership, a sum sufficient to pay into the Washington law enforcement~~  
23 ~~officers' and fire fighters' retirement system fund the amount of the~~  
24 ~~employees' and employers' contributions plus credited interest in the~~  
25 ~~prior system for all service, as defined in this chapter, from the date~~  
26 ~~of the employee's entrance therein until March 1, 1970. Except as~~  
27 ~~provided for in subsection (2), such transfer of funds shall discharge~~  
28 ~~said state retirement systems from any further obligation to pay~~  
29 ~~benefits to such transferring members with respect to such service.))~~

1       **Sec. 16.** RCW 41.26.060 and 1982 c 163 s 6 are each amended to read  
2 as follows:

3       The administration of (~~this~~) the Washington law enforcement  
4 officers' and fire fighters' retirement system is hereby vested in the  
5 director of retirement systems, and the director shall:

6       (1) Keep in convenient form such data as shall be deemed necessary  
7 for actuarial evaluation purposes;

8       (2) As of March 1, 1970, and at least every two years thereafter,  
9 through (~~its~~) the state actuary, make an actuarial valuation as to  
10 the mortality and service experience of the beneficiaries under this  
11 chapter and the various accounts created for the purpose of showing the  
12 financial status of the retirement fund;

13       (3) Adopt for the Washington law enforcement officers' and fire  
14 fighters' retirement system the mortality tables and such other tables  
15 as shall be deemed necessary;

16       (4) Keep a record of all its proceedings, which shall be open to  
17 inspection by the public;

18       (5) From time to time adopt such rules and regulations not  
19 inconsistent with (~~this~~) chapter 41.26 RCW, for the administration of  
20 the provisions of this chapter, for the administration of the fund  
21 created by this chapter and the several accounts thereof, and for the  
22 transaction of the business of the system;

23       (6) Prepare and publish annually a financial statement showing the  
24 condition of the Washington law enforcement officers' and fire  
25 fighters' fund and the various accounts thereof, and setting forth such  
26 other facts, recommendations and data as may be of use in the  
27 advancement of knowledge concerning the Washington law enforcement  
28 officers' and fire fighters' retirement system, and furnish a copy  
29 thereof to each employer, and to such members as may request copies  
30 thereof;



1 (7) Perform such other functions as are required for the execution  
2 of the provisions of ((this)) chapter 41.26 RCW;

3 (8) Fix the amount of interest to be credited at a rate which shall  
4 be based upon the net annual earnings of the Washington law enforcement  
5 officers' and fire fighters' fund for the preceding twelve-month period  
6 and from time to time make any necessary changes in such rate;

7 (9) Pay from the department of retirement systems expense fund the  
8 expenses incurred in administration of the Washington law enforcement  
9 officers' and fire fighters' retirement system from those funds  
10 appropriated for that purpose;

11 (10) Perform any other duties prescribed elsewhere in ((this))  
12 chapter 41.26 RCW;

13 (11) Issue decisions relating to appeals initiated pursuant to RCW  
14 41.16.145 and 41.18.104 as now or hereafter amended and shall be  
15 authorized to order increased benefits pursuant to RCW 41.16.145 and  
16 41.18.104 as now or hereafter amended.

17 **Sec. 17.** RCW 41.26.080 and 1989 c 273 s 13 are each amended to  
18 read as follows:

19 The total liability of the plan I system shall be funded as  
20 follows:

21 (1) Every plan I member shall have deducted from each payroll a sum  
22 equal to six percent of his or her basic salary for each pay period.

23 (2) Every employer shall contribute monthly a sum equal to six  
24 percent of the basic salary of each plan I employee who is a member of  
25 this retirement system. The employer shall transmit the employee and  
26 employer contributions with a copy of the payroll to the retirement  
27 system monthly.

28 (3) The remaining liabilities of the plan I system shall be funded  
29 as provided in chapter 41.45 RCW.

1 (4) Every member shall be deemed to consent and agree to the  
2 contribution made and provided for herein, and shall receipt in full  
3 for his or her salary or compensation. Payment less said contributions  
4 shall be a complete discharge of all claims and demands whatsoever for  
5 the services rendered by such person during the period covered by such  
6 payments, except his or her claim to the benefits to which he or she  
7 may be entitled under the provisions of this chapter.

8 **Sec. 18.** RCW 41.26.090 and 1977 ex.s. c 294 s 22 are each amended  
9 to read as follows:

10 Retirement of a member for service shall be made by the ((board))  
11 department as follows:

12 (1) Any member having five or more years of service and having  
13 attained the age of fifty years shall be eligible for a service  
14 retirement allowance and shall be retired upon ((his)) the member's  
15 written request effective the first day following the date upon which  
16 the member is separated from service.

17 (2) Any member having five or more years of service, who terminates  
18 his or her employment with any employer, may leave his or her  
19 contributions in the fund. Any employee who so elects, upon attaining  
20 age fifty, shall be eligible to apply for and receive a service  
21 retirement allowance based on his or her years of service, commencing  
22 on the first day following his or her attainment of age fifty. ((This  
23 section shall also apply to a person who rendered service as a law  
24 enforcement officer or fire fighter, as those terms are defined in RCW  
25 41.26.030, on or after July 1, 1969, but who was not employed as a law  
26 enforcement officer or fire fighter on March 1, 1970, by reason of his  
27 having been elected to a public office.))

28 (3) Any member selecting ((this)) optional vesting under subsection  
29 (2) of this section with less than twenty years of service shall not be

1 covered by the provisions of RCW 41.26.150, and ~~((his))~~ the member's  
2 survivors shall not be entitled to the benefits of RCW 41.26.160 unless  
3 his or her death occurs after he or she has attained the age of fifty  
4 years. Those members selecting this optional vesting with twenty or  
5 more years service shall not be covered by the provisions of RCW  
6 41.26.150 until the attainment of the age of fifty years(~~(:—PROVIDED,~~  
7 ~~That))~~). A member selecting this ~~((option))~~ optional vesting, with less  
8 than twenty years of service credit, who ~~((shall))~~ dies prior to  
9 attaining the age of fifty years, shall have paid from the Washington  
10 law enforcement officers' and fire fighters' retirement fund, to such  
11 member's surviving spouse, if any, otherwise to such beneficiary as the  
12 member shall have designated in writing, or if no such designation has  
13 been made, to the personal representative of his or her estate, a lump  
14 sum which is equal to the amount of such member's accumulated  
15 contributions plus accrued interest(~~(:—PROVIDED FURTHER, That))~~). If  
16 the vested member has twenty or more years of service credit the  
17 surviving spouse or children shall then become eligible for the  
18 benefits of RCW 41.26.160 regardless of ~~((his))~~ the member's age at the  
19 time of his or her death, to the exclusion of the lump sum amount  
20 provided by this subsection.

21 ~~((+3))~~ (4) Any member who has attained the age of sixty years  
22 shall be retired on the first day of the calendar month next succeeding  
23 that in which said member shall have attained the age of sixty and may  
24 not thereafter be employed as a law enforcement officer or fire  
25 fighter: PROVIDED, That for any member who is elected or appointed to  
26 the office of sheriff, chief of police, or fire chief, his or her  
27 election or appointment shall be considered as a waiver of the age  
28 sixty provision for retirement and nonemployment for whatever number of  
29 years remain in his or her present term of office and any succeeding  
30 periods for which he or she may be so elected or appointed(~~(:—PROVIDED~~

1 ~~FURTHER, That~~)). The provisions of this subsection shall not apply to  
2 any member who is employed as a law enforcement officer or fire fighter  
3 on March 1, 1970.

4 **Sec. 19.** RCW 41.26.120 and 1986 c 176 s 5 are each amended to read  
5 as follows:

6 Any member, regardless of ~~((his))~~ age or years of service may be  
7 retired by the disability board, subject to approval by the director as  
8 hereinafter provided, for any disability incurred in the line of duty  
9 which has been continuous since his or her discontinuance of service  
10 and which renders ~~((him))~~ the member unable to continue ~~((his))~~  
11 service. No disability retirement allowance shall be paid until the  
12 expiration of a period of six months after the discontinuance of  
13 service during which period the member, if found to be physically or  
14 mentally unfit for duty by the disability board following receipt of  
15 his or her application for disability retirement, shall be granted a  
16 disability leave by the disability board and shall receive an allowance  
17 equal to ~~((his))~~ the full monthly salary and shall continue to receive  
18 all other benefits provided to active employees from ~~((his))~~ the  
19 employer for such period. However, if, at any time during the initial  
20 six-month period, the disability board finds the beneficiary is no  
21 longer disabled, ~~((his))~~ the disability leave allowance shall be  
22 canceled and ~~((he))~~ the member shall be restored to duty in the same  
23 rank or position, if any, held by the beneficiary at the time ~~((he))~~  
24 the member became disabled. Applications for disability retirement  
25 shall be processed in accordance with the following procedures:

26 (1) Any member who believes he or she is or is believed to be  
27 physically or mentally disabled shall be examined by such medical  
28 authority as the disability board shall employ, upon application of  
29 said member, or a person acting in his or her behalf, stating that said

1 member is disabled, either physically or mentally: PROVIDED, That no  
2 such application shall be considered unless said member or someone in  
3 his or her behalf, in case of the incapacity of a member, shall have  
4 filed the application within a period of one year from and after the  
5 discontinuance of service of said member.

6 (2) If the examination shows, to the satisfaction of the disability  
7 board, that the member is physically or mentally disabled from the  
8 further performance of duty, that such disability was incurred in the  
9 line of duty, and that such disability has been continuous from the  
10 discontinuance of service, the disability board shall enter its written  
11 decision and order, accompanied by appropriate findings of fact and by  
12 conclusions evidencing compliance with this chapter as now or hereafter  
13 amended, granting the member a disability retirement allowance;  
14 otherwise, if the member is not found by the disability board to be so  
15 disabled, the application shall be denied pursuant to a similar written  
16 decision and order, subject to appeal to the director in accordance  
17 with RCW 41.26.200: PROVIDED, That in any order granting a duty  
18 disability retirement allowance, the disability board shall make a  
19 finding that the disability was incurred in line of duty.

20 (3) Every order of a disability board granting a duty disability  
21 retirement allowance shall forthwith be reviewed by the director except  
22 the finding that the disability was incurred in the line of duty. The  
23 director may affirm the decision of the disability board or remand the  
24 case for further proceedings, or the director may reverse the decision  
25 of the disability board if the director finds the disability board's  
26 findings, inferences, conclusions, or decisions are:

27 (a) In violation of constitutional provisions; or

28 (b) In excess of the statutory authority or jurisdiction of the  
29 disability board; or

30 (c) Made upon unlawful procedure; or

1 (d) Affected by other error of law; or  
2 (e) Clearly erroneous in view of the entire record as submitted and  
3 the public policy contained in this chapter; or  
4 (f) Arbitrary or capricious.

5 (4) Every member who can establish, to the disability board, that  
6 he or she is physically or mentally disabled from the further  
7 performance of duty, that such disability was incurred in the line of  
8 duty, and that such disability will be in existence for a period of at  
9 least six months may waive the six-month period of disability leave and  
10 be immediately granted a duty disability retirement allowance, subject  
11 to the approval of the director as provided in subsection (3) (~~above~~)  
12 of this section.

13 **Sec. 20.** RCW 41.26.130 and 1987 c 185 s 11 are each amended to  
14 read as follows:

15 (1) Upon retirement for disability a member shall be entitled to  
16 receive a monthly retirement allowance computed as follows: (a) A  
17 basic amount of fifty percent of final average salary at time of  
18 disability retirement, and (b) an additional five percent of final  
19 average salary for each child as defined in RCW 41.26.030(7), (c) the  
20 combined total of (~~subsections—(1)~~)(a) and (~~(1)~~)(b) of this  
21 (~~section~~) subsection shall not exceed a maximum of sixty percent of  
22 final average salary.

23 (2) A disabled member shall begin receiving (~~his~~) the disability  
24 retirement allowance as of the expiration of his or her six month  
25 period of disability leave or, if his or her application was filed  
26 after the sixth month of discontinuance of service but prior to the one  
27 year time limit, the member's disability retirement allowance shall be  
28 retroactive to the end of the sixth month.

1 (3) Benefits under this section will be payable until the member  
2 recovers from the disability or dies. If at the time that the  
3 disability ceases the member is over the age of fifty, he or she shall  
4 then receive either ((his)) disability retirement allowance or ((his))  
5 retirement for service allowance, whichever is greater.

6 (4) Benefits under this section for a disability that is incurred  
7 while in other employment will be reduced by any amount the member  
8 receives or is entitled to receive from workers' compensation, social  
9 security, group insurance, other pension plan, or any other similar  
10 source provided by another employer on account of the same disability.

11 (5) A member retired for disability shall be subject to periodic  
12 examinations by a physician approved by the disability board prior to  
13 ((his)) attainment of age fifty, pursuant to rules adopted by the  
14 director under RCW 41.26.115. Examinations of members who retired for  
15 disability prior to July 26, 1981, shall not exceed two medical  
16 examinations per year.

17 **Sec. 21.** RCW 41.26.140 and 1985 c 103 s 2 are each amended to read  
18 as follows:

19 (1) Upon the basis of reexaminations of members on disability  
20 retirement as provided in RCW 41.26.130, the disability board shall  
21 determine whether such disability beneficiary is still unable to  
22 perform his or her duties either physically or mentally for service in  
23 the department where he or she was employed.

24 (2) If the disability board shall determine that the beneficiary is  
25 not so incapacitated ((his)) the retirement allowance shall be canceled  
26 and ((he)) the member shall be restored to duty in the same civil  
27 service rank, if any, held by the beneficiary at the time of his or her  
28 retirement or if unable to perform the duties of said rank, then, at  
29 his or her request, in such other like or lesser rank as may be or

1 become open and available, the duties of which he or she is then able  
2 to perform. In no event, shall a beneficiary previously drawing a  
3 disability allowance be returned or be restored to duty at a salary or  
4 rate of pay less than the current salary attached to the rank or  
5 position held by the said beneficiary at the date of ((his)) retirement  
6 for disability. If the disability board determines that the  
7 beneficiary is able to return to service he or she shall be entitled to  
8 notice and a hearing, both the notice and the hearing shall comply with  
9 the requirements of chapter 34.05 RCW, as now or hereafter amended.

10 (3) Should a disability beneficiary reenter service and be eligible  
11 for membership in the retirement system, ((his)) the retirement  
12 allowance shall be canceled and he or she shall immediately become a  
13 member of the retirement system.

14 (4) Should any disability beneficiary under age fifty refuse to  
15 submit to examination, ((his)) the retirement allowance shall be  
16 discontinued until ((his)) withdrawal of such refusal, and should such  
17 refusal continue for one year or more, ((his)) the retirement allowance  
18 shall be canceled.

19 (5) Should the disability retirement allowance of any disability  
20 beneficiary be canceled for any cause other than reentrance into  
21 service or retirement for service, he or she shall be paid the excess,  
22 if any, of ((his)) the accumulated contributions at the time of ((his))  
23 retirement over all payments made on his or her behalf under this  
24 chapter.

25 (6) Any person feeling aggrieved by an order of a disability board  
26 determining that a beneficiary's disability has not ceased, pursuant to  
27 RCW 41.26.130(3) has the right to appeal the order or determination to  
28 the director. The director shall have no jurisdiction to entertain the  
29 appeal unless a notice of appeal is filed with the director within  
30 thirty days following the rendition of the order by the disability



1 board. A copy of the notice of appeal shall be served upon the  
2 director and the applicable disability board and, within ninety days  
3 thereof, the disability board shall certify its decision and order  
4 which shall include findings of fact and conclusions of law, together  
5 with a transcript of all proceedings in connection therewith, to the  
6 director for review. Upon review of the record, the director may  
7 affirm the order of the disability board or may remand the case for  
8 further proceedings if the director finds that the disability board's  
9 findings, inferences, conclusions, or decisions are:

10 (a) In violation of constitutional provisions; or

11 (b) In excess of the statutory authority or jurisdiction of the  
12 disability board; or

13 (c) Made upon unlawful procedure; or

14 (d) Affected by other error of law; or

15 (e) Clearly erroneous in view of the entire record as submitted and  
16 the public policy contained in this chapter; or

17 (f) Arbitrary or capricious.

18 **Sec. 22.** RCW 41.26.150 and 1987 c 185 s 12 are each amended to  
19 read as follows:

20 (1) Whenever any active member, or any member hereafter retired, on  
21 account of service, sickness or disability, not caused or brought on by  
22 dissipation or abuse, of which the disability board shall be judge, is  
23 confined in any hospital or in ((his)) home, and whether or not so  
24 confined, requires medical services, the employer shall pay for such  
25 active or retired member the necessary medical services not payable  
26 from some other source as provided for in subsection (2) of this  
27 section. In the case of active or retired fire fighters the employer  
28 may make the payments provided for in this section from the firemen's  
29 pension fund established pursuant to RCW 41.16.050 where such fund had

1 been established prior to March 1, 1970(~~(: PROVIDED, That in the event~~  
2 ~~the))~~). If this pension fund is depleted, the employer shall have the  
3 obligation to pay all benefits payable under chapters 41.16 and 41.18  
4 RCW(~~(: PROVIDED FURTHER, That))~~).

5 (a) The disability board in all cases may have the active or  
6 retired member suffering from such sickness or disability examined at  
7 any time by a licensed physician or physicians, to be appointed by the  
8 disability board, for the purpose of ascertaining the nature and extent  
9 of the sickness or disability, the physician or physicians to report to  
10 the disability board the result of the examination within three days  
11 thereafter. Any active or retired member who refuses to submit to such  
12 examination or examinations shall forfeit all ((his)) rights to  
13 benefits under this section for the period of such refusal(~~(: AND~~  
14 ~~PROVIDED FURTHER, That))~~).

15 (b) The disability board shall designate the medical services  
16 available to any sick or disabled member.

17 (2) The medical services payable under this section will be reduced  
18 by any amount received or eligible to be received by the member under  
19 workers' compensation, social security including the changes  
20 incorporated under Public Law 89-97 as now or hereafter amended,  
21 insurance provided by another employer, other pension plan, or any  
22 other similar source. Failure to apply for coverage if otherwise  
23 eligible under the provisions of Public Law 89-97 as now or hereafter  
24 amended shall not be deemed a refusal of payment of benefits thereby  
25 enabling collection of charges under the provisions of this chapter.

26 (3) Upon making such payments as are provided for in subsection (1)  
27 of this section, the employer shall be subrogated to all rights of the  
28 member against any third party who may be held liable for the member's  
29 injuries or for the payment of the cost of medical services in

1 connection with a member's sickness or disability to the extent  
2 necessary to recover the amount of payments made by the employer.

3 (4) Any employer under this chapter, either singly, or jointly with  
4 any other such employer or employers through an association thereof as  
5 provided for in chapter 48.21 RCW, may provide for all or part of one  
6 or more plans of group hospitalization and medical aid insurance to  
7 cover any of its employees who are members of the Washington law  
8 enforcement officers' and fire fighters' retirement system, and/or  
9 retired former employees who were, before retirement, members of said  
10 retirement system, through contracts with regularly constituted  
11 insurance carriers, with health maintenance organizations as defined in  
12 chapter 48.46 RCW, or with health care service contractors as defined  
13 in chapter 48.44 RCW. Benefits payable under any such plan or plans  
14 shall be deemed to be amounts received or eligible to be received by  
15 the active or retired member under subsection (2) of this section.

16 **Sec. 23.** RCW 41.26.160 and 1986 c 176 s 7 are each amended to read  
17 as follows:

18 (1) In the event of the death of any member who is in active  
19 service, or who has vested under the provisions of RCW 41.26.090 with  
20 twenty or more years of service, or who is on disability leave or  
21 retired, whether for disability or service, (~~his~~) the surviving  
22 spouse shall become entitled to receive a monthly allowance equal to  
23 fifty percent of (~~his~~) the final average salary at the date of death  
24 if active, or the amount of retirement allowance the vested member  
25 would have received at age fifty, or the amount of the retirement  
26 allowance such retired member was receiving at the time of (~~his~~)  
27 death if retired for service or disability. The amount of this  
28 allowance will be increased five percent of final average salary for  
29 each child as defined in RCW 41.26.030(7), as now or hereafter amended,

1 subject to a maximum combined allowance of sixty percent of final  
2 average salary: PROVIDED, That if the child or children is or are in  
3 the care of a legal guardian, payment of the increase attributable to  
4 each child will be made to the child's legal guardian or, in the  
5 absence of a legal guardian and if the member has created a trust for  
6 the benefit of the child or children, payment of the increase  
7 attributable to each child will be made to the trust.

8 (2) If at the time of the death of a vested member with twenty or  
9 more years service as provided (~~(above)~~) in subsection (1) of this  
10 section or a member retired for service or disability, the surviving  
11 spouse has not been lawfully married to such member for one year prior  
12 to (~~(his)~~) retirement or separation from service if a vested member,  
13 the surviving spouse shall not be eligible to receive the benefits  
14 under this section: PROVIDED, That if a member dies as a result of a  
15 disability incurred in the line of duty, then if he or she was married  
16 at the time he or she was disabled, (~~(his)~~) a surviving spouse shall be  
17 eligible to receive the benefits under this section.

18 (3) If there be no surviving spouse eligible to receive benefits at  
19 the time of such member's death, then the child or children of such  
20 member shall receive a monthly allowance equal to thirty percent of  
21 final average salary for one child and an additional ten percent for  
22 each additional child subject to a maximum combined payment, under this  
23 subsection, of sixty percent of final average salary. When there cease  
24 to be any eligible children as defined in RCW 41.26.030(7), as now or  
25 hereafter amended, there shall be paid to the legal heirs of said  
26 member the excess, if any, of accumulated contributions of said member  
27 at the time of (~~(his)~~) death over all payments made to (~~(his)~~)  
28 survivors on his or her behalf under this chapter: PROVIDED, That  
29 payments under this subsection to children shall be prorated equally  
30 among the children, if more than one. If the member has created a

1 trust for the benefit of the child or children, the payment shall be  
2 made to the trust.

3 (4) In the event that there is no surviving spouse eligible to  
4 receive benefits under this section, and that there be no child or  
5 children eligible to receive benefits under this section, then the  
6 accumulated contributions shall be paid to the estate of said member.

7 (5) If a surviving spouse receiving benefits under the provisions  
8 of this section thereafter dies and there are children as defined in  
9 RCW 41.26.030(7), as now or hereafter amended, payment to the spouse  
10 shall cease and the child or children shall receive the benefits as  
11 provided in subsection (3) (~~((above))~~) of this section.

12 (6) The payment provided by this section shall become due the day  
13 following the date of death and payments shall be retroactive to that  
14 date.

15 **Sec. 24.** RCW 41.26.170 and 1970 ex.s. c 6 s 14 are each amended to  
16 read as follows:

17 (1) Should service of a member be discontinued except by death,  
18 disability, or retirement, (~~((he))~~) the member shall, upon application  
19 therefor, be paid (~~((his))~~) the accumulated contributions within sixty  
20 days after the day of application and (~~((his))~~) the rights to all  
21 benefits as a member shall cease: PROVIDED, That any member with at  
22 least five years' service may elect the provisions of RCW 41.26.090(2).

23 (2) Any member whose contributions have been paid (~~((to him))~~) in  
24 accordance with subsection (1) of this section and who reenters the  
25 service of an employer within ten years of the date of (~~((his))~~)  
26 separation shall upon the restoration of all withdrawn contributions,  
27 which restoration must be completed within a total period of five years  
28 of service following resumption of employment, then receive credit

1 toward retirement for the period of previous service which these  
2 contributions are to cover.

3 **Sec. 25.** RCW 41.26.180 and 1989 c 360 s 24 are each amended to  
4 read as follows:

5 (1) Subject to subsections (2) and (3) of this section, the right  
6 of a person to a retirement allowance, disability allowance, or death  
7 benefit, to the return of accumulated contributions, the retirement,  
8 disability or death allowance itself, any optional benefit, any other  
9 right accrued or accruing to any person under the provisions of this  
10 chapter, and the moneys in the fund created under this chapter, are  
11 hereby exempt from any state, county, municipal, or other local tax and  
12 shall not be subject to execution, garnishment, attachment, the  
13 operation of bankruptcy or insolvency laws, or any other process of law  
14 whatsoever, and shall be unassignable.

15 (2) On the written request of any person eligible to receive  
16 benefits under this section, the department (~~(of retirement systems)~~)  
17 may deduct from such payments the premiums for life, health, or other  
18 insurance. The request on behalf of any child or children shall be  
19 made by the legal guardian of such child or children. The department  
20 (~~(of retirement systems)~~) may provide for such persons one or more  
21 plans of group insurance, through contracts with regularly constituted  
22 insurance carriers or health care service contractors.

23 (3) Subsection (1) of this section shall not prohibit the  
24 department (~~(of retirement systems)~~) from complying with (a) a wage  
25 assignment order for child support issued pursuant to chapter 26.18  
26 RCW, (b) an order to withhold and deliver issued pursuant to chapter  
27 74.20A RCW, (c) a notice of payroll deduction issued pursuant to RCW  
28 26.23.060, (d) a mandatory benefits assignment order issued (~~(pursuant~~

1 to ~~chapter 41.50 RCW~~) by the department, or (e) any administrative or  
2 court order expressly authorized by federal law.

3 **Sec. 26.** RCW 41.26.190 and 1970 ex.s. c 6 s 13 are each amended to  
4 read as follows:

5 Each person affected by this chapter who at the time of entering  
6 the armed services was a member of this system, and has honorably  
7 served in the armed services of the United States, shall have added to  
8 ~~((his))~~ the period of service as computed under this chapter, ~~((his))~~  
9 the period of service in the armed forces: PROVIDED, That such  
10 credited service shall not exceed five years.

11 **Sec. 27.** RCW 41.26.240 and 1974 ex.s. c 120 s 13 are each amended  
12 to read as follows:

13 For purposes of this section ~~((of this chapter))~~:

14 (1) "Index" shall mean, for any calendar year, that year's average  
15 Consumer Price Index--Seattle, Washington area for urban wage earners  
16 and clerical workers, all items (1957-1959=100), compiled by the Bureau  
17 of Labor Statistics, United States Department of Labor;

18 (2) "Retirement allowance" shall mean the retirement allowance  
19 provided for in RCW 41.26.100 and 41.26.130, and the monthly allowance  
20 provided for in RCW 41.26.160.

21 Effective April 1 of 1971, and of each succeeding year, every  
22 retirement allowance which has been in effect for more than one year  
23 shall be adjusted to that dollar amount which exceeds its original  
24 dollar amount by the percentage difference which the ~~((board))~~  
25 department finds to exist between the index for the previous calendar  
26 year and the index for the calendar year prior to the effective  
27 retirement date of the person to whom, or on behalf of whom, such  
28 retirement allowance is being paid.

1 For the purposes of this section, basic allowance shall mean that  
2 portion of a total retirement allowance, and any cost of living  
3 adjustment thereon, attributable to a member (individually) and shall  
4 not include the increased amounts attributable to the existence of a  
5 child or children. In those cases where a child ceases to be qualified  
6 as an eligible child, so as to lessen the total allowance, the  
7 allowance shall, at that time, be reduced to the basic allowance plus  
8 the amount attributable for the appropriate number of eligible  
9 children. In those cases where a child qualifies as an eligible child  
10 subsequent to the retirement of a member so as to increase the total  
11 allowance payable, such increased allowance shall at the time of the  
12 next and appropriate subsequent cost of living adjustments, be  
13 considered the original dollar amount of the allowance.

14 **Sec. 28.** RCW 41.26.280 and 1971 ex.s. c 257 s 15 are each amended  
15 to read as follows:

16 If injury or death results to a member from the intentional or  
17 negligent act or omission of ((his)) a member's governmental  
18 employer, the member, the widow, widower, child, or dependent of the  
19 member shall have the privilege to benefit under this chapter and also  
20 have cause of action against the governmental employer as otherwise  
21 provided by law, for any excess of damages over the amount received or  
22 receivable under this chapter.

23 **Sec. 29.** RCW 41.26.410 and 1977 ex.s. c 294 s 2 are each amended  
24 to read as follows:

25 RCW 41.26.420 through 41.26.550 shall apply only to ((those persons  
26 who are initially employed by an employer on or after October 1, 1977))  
27 plan II members.



1       **Sec. 30.** RCW 41.32.005 and 1990 c 274 s 16 are each amended to  
2 read as follows:

3       (1) (~~("Teachers' retirement system plan I" or "plan I" means the~~  
4 ~~benefits and funding provisions covering persons who first became~~  
5 ~~members of the teachers' retirement system prior to July 1, 1977.)~~)

6 The provisions of the following sections of this chapter shall apply  
7 (~~only~~) to members of plan I and plan II: ((~~RCW 41.32.240, 41.32.250,~~

8 ~~41.32.260, 41.32.270, 41.32.280, 41.32.290, 41.32.300, 41.32.310,~~

9 ~~41.32.320, 41.32.330, 41.32.340, 41.32.350, 41.32.360, 41.32.365,~~

10 ~~41.32.366, 41.32.380, 41.32.390, 41.32.430, 41.32.440, 41.32.470,~~

11 ~~41.32.480, 41.32.491, 41.32.492, 41.32.493, 41.32.4931, 41.32.4932,~~

12 ~~41.32.494, 41.32.4943, 41.32.4944, 41.32.4945, 41.32.497, 41.32.498,~~

13 ~~41.32.499, 41.32.500, 41.32.510, 41.32.520, 41.32.522, 41.32.523,~~

14 ~~41.32.530, 41.32.540, 41.32.550, 41.32.560, 41.32.561, 41.32.565,~~

15 ~~41.32.567, 41.32.570, 41.32.575, and 41.32.583.~~

16       (2) ~~"Teachers' retirement system plan II" or "plan II" means the~~  
17 ~~benefits and funding provisions covering persons who first became~~  
18 ~~members of the teachers' retirement system on or after July 1, 1977.~~

19 The provisions of RCW 41.32.760 through 41.32.830 shall apply only to  
20 the members of plan II)) RCW 41.32.010; 41.32.011; 41.32.020;

21 41.32.160; 41.32.242; 41.32.460; 41.32.580; 41.32.670; 41.32.850; and

22 41.32.013.

23       **Sec. 31.** RCW 41.32.010 and 1990 c 274 s 2 are each amended to read  
24 as follows:

25       As used in this chapter, unless a different meaning is plainly  
26 required by the context:

27       (1) (a) "Accumulated contributions" for (~~persons who establish~~  
28 ~~membership in the retirement system on or before September 30, 1977)~~)

1 plan I members, means the sum of all regular annuity contributions with  
2 regular interest thereon.

3 (b) "Accumulated contributions" for (~~persons who establish~~  
4 ~~membership in the retirement system on or after October 1, 1977~~) plan  
5 II members, means the sum of all contributions standing to the credit  
6 of a member in the member's individual account together with the  
7 regular interest thereon.

8 (2) "Actuarial equivalent" means a benefit of equal value when  
9 computed upon the basis of such mortality tables and regulations as  
10 shall be adopted by the director and regular interest.

11 (3) "Annuity" means the moneys payable per year during life by  
12 reason of accumulated contributions of a member.

13 (4) "Annuity fund" means the fund in which all of the accumulated  
14 contributions of members are held.

15 (5) "Annuity reserve fund" means the fund to which all accumulated  
16 contributions are transferred upon retirement.

17 (6) (a) "Beneficiary" for (~~persons who establish membership in the~~  
18 ~~retirement system on or before September 30, 1977~~) plan I members,  
19 means any person in receipt of a retirement allowance or other benefit  
20 provided by this chapter.

21 (b) "Beneficiary" for (~~persons who establish membership in the~~  
22 ~~retirement system on or after October 1, 1977~~) plan II members, means  
23 any person in receipt of a retirement allowance or other benefit  
24 provided by this chapter resulting from service rendered to an employer  
25 by another person.

26 (7) "Contract" means any agreement for service and compensation  
27 between a member and an employer.

28 (8) "Creditable service" means membership service plus prior  
29 service for which credit is allowable. This subsection shall apply

1 only to (~~persons who establish membership in the retirement system on~~  
2 ~~or before September 30, 1977~~) plan I members.

3 (9) "Dependent" means receiving one-half or more of support from a  
4 member.

5 (10) "Disability allowance" means monthly payments during  
6 disability. This subsection shall apply only to (~~persons who~~  
7 ~~establish membership in the retirement system on or before September~~  
8 ~~30, 1977~~) plan I members.

9 (11) (a) (~~(i)~~) "Earnable compensation" for (~~persons who~~  
10 ~~establish membership in the retirement system on or before September~~  
11 ~~30, 1977~~) plan I members, means:

12 (i) All salaries and wages paid by an employer to an employee  
13 member of the retirement system for personal services rendered during  
14 a fiscal year. In all cases where compensation includes maintenance  
15 the employer shall fix the value of that part of the compensation not  
16 paid in money(~~(: PROVIDED, That)~~).

17 (A) Retroactive payments to an individual by an employer on  
18 reinstatement of the employee in a position, or payments by an employer  
19 to an individual in lieu of reinstatement in a position which are  
20 awarded or granted as the equivalent of the salary or wages which the  
21 individual would have earned during a payroll period shall be  
22 considered earnable compensation and the individual shall receive the  
23 equivalent service credit(~~(: PROVIDED FURTHER, That)~~).

24 (B) If a leave of absence, without pay, is taken by a member for  
25 the purpose of serving as a member of the state legislature, and such  
26 member has served in the legislature five or more years, the salary  
27 which would have been received for the position from which the leave of  
28 absence was taken shall be considered as compensation earnable if the  
29 employee's contribution thereon is paid by the employee. In addition,  
30 where a member has been a member of the state legislature for five or

1 more years, earnable compensation for the member's two highest  
2 compensated consecutive years of service shall include a sum not to  
3 exceed thirty-six hundred dollars for each of such two consecutive  
4 years, regardless of whether or not legislative service was rendered  
5 during those two years.

6 (ii) For members employed less than full time under written  
7 contract with a school district, or community college district, in an  
8 instructional position, for which the member receives service credit of  
9 less than one year in all of the years used to determine the earnable  
10 compensation used for computing benefits due under RCW 41.32.497,  
11 41.32.498, and 41.32.520, the member may elect to have earnable  
12 compensation defined as provided in RCW 41.32.011. For the purposes of  
13 this subsection, the term "instructional position" means a position in  
14 which more than seventy-five percent of the member's time is spent as  
15 a classroom instructor (including office hours), a librarian, or a  
16 counselor. Earnable compensation shall be so defined only for the  
17 purpose of the calculation of retirement benefits and only as necessary  
18 to insure that members who receive fractional service credit under RCW  
19 41.32.270 receive benefits proportional to those received by members  
20 who have received full-time service credit.

21 (b) "Earnable compensation" for (~~(persons who establish membership~~  
22 ~~in the retirement system on or after October 1, 1977))~~ plan II members,  
23 means salaries or wages earned by a member during a payroll period for  
24 personal services, including overtime payments, and shall include wages  
25 and salaries deferred under provisions established pursuant to sections  
26 403(b), 414(h), and 457 of the United States Internal Revenue Code, but  
27 shall exclude lump sum payments for deferred annual sick leave, unused  
28 accumulated vacation, unused accumulated annual leave, or any form of  
29 severance pay(~~(:—PROVIDED, That))~~).

1        (i) Retroactive payments to an individual by an employer on  
2 reinstatement of the employee in a position or payments by an employer  
3 to an individual in lieu of reinstatement in a position which are  
4 awarded or granted as the equivalent of the salary or wages which the  
5 individual would have earned during a payroll period shall be  
6 considered earnable compensation, to the extent provided above, and the  
7 individual shall receive the equivalent service credit(~~(:—PROVIDED~~  
8 ~~FURTHER, That)~~)).

9        (ii) In any year in which a member serves in the legislature the  
10 member shall have the option of having such member's earnable  
11 compensation be the greater of:

12        ~~((i))~~ (A) The earnable compensation the member would have  
13 received had such member not served in the legislature; or

14        ~~((ii))~~ (B) Such member's actual earnable compensation received  
15 for teaching and legislative service combined. Any additional  
16 contributions to the retirement system required because compensation  
17 earnable under ~~((subparagraph (i)))~~ (b)(ii)(A) of this subsection is  
18 greater than compensation earnable under ~~((subparagraph (ii)))~~  
19 (b)(ii)(B) of this subsection shall be paid by the member for both  
20 member and employer contributions.

21        (12) "Employer" means the state of Washington, the school district,  
22 or any agency of the state of Washington by which the member is paid.

23        (13) "Fiscal year" means a year which begins July 1st and ends June  
24 30th of the following year.

25        (14) "Former state fund" means the state retirement fund in  
26 operation for teachers under chapter 187, Laws of 1923, as amended.

27        (15) "Local fund" means any of the local retirement funds for  
28 teachers operated in any school district in accordance with the  
29 provisions of chapter 163, Laws of 1917 as amended.

1 (16) "Member" means any teacher included in the membership of the  
2 retirement system. Also, any other employee of the public schools who,  
3 on July 1, 1947, had not elected to be exempt from membership and who,  
4 prior to that date, had by an authorized payroll  
5 deduction, contributed to the annuity fund.

6 (17) "Membership service" means service rendered subsequent to the  
7 first day of eligibility of a person to membership in the retirement  
8 system: PROVIDED, That where a member is employed by two or more  
9 employers the individual shall only receive one month's service credit  
10 during any calendar month in which multiple service is rendered. The  
11 provisions of this subsection shall apply only to (~~persons who~~  
12 ~~establish membership in the retirement system on or before September~~  
13 ~~30, 1977~~)) plan I members.

14 (18) "Pension" means the moneys payable per year during life from  
15 the pension reserve fund.

16 (19) "Pension reserve fund" is a fund in which shall be accumulated  
17 an actuarial reserve adequate to meet present and future pension  
18 liabilities of the system and from which all pension obligations are to  
19 be paid.

20 (20) "Prior service" means service rendered prior to the first date  
21 of eligibility to membership in the retirement system for which credit  
22 is allowable. The provisions of this subsection shall apply only to  
23 (~~persons who establish membership in the retirement system on or~~  
24 ~~before September 30, 1977~~)) plan I members.

25 (21) "Prior service contributions" means contributions made by a  
26 member to secure credit for prior service. The provisions of this  
27 subsection shall apply only to (~~persons who establish membership in~~  
28 ~~the retirement system on or before September 30, 1977~~)) plan I members.

29 (22) "Public school" means any institution or activity operated by  
30 the state of Washington or any instrumentality or political subdivision

1 thereof employing teachers, except the University of Washington and  
2 Washington State University.

3 (23) "Regular contributions" means the amounts required to be  
4 deducted from the compensation of a member and credited to the member's  
5 individual account in the annuity fund. This subsection shall apply  
6 only to (~~persons establishing membership in the retirement system on~~  
7 ~~or before September 30, 1977~~) plan I members.

8 (24) "Regular interest" means such rate as the director may  
9 determine.

10 (25) (a) "Retirement allowance" for (~~persons who establish~~  
11 ~~membership in the retirement system on or before September 30, 1977~~)  
12 plan I members, means monthly payments based on the sum of annuity and  
13 pension, or any optional benefits payable in lieu thereof.

14 (b) "Retirement allowance" for (~~persons who establish membership~~  
15 ~~in the retirement system on or after October 1, 1977~~) plan II members,  
16 means monthly payments to a retiree or beneficiary as provided in this  
17 chapter.

18 (26) "Retirement system" means the Washington state teachers'  
19 retirement system.

20 (27) (a) "Service" means the time during which a member has been  
21 employed by an employer for compensation: PROVIDED, That where a  
22 member is employed by two or more employers the individual shall only  
23 receive one month's service credit during any calendar month in which  
24 multiple service is rendered.

25 (b) "Service" for (~~persons who establish membership in the~~  
26 ~~retirement system on or after October 1, 1977~~) plan II members, means  
27 periods of employment by a member for one or more employers for which  
28 earnable compensation is earned subject to the following conditions:

29 (i) A member employed in an eligible position or as a substitute  
30 shall receive service credit for each month of September through August

1 of the following year if he or she earns earnable compensation for  
2 eight hundred ten or more hours during that period and is employed  
3 during nine of those months, except that a member may not receive  
4 credit for any period prior to the member's employment in an eligible  
5 position;

6 (ii) If a member in an eligible position does not meet the  
7 requirements of (b)(i) of this subsection, he or she will receive  
8 service credit only for those calendar months during which he or she  
9 has received compensation for ninety or more hours.

10 Any person who is a member of the teachers' retirement system and  
11 who is elected or appointed to a state elective position may continue  
12 to be a member of the retirement system and continue to receive service  
13 credit for the time spent in a state elective position by making the  
14 required member contributions.

15 When an individual is employed by two or more employers the  
16 individual shall only receive one month's service credit during any  
17 calendar month in which multiple service for ninety or more hours is  
18 rendered.

19 (~~Notwithstanding RCW 41.32.240, teachers covered by RCW 41.32.755  
20 through 41.32.825, who render service need not serve for ninety days to  
21 obtain membership so long as the required contribution is submitted for  
22 such ninety-day period. Where a member did not receive service credit  
23 under RCW 41.32.775 through 41.32.825 due to the ninety-day period in  
24 RCW 41.32.240 the member may receive service credit for that period so  
25 long as the required contribution is submitted for the period. Anyone  
26 entering membership on or after October 1, 1977, and prior to July 1,  
27 1979, shall have until June 30, 1980, to make the required contribution  
28 in one lump sum.))~~

29 The department shall adopt rules implementing this subsection  
30 (27)(b).



1 (28) "Survivors' benefit fund" means the fund from which survivor  
2 benefits are paid to dependents of deceased members. This subsection  
3 shall apply only to (~~persons establishing membership in the retirement~~  
4 ~~system on or before September 30, 1977~~) plan I members.

5 (29) "Teacher" means any person qualified to teach who is engaged  
6 by a public school in an instructional, administrative, or supervisory  
7 capacity. The term includes state, educational service district, and  
8 school district superintendents and their assistants and all employees  
9 certificated by the superintendent of public instruction; and in  
10 addition thereto any full time school doctor who is employed by a  
11 public school and renders service of an instructional or educational  
12 nature.

13 (30) "Average final compensation" for (~~persons who establish~~  
14 ~~membership in the retirement system on or after October 1, 1977~~) plan  
15 II members, means the member's average earnable compensation of the  
16 highest consecutive sixty months of service prior to such member's  
17 retirement, termination, or death. Periods constituting authorized  
18 leaves of absence may not be used in the calculation of average final  
19 compensation.

20 (31) "Retiree" means any member in receipt of a retirement  
21 allowance or other benefit provided by this chapter resulting from  
22 service rendered to an employer by such member.

23 (32) "Department" means the department of retirement systems  
24 created in chapter 41.50 RCW.

25 (33) "Director" means the director of the department.

26 (34) "State elective position" means any position held by any  
27 person elected or appointed to state-wide office or elected or  
28 appointed as a member of the legislature.

29 (35) "State actuary" or "actuary" means the person appointed  
30 pursuant to RCW 44.44.010(2).

1 (36) (~~("Retirement board" means the director of retirement systems.~~

2 ~~(37))~~) "Substitute teacher" means:

3 (a) A teacher who is hired by a school district to work as a  
4 temporary teacher, except for teachers who are contract employees of a  
5 school district and are guaranteed a minimum number of hours; or

6 (b) Persons who work in ineligible positions in more than one  
7 school district.

8 (~~(38))~~) (37) "Eligible position" in plan II means a position which  
9 normally requires two or more uninterrupted months of creditable  
10 service during September through August of the following year.

11 (38) "Plan I" means the teachers' retirement system, plan I  
12 providing the benefits and funding provisions covering persons who  
13 first became members of the system prior to October 1, 1977.

14 (39) "Plan II" means the teachers' retirement system, plan II  
15 providing the benefits and funding provisions covering persons who  
16 first became members of the system on and after October 1, 1977.

17 **Sec. 32.** RCW 41.32.030 and 1989 c 273 s 16 are each amended to  
18 read as follows:

19 (~~(All of the assets of the retirement system shall be credited~~  
20 ~~according to the purposes for which they are held, to two funds to be~~  
21 ~~maintained in the state treasury, namely, the teachers' retirement~~  
22 ~~system plan I fund and the teachers' retirement system plan II fund.~~  
23 ~~The plan I fund shall consist of all moneys paid to finance the~~  
24 ~~benefits provided to members of plan I, and the plan II fund shall~~  
25 ~~consist of all moneys paid to finance the benefits provided to members~~  
26 ~~of plan II.))~~)

27 In the records of the teachers' retirement system the teachers'  
28 retirement fund plan I fund shall be subdivided into the annuity fund,  
29 the annuity reserve fund, the survivors' benefit fund, the pension

1 reserve fund, the disability reserve fund, the death benefit fund, the  
2 income fund, the expense fund, and ~~((such))~~ other funds as may from  
3 time to time be created by the director for the purpose of the internal  
4 accounting record.

5 **Sec. 33.** RCW 41.32.120 and 1969 ex.s. c 150 s 4 are each amended  
6 to read as follows:

7 The ~~((board of trustees))~~ department shall keep a record of all its  
8 proceedings, which shall be open to public inspection. It shall  
9 publish annually a report showing the fiscal transactions of the  
10 Washington state teachers' retirement system for the preceding school  
11 year; the amount of the accumulated cash and securities of the system,  
12 and the last balance sheet showing the financial condition of the  
13 system by means of an actuarial valuation of the assets and liabilities  
14 of the retirement system.

15 **Sec. 34.** RCW 41.32.130 and 1947 c 80 s 13 are each amended to read  
16 as follows:

17 The ~~((board of trustees))~~ director shall designate a medical  
18 director. If required, other physicians may be employed to report on  
19 special cases. The medical director shall arrange for and pass upon  
20 all medical examinations required under the provisions of this  
21 chapter~~((; he shall))~~, investigate all essential statements and  
22 certificates by or on behalf of a member in connection with an  
23 application for a disability allowance, and ~~((shall))~~ report in writing  
24 to the board of trustees ~~((his))~~ the conclusions and recommendations  
25 upon all matters ~~((referred to him))~~ under referral.

26 **Sec. 35.** RCW 41.32.160 and 1955 c 274 s 3 are each amended to read  
27 as follows:

1       (~~The board of trustees shall, from time to time, establish rules~~  
2 ~~and regulations for the administration of the funds created by this~~  
3 ~~chapter and for the transaction of its business. The board of trustees~~  
4 ~~shall be~~) The department is empowered within the limits of this  
5 chapter to decide on all questions of eligibility covering membership,  
6 service credit, and benefits.

7       **Sec. 36.** RCW 41.32.190 and 1973 1st ex.s. c 189 s 7 are each  
8 amended to read as follows:

9       From interest and other earnings on the moneys of the Washington  
10 state teachers' retirement system, and except as otherwise provided in  
11 RCW 41.32.405 and 41.32.499, at the close of each fiscal year the  
12 (~~board of trustees~~) department shall make (~~such~~) an allowance of  
13 regular interest on the balance which was on hand at the beginning of  
14 the fiscal year in each of the teachers' retirement system funds as  
15 they may deem advisable; however, no interest shall be credited to the  
16 expense fund or the pension fund.

17       **Sec. 37.** RCW 41.32.230 and 1947 c 80 s 23 are each amended to read  
18 as follows:

19       No trustee or employee of the (~~board of trustees~~) department  
20 shall become an endorser or surety or an obligor for moneys loaned by  
21 the (~~board of trustees~~) department.

22       **Sec. 38.** RCW 41.32.240 and 1979 ex.s. c 45 s 3 are each amended to  
23 read as follows:

24       All teachers employed full time in the public schools shall be  
25 members of the system except (~~those who have previously exempted~~  
26 ~~themselves from membership and~~) alien teachers who have been granted  
27 a temporary permit to teach as exchange teachers.

1       (~~No teacher who commences a period of employment on or after July~~  
2 ~~1, 1979, as a participant under the federal comprehensive employment~~  
3 ~~and training act of 1973 (CETA) (29 U.S.C. Sec. 801 et seq.), as~~  
4 ~~amended, shall be a member of this system during the period of such~~  
5 ~~participation unless, at the commencement of the participation under~~  
6 ~~CETA, the teacher either:~~

7       (1) ~~Has at least five years of service and the full amount of the~~  
8 ~~employee's contributions for such service remains on deposit in the~~  
9 ~~system; or~~

10       (2) ~~Has previously been retired from this system.)~~

11       A minimum of ninety days or the equivalent of ninety days of  
12 employment during a fiscal year shall be required to establish  
13 membership. A teacher shall be considered as employed full time if  
14 serving regularly for four-fifths or more of a school day or if  
15 assigned to duties which are the equivalent of four-fifths or more of  
16 a full time assignment. A teacher who is employed for less than full  
17 time service may become a member by filing an application with the  
18 retirement system, submitting satisfactory proof of teaching service  
19 and making the necessary payment before June 30 of the school year  
20 immediately following the one during which the service was rendered.  
21 (~~If an exempted teacher desires membership he must file with the~~  
22 ~~department a written request, duly executed, that his exemption~~  
23 ~~certificate be canceled, present proof of service, and make the~~  
24 ~~necessary payment before June 30 of the school year immediately~~  
25 ~~following the one in which his request for cancellation of the~~  
26 ~~exemption was filed. Any teacher who is still exempt from membership~~  
27 ~~in the teachers' retirement system after July 1, 1965 and chooses not~~  
28 ~~to become a member of the teachers' retirement system may continue his~~  
29 ~~exemption and shall not become a member of the state employees'~~  
30 ~~retirement system while employed as a teacher. All service rendered in~~

1 ~~this state subsequent to his exemption from membership must be~~  
2 ~~established by proper proof and paid for, with interest at three~~  
3 ~~percent, upon the same basis as he would have paid had he been a member~~  
4 ~~during the period covered by his exemption. Twenty percent of the~~  
5 ~~total amount due must be paid before membership can be established.~~  
6 ~~Payment of the remainder, including interest, must be completed before~~  
7 ~~June 30th of the fourth school year following that in which membership~~  
8 ~~was established. A minimum of five years of membership in the present~~  
9 ~~system and/or the former state fund or a local fund shall be required~~  
10 ~~of a member who was formerly exempt from membership before such member~~  
11 ~~may qualify for a retirement allowance.))~~

12 **Sec. 39.** RCW 41.32.242 and 1984 c 256 s 2 are each amended to read  
13 as follows:

14 (1) Any teacher, as defined under RCW 41.32.010(29), who is first  
15 employed by a public school on or after June 7, 1984, shall become a  
16 member of the retirement system as directed under RCW ~~((41.32.240))~~  
17 41.32.780 if otherwise eligible.

18 (2) Any person who before June 7, 1984, has established service  
19 credit under chapter 41.40 RCW while employed in an educational staff  
20 associate position and who is employed in such a position on or after  
21 June 7, 1984 has the following options:

22 (a) To remain a member of the public employees' retirement system  
23 notwithstanding the provisions of RCW 41.32.240 or 41.32.780; or

24 (b) To irrevocably elect to join the retirement system under this  
25 chapter and to receive service credit for previous periods of  
26 employment in any position included under RCW 41.32.010(29). ~~((Such))~~  
27 This service credit and corresponding employee contribution shall be  
28 computed as though the person had then been a member of the retirement  
29 system under this chapter. All employee contributions credited to a

1 member under chapter 41.40 RCW for service now to be credited to the  
2 retirement system under this chapter shall be transferred to the system  
3 and the member shall not receive any credit nor enjoy any rights under  
4 chapter 41.40 RCW for those periods of service. The member shall pay  
5 any difference between the employee contributions made under chapter  
6 41.40 RCW and transferred under this subsection and what would have  
7 been required under this chapter, including interest as set by the  
8 director. The member shall be given until July 1, 1989, to make the  
9 irrevocable election permitted under this section. The election shall  
10 be made by submitting written notification as required by the  
11 department requesting credit under this section and by remitting any  
12 necessary proof of service or payments within the time set by the  
13 department.

14 Any person, not employed as an educational staff associate on June  
15 7, 1984, may, before June 30 of the fifth school year after that  
16 person's return to employment as a teacher, request and establish  
17 membership and credit under this subsection.

18 **Sec. 40.** RCW 41.32.260 and 1974 ex.s. c 199 s 2 are each amended  
19 to read as follows:

20 Any member whose public school service is interrupted by active  
21 service to the United States as a member of its military, naval or air  
22 service, or to the state of Washington, as a member of the legislature,  
23 may upon becoming reemployed in the public schools, receive credit for  
24 ~~((such))~~ that service upon presenting satisfactory proof, and  
25 contributing to the annuity fund, either in a lump sum or installments,  
26 ~~((such))~~ amounts ~~((as shall be))~~ determined by the ~~((board of trustees:~~  
27 ~~PROVIDED-(1),)~~ director. Except that no ~~((such))~~ military service  
28 credit in excess of five years shall be established or reestablished

1 after July 1, 1961, unless the service was actually rendered during  
2 time of war(~~(: PROVIDED FURTHER~~

3 ~~(2), That a member of the retirement system who is a member of the~~  
4 ~~state legislature or a state official eligible for the combined pension~~  
5 ~~and annuity provided by RCW 41.32.497, or 41.32.498, as now or~~  
6 ~~hereafter amended shall have deductions taken from his salary in the~~  
7 ~~amount of seven and one half percent of earnable compensation and that~~  
8 ~~service credit shall be established with the retirement system while~~  
9 ~~such deductions are reported to the retirement system, unless he has by~~  
10 ~~reason of his employment become a contributing member of another public~~  
11 ~~retirement system in the state of Washington: AND PROVIDED FURTHER~~  
12 ~~(3), That such elected official who has retired or otherwise terminated~~  
13 ~~his public school service may then elect to terminate his membership in~~  
14 ~~the retirement system and receive retirement benefits while continuing~~  
15 ~~to serve as an elected official: AND, PROVIDED FURTHER (4), That a~~  
16 ~~member of the retirement system who had previous service as an elected~~  
17 ~~or appointed official, for which he did not contribute to the~~  
18 ~~retirement system, may receive credit for such legislative service~~  
19 ~~unless he has received credit for that service in another state~~  
20 ~~retirement system, upon making contributions in such amounts as shall~~  
21 ~~be determined by the board of trustees)).~~

22 NEW SECTION. Sec. 41. A new section is added to chapter 41.32 RCW  
23 to read as follows:

24 A member of the retirement system who is a member of the state  
25 legislature or a state official eligible for the combined pension and  
26 annuity provided by RCW 41.32.497, or 41.32.498, as now or hereafter  
27 amended shall have deductions taken from his or her salary in the  
28 amount of six percent of earnable compensation and that service credit  
29 shall be established with the retirement system while such deductions



1 are reported to the retirement system, unless he or she has by reason  
2 of his or her employment become a contributing member of another public  
3 retirement system in the state of Washington. Such elected official  
4 who has retired or otherwise terminated his or her public school  
5 service may then elect to terminate his or her membership in the  
6 retirement system and receive retirement benefits while continuing to  
7 serve as an elected official. A member of the retirement system who  
8 had previous service as an elected or appointed official, for which he  
9 or she did not contribute to the retirement system, may receive credit  
10 for such legislative service unless he or she has received credit for  
11 that service in another state retirement system, upon making  
12 contributions in such amounts as shall be determined by the board of  
13 trustees.

14 **Sec. 42.** RCW 41.32.300 and 1963 ex.s. c 14 s 5 are each amended to  
15 read as follows:

16 (1) Henceforth a total of not more than four years of service  
17 outside of the state shall be credited to a member who establishes or  
18 reestablishes credit for out-of-state public school employment in this  
19 state subsequent to July 1, 1961. Foreign public school teaching  
20 service shall be creditable as out-of-state service(~~(:—PROVIDED,~~  
21 ~~That))~~).

22 (2) No out-of-state service credit shall be established or  
23 reestablished subsequent to July 1, 1964, except that a member who has  
24 been granted official leave of absence by his or her employer may, upon  
25 ~~((his))~~ return to public school service in this state, establish out-  
26 of-state membership service credit, within the limitations of this  
27 section and conditioned upon satisfactory proof and upon contributions  
28 to the annuity fund, for public school service rendered in another  
29 state or in another country.

1       (3) No member who establishes out-of-state service credit after  
2 July 1, 1947, shall at retirement for pension payment purposes be  
3 allowed credit for out-of-state service in excess of the number of  
4 years credit which he or she shall have earned in the public schools of  
5 the state of Washington.

6       **Sec. 43.** RCW 41.32.310 and 1974 ex.s. c 193 s 1 are each amended  
7 to read as follows:

8       (1) Any member desiring to establish credit for services previously  
9 rendered, must present proof and make the necessary payments on or  
10 before June 30 of the fifth school year of ~~((his))~~ membership.  
11 Payments covering all types of membership service credit must be made  
12 in a lump sum when due, or in annual installments. The first annual  
13 installment of at least twenty percent of the amount due must be paid  
14 before the above deadline date, and the final payment must be made by  
15 June 30th of the fourth school year following that in which the first  
16 installment was made. The amount of payment and the interest thereon,  
17 whether lump sum or installments, shall be made by a method and in an  
18 amount established by the ~~((board of trustees:—PROVIDED, That))~~  
19 department.

20       (2) A member who had the opportunity under chapter 41.32 RCW prior  
21 to July 1, 1969, to establish credit for active United States military  
22 service or credit for professional preparation and failed to do so  
23 shall be permitted to establish ~~((such))~~ additional credit within the  
24 provisions of RCW 41.32.260 and 41.32.330~~((:—PROVIDED FURTHER, That))~~.  
25 A member who was not permitted to establish credit pursuant to section  
26 2, chapter 32, Laws of 1973 2nd ex. sess., for Washington teaching  
27 service previously rendered, must present proof and make the necessary  
28 payment to establish such credit as membership service credit. Payment  
29 for such credit must be made in a lump sum on or before June 30, 1974.

1 Any member desiring to establish credit under the provisions of this  
2 1969 amendment must present proof and make the necessary payment before  
3 June 30, 1974; or, if not employed on the effective date of this  
4 amendment, before June 30th of the fifth school year upon returning to  
5 public school employment in this state.

6 **Sec. 44.** RCW 41.32.330 and 1969 ex.s. c 150 s 10 are each amended  
7 to read as follows:

8 The (~~board of trustees~~) department may allow credit for  
9 professional preparation to a member for attendance at institutions of  
10 higher learning, or for a scholarship or grant under an established  
11 foundation, subsequent to becoming a public school teacher; but not  
12 more than two years of such credit may be granted to any member.

13 **Sec. 45.** RCW 41.32.340 and 1969 ex.s. c 150 s 11 are each amended  
14 to read as follows:

15 Creditable service of a member at retirement shall consist of the  
16 membership service rendered (~~by him~~) for which credit has been  
17 allowed, and also, if (~~he has~~) a prior service certificate (~~that~~)  
18 is in full force and effect, the amount of the service certified on  
19 (~~his~~) the prior service certificate. No pension payments shall be  
20 made for service credits established or reestablished after July 1,  
21 1955, if such credits entitle the member to retirement benefits from  
22 any other public state or local retirement system or fund. No pension  
23 payments shall be made for service credits established or reestablished  
24 after July 1, 1961, if such credits entitle the member to retirement  
25 benefits from a public federal retirement system or fund for services  
26 rendered under a civilian program: PROVIDED, That no pension payments  
27 shall be made for service credits established or reestablished after

1 July 1, 1969, if credit for the same service is retained for benefits  
2 under any other retirement system or fund.

3 **Sec. 46.** RCW 41.32.350 and 1990 c 274 s 7 are each amended to read  
4 as follows:

5 ~~((Member contributions shall be placed in the annuity fund, the~~  
6 ~~disability reserve fund and the death benefit fund.))~~ A member may  
7 make an additional lump sum payment at date of retirement, not to  
8 exceed ~~((his))~~ the member's accumulated contributions, to purchase  
9 additional annuity. A contribution of six percent of earnable  
10 compensation is required from each member, except as provided under RCW  
11 41.32.013.

12 **Sec. 47.** RCW 41.32.360 and 1963 ex.s. c 14 s 8 are each amended to  
13 read as follows:

14 For each year ~~((during which he is employed))~~ of employment, each  
15 member who is employed on a full time basis shall have transferred from  
16 his or her contributions ~~((such))~~ a sum ~~((as the board of trustees~~  
17 ~~shall determine necessary))~~ determined by the director, in accordance  
18 with the recommendations of the state actuary ~~((appointed by the board~~  
19 ~~of trustees)),~~ to ~~((create))~~ maintain a fund sufficient, with regular  
20 interest, to provide temporary disability benefits for the members  
21 whose claims will be approved by the ~~((board of trustees))~~ department  
22 in accordance with the provisions of RCW 41.32.540. These transfers  
23 shall be placed in the disability reserve fund.

24 **Sec. 48.** RCW 41.32.366 and 1963 ex.s. c 14 s 10 are each amended  
25 to read as follows:

26 ~~((Each fiscal year))~~ During ~~((which))~~ each fiscal year that a  
27 member is employed on a full time basis, ~~((there shall be transferred~~

1 ~~from his~~) the department shall transfer from the member's  
2 contributions ~~((such))~~ a sum ~~((as))~~ that will, with regular interest,  
3 ~~((create))~~ maintain a fund sufficient according to actuarial rates  
4 adopted by the ~~((board of trustees,))~~ department to pay the death  
5 benefits as provided for in this chapter.

6 **Sec. 49.** RCW 41.32.390 and 1955 c 274 s 18 are each amended to  
7 read as follows:

8 At least twenty percent of the total amount due for prior service  
9 credit must be paid before an application for ~~((such))~~ credit may be  
10 presented to the ~~((board of trustees))~~ department for approval. The  
11 balance is not due until date of retirement and may be paid at that  
12 time without additional charge. Any unpaid installments at the time  
13 the member is retired for service or disability shall constitute a  
14 first, paramount, and prior lien against his or her retirement  
15 allowance.

16 **Sec. 50.** RCW 41.32.405 and 1984 c 236 s 2 are each amended to read  
17 as follows:

18 ~~((An))~~ The teachers' retirement system income fund is hereby  
19 created for the purpose of crediting regular interest and ~~((such))~~  
20 other income as may be derived from the deposits and investments of the  
21 various funds of the teachers' retirement fund. All accumulated  
22 contributions in the account of a terminated employee who is a member  
23 of the Washington teachers' retirement system, except as provided for  
24 in RCW 41.32.500 (1) through (3), 41.32.510, 41.32.810, and 41.32.815,  
25 shall be transferred to the teachers' retirement system income fund.  
26 If the former employee, the former employee's beneficiary, or the  
27 former employee's estate at a future date requests the unclaimed  
28 contributions or reinstatement of the rights previously provided

1 thereunder, the former employee's contributions shall be transferred  
2 from the teachers' retirement system income fund to the teachers'  
3 retirement system annuity fund and the former employee's account  
4 reestablished with all the rights which would have been due the former  
5 employee, the former employee's beneficiary, or the former employee's  
6 estate as if in fact the transfer to the teachers' retirement system  
7 income fund had not occurred. Any moneys that may come into the  
8 possession of the Washington teachers' retirement system in the form of  
9 gifts or bequests which are not allocated to a specific fund, or any  
10 other moneys the disposition of which is not otherwise provided herein,  
11 shall be credited to the teachers' retirement system income fund. The  
12 moneys accumulated in the teachers' retirement system income fund shall  
13 be available for transfer, upon the director's authorization, to the  
14 various funds of the teachers' retirement fund; however, no interest  
15 may be credited to the teachers' retirement system pension fund:  
16 PROVIDED, That from such accumulated moneys the director shall have  
17 sole discretion to determine an amount thereof to be credited to the  
18 teachers' retirement system annuity fund which will thereupon be  
19 credited as regular interest to the individual members' accounts except  
20 that any accrued interest shall be credited at least annually to the  
21 individual members' accounts.

22 **Sec. 51.** RCW 41.32.420 and 1983 c 56 s 14 are each amended to read  
23 as follows:

24 On or before a date specified by the (~~board of trustees~~)  
25 department in each month every employer shall file a report with the  
26 (~~board of trustees of the retirement system~~) department on a form  
27 provided, stating the name of the employer and with respect to each  
28 employee who is a member or who is required to become a member of the  
29 Washington state teachers' retirement system: (1) The full name, (2)

1 the earnable compensation paid, (3) the employee's contribution to the  
2 retirement system, and (4) ((such)) other information as the ((board))  
3 department shall require(~~(, and at the same time notify each new~~  
4 ~~employee in writing with reference to the Washington state teachers'~~  
5 ~~retirement system and that an application for prior service credit may~~  
6 ~~be filed with the board of trustees thereof on a form furnished by the~~  
7 ~~board)).~~

8       **Sec. 52.** RCW 41.32.430 and 1967 c 50 s 5 are each amended to read  
9 as follows:

10       Every officer authorized to issue salary warrants to teachers shall  
11 deduct from ((such)) the salary payments to any member of the  
12 Washington state teachers' retirement system plan I regularly employed  
13 an amount which will result in total deductions of ((five)) six percent  
14 of the amount of earnable compensation paid in any fiscal year.  
15 ((Such)) These deductions shall be transmitted and reported to the  
16 retirement system as directed by the ((board of trustees)) department.

17       **Sec. 53.** RCW 41.32.480 and 1974 ex.s. c 193 s 2 are each amended  
18 to read as follows:

19       (1) Any member who has left public school service after having  
20 completed thirty years of creditable service may retire upon the  
21 approval by the ((board of trustees)) department of an application for  
22 retirement filed on the prescribed form. Upon retirement ((such)) the  
23 member shall receive a retirement allowance consisting of an annuity  
24 which shall be the actuarial equivalent of his or her accumulated  
25 contributions at his or her age of retirement and a pension as provided  
26 in RCW 41.32.497 ((as now or hereafter amended)). Effective July 1,  
27 1967, anyone then receiving a retirement allowance or a survivor  
28 retirement allowance under this chapter, based on thirty-five years of

1 creditable service, and who has established more than thirty-five years  
2 of service credit with the retirement system, shall thereafter receive  
3 a retirement allowance based on the total years of service credit  
4 established.

5 (2) Any member who has attained age sixty years, but who has  
6 completed less than thirty years of creditable service, upon leaving  
7 public school service, may retire upon the approval by the (~~board of~~  
8 ~~trustees~~) department of an application for retirement filed on the  
9 prescribed form. Upon retirement (~~such~~) the member shall receive a  
10 retirement allowance consisting of an annuity which shall be the  
11 actuarial equivalent of his or her accumulated contributions at his or  
12 her age of retirement and a pension as provided in RCW 41.32.497 (~~as~~  
13 ~~now or hereafter amended~~)).

14 (3) Any member who has attained age fifty-five years and who has  
15 completed not less than twenty-five years of creditable service, upon  
16 leaving public school service, may retire upon the approval by the  
17 (~~board of trustees~~) department of an application for retirement filed  
18 on the prescribed form. Upon retirement (~~such~~) the member shall  
19 receive a retirement allowance which shall be the actuarial equivalent  
20 of his or her accumulated contributions at his or her age of retirement  
21 and a pension as provided in RCW 41.32.497 (~~as now or hereafter~~  
22 ~~amended: PROVIDED, That no~~). An individual who has retired pursuant  
23 to this subsection, on or after July 1, 1969, shall not suffer an  
24 actuarial reduction in his or her retirement allowance, except as  
25 (~~such~~) the allowance may be actuarially reduced pursuant to the  
26 options contained in RCW 41.32.530(~~(: PROVIDED FURTHER, That)~~). This  
27 1974 amendment shall be retroactive to July 1, 1969.

28 **Sec. 54.** RCW 41.32.4945 and 1974 ex.s. c 199 s 6 are each amended  
29 to read as follows:



1       Notwithstanding any other provision of RCW 41.32.010, 41.32.260,  
2 41.32.497, 41.32.498 and this section, when the salary of any member as  
3 a member of the legislature is increased beyond the amount provided for  
4 in Initiative Measure No. 282 then earnable compensation for the  
5 purposes of this chapter shall be based solely on the sum of (1) the  
6 compensation actually received from the salary for the job from which  
7 such leave of absence may have been taken and (2) such member's salary  
8 as a legislator during (~~his~~) the two highest compensated consecutive  
9 years.

10       **Sec. 55.** RCW 41.32.498 and 1990 c 249 s 4 are each amended to read  
11 as follows:

12       Any person who becomes a member subsequent to April 25, 1973 or who  
13 has made the election, provided by RCW 41.32.497, to receive the  
14 benefit provided by this section, shall receive a retirement allowance  
15 consisting of:

16       (1) An annuity which shall be the actuarial equivalent of his or  
17 her additional contributions on full salary as provided by chapter 274,  
18 Laws of 1955 and his or her lump sum payment in excess of the required  
19 contribution rate made at date of retirement, pursuant to RCW  
20 41.32.350, if any; and

21       (2) A combined pension and annuity service retirement allowance  
22 which shall be equal to two percent of his or her average earnable  
23 compensation for his or her two highest compensated consecutive years  
24 of service times the total years of creditable service established with  
25 the retirement system, to a maximum of sixty percent of such average  
26 earnable compensation: PROVIDED, That any member may irrevocably  
27 elect, at time of retirement, to withdraw all or a part of his  
28 accumulated contributions and to receive, in lieu of the full  
29 retirement allowance provided by this subsection, a reduction in the

1 standard two percent allowance, of the actuarially determined amount of  
2 monthly annuity which would have been purchased by said contributions:  
3 PROVIDED FURTHER, That no member may withdraw an amount of accumulated  
4 contributions which would lower his or her retirement allowance below  
5 the minimum allowance provided by RCW 41.32.497 as now or hereafter  
6 amended: AND PROVIDED FURTHER, That said reduced amount may be reduced  
7 even further pursuant to the options provided in RCW 41.32.530;

8 (3) Notwithstanding the provisions of subsections (1) and (2) of  
9 this section, the retirement allowance payable for service of a member  
10 who was state superintendent of public instruction on January 1, 1973  
11 shall be equal to three percent of the average earnable compensation of  
12 his two highest consecutive years of service for each year of such  
13 service.

14 **Sec. 56.** RCW 41.32.499 and 1973 2nd ex.s. c 32 s 1 are each  
15 amended to read as follows:

16 (1) "Index" for the purposes of this section shall mean, for any  
17 calendar year, that year's annual average consumer price index for  
18 urban wage earners and clerical workers, all items (1957-1959 equal one  
19 hundred)--compiled by the Bureau of Labor Statistics, United States  
20 Department of Labor;

21 (2) "Cost-of-living factor" for the purposes of this section for  
22 any year shall mean the ratio of the index for the previous year to the  
23 index for the year preceding the initial date of payment of the  
24 retirement allowance, except that, in no event, shall the cost-of-  
25 living factor, for any year subsequent to 1971, be

26 (a) less than 1.000;

27 (b) more than one hundred three percent or less than ninety-seven  
28 percent of the previous year's cost-of-living factor; or

1 (c) such as to yield a retirement allowance, for any individual,  
2 less than that which was in effect July 1, 1972;

3 (3) The "initial date of payment" for the purposes of adjusting the  
4 annuity portion of a retirement allowance for the purposes of this  
5 section shall mean the date of retirement of a member.

6 (4) The "initial date of payment" for the purposes of adjusting the  
7 pension portion of a retirement allowance for the purposes of this  
8 section shall mean the date of retirement of a member or July 1, 1972,  
9 whichever is later: PROVIDED, That this 1973 amendment to this  
10 subsection shall be retroactive to July 1, 1973.

11 (5) Each service retirement allowance payable from July 1, 1973,  
12 until any subsequent adjustment pursuant to subsection (6) of this  
13 section shall be adjusted so as to equal the product of the cost-of-  
14 living factor for 1973 and the amount of (~~said~~) the retirement  
15 allowance on the initial date of payment.

16 (6) Each service retirement allowance payable from July 1st of any  
17 year after 1973 until any subsequent adjustment pursuant to this  
18 subsection shall be adjusted so as to equal the product of the cost-of-  
19 living factor for (~~such~~) the year and the amount of (~~said~~) the  
20 retirement allowance on the initial date of payment: PROVIDED, That  
21 the (~~board~~) director finds, at (~~its~~) his or her sole discretion,  
22 that the cost of (~~such~~) the adjustments shall have been met by the  
23 excess of the growth in the assets of the system over that required for  
24 meeting the actuarial liabilities of the system at that time.

25 **Sec. 57.** RCW 41.32.500 and 1986 c 317 s 2 are each amended to read  
26 as follows:

27 (1) Membership in the retirement system is terminated when a member  
28 retires for service or disability, dies, withdraws (~~his~~) the  
29 accumulated contributions or does not establish service credit with the

1 retirement system for five consecutive years; however, a member may  
2 retain membership in the teachers' retirement system by leaving ((his))  
3 the accumulated contributions in the teachers' retirement fund under  
4 one of the following conditions:

5 (a) If he or she is eligible for retirement;

6 (b) If he or she is a member of another public retirement system in  
7 the state of Washington by reason of change in employment and has  
8 arranged to have membership extended during the period of such  
9 employment;

10 (c) If he or she is not eligible for retirement but has established  
11 five or more years of Washington membership service credit.

12 The prior service certificate becomes void when a member dies,  
13 withdraws ((his)) the accumulated contributions or does not establish  
14 service credit with the retirement system for five consecutive years,  
15 and any prior administrative interpretation of the board of trustees,  
16 consistent with this section, is hereby ratified, affirmed and  
17 approved.

18 (2) Any member, except an elected official, who reentered service  
19 and who failed to restore withdrawn contributions, shall now have from  
20 April 4, 1986, through June 30, 1987, to restore the contributions,  
21 with interest as determined by the director.

22 (3) Within the ninety days following the employee's resumption of  
23 employment, the employer shall notify the department of the resumption  
24 and the department shall then return to the employer a statement of the  
25 potential service credit to be restored, the amount of funds required  
26 for restoration, and the date when the restoration must be  
27 accomplished. The employee shall be given a copy of the statement and  
28 shall sign a copy of the statement which signed copy shall be placed in  
29 the employee's personnel file.

1       **Sec. 58.** RCW 41.32.520 and 1990 c 249 s 15 are each amended to  
2 read as follows:

3       (1) Upon receipt of proper proofs of death of any member before  
4 retirement or before the first installment of his or her retirement  
5 allowance shall become due his or her accumulated contributions and/or  
6 other benefits payable upon his or her death shall be paid to his or  
7 her estate or to such persons as he or she shall have nominated by  
8 written designation duly executed and filed with the ((board of  
9 trustees)) department. If a member fails to file a new beneficiary  
10 designation subsequent to marriage, divorce, or reestablishment of  
11 membership following termination by withdrawal, lapsation, or  
12 retirement, payment of his or her accumulated contributions and/or  
13 other benefits upon death before retirement shall be made to the  
14 surviving spouse, if any; otherwise, to his or her estate. If a member  
15 had established ten or more years of Washington membership service  
16 credit or was eligible for retirement, the beneficiary or the surviving  
17 spouse if otherwise eligible may elect, in lieu of a cash refund of the  
18 member's accumulated contributions, the following survivor benefit  
19 plan:

20       (a) A widow or widower, without a child or children under eighteen  
21 years of age, may elect a monthly payment of fifty dollars to become  
22 effective at age fifty, provided the member had fifteen or more years  
23 of Washington membership service credit.

24       (b) The beneficiary, if a surviving spouse or a dependent (as that  
25 term is used in computing the dependent exemption for federal internal  
26 revenue purposes) may elect to receive a joint and one hundred percent  
27 retirement allowance under RCW 41.32.530.

28       (i) In the case of a dependent child the allowance shall continue  
29 until attainment of majority or so long as the ((board)) department  
30 judges that the circumstances which created his or her dependent status

1 continue to exist. In any case, if at the time dependent status  
2 ceases, an amount equal to the amount of accumulated contributions of  
3 the deceased member has not been paid to the beneficiary, the remainder  
4 shall then be paid in a lump sum to the beneficiary.

5 (ii) If at the time of death, the member was not then qualified for  
6 a service retirement allowance, the benefit shall be based upon the  
7 actuarial equivalent of the sum necessary to pay the accrued regular  
8 retirement allowance commencing when the deceased member would have  
9 first qualified for a service retirement allowance.

10 (2) If no qualified beneficiary survives a member, at his or her  
11 death his or her accumulated contributions shall be paid to his or her  
12 estate, or his or her dependents may qualify for survivor benefits  
13 under benefit plan (1)(b) in lieu of a cash refund of the members  
14 accumulated contributions in the following order: Widow or widower,  
15 guardian of a dependent child or children under age eighteen, or  
16 dependent parent or parents.

17 (3) Under survivors' benefit plan (1)(a) the (~~board of trustees~~)  
18 department shall transfer to the survivors' benefit fund the  
19 accumulated contributions of the deceased member together with an  
20 amount from the pension fund determined by actuarial tables to be  
21 sufficient to fully fund the liability. Benefits shall be paid from  
22 the survivors' benefit fund monthly and terminated at the marriage of  
23 the beneficiary.

24 **Sec. 59.** RCW 41.32.522 and 1974 ex.s. c 193 s 4 are each amended  
25 to read as follows:

26 (1) A death benefit of six hundred dollars shall be paid from the  
27 death benefit fund to a member's estate or to the persons the member  
28 nominates by written designation duly executed and filed with the  
29 department or to the persons as may otherwise qualify as the

1 beneficiary pursuant to RCW 41.32.520 upon receipt of proper proof of  
2 death of ((a member who)) the member if he or she:

3 (a) Was employed on a full time basis and who contributed to the  
4 death benefit fund during the fiscal year in which his or her death  
5 occurs((, or who));

6 (b) Was under contract for full time employment in a Washington  
7 public school for the fiscal year immediately following the year in  
8 which such contribution to the death fund was made((, or who));

9 (c) Submits an application for a retirement allowance to be  
10 approved ((at the next regular meeting of the board of trustees)) by  
11 the department immediately following termination of his or her full-  
12 time Washington public school service and who dies before the first  
13 installment of his or her retirement allowance becomes due((, or who));

14 (d) Is receiving or is entitled to receive temporary disability  
15 payments((, or who)); or

16 (e) Upon becoming eligible for a disability retirement allowance  
17 submits an application for ((such)) an allowance to be approved ((at  
18 the next regular meeting of the board of trustees)) by the department  
19 immediately following the date of his or her eligibility for a  
20 disability retirement allowance and dies before the first installment  
21 of such allowance becomes due((, a death benefit of six hundred dollars  
22 shall be paid from the death benefit fund to his estate or to such  
23 persons as he shall have nominated by written designation duly executed  
24 and filed with the board of trustees or to such persons as may  
25 otherwise qualify as the beneficiary pursuant to RCW 41.32.520, as now  
26 or hereafter amended: PROVIDED, That the)).

27 (2) In order to receive a death benefit under this section a  
28 deceased member ((had));

29 (a) Must have established at least one year of credit with the  
30 retirement system for full time Washington membership service ((and

1 ~~that his~~)). A member's contribution to the death benefit fund for a  
2 given fiscal year (~~shall qualify him~~) qualifies the member for the  
3 death benefit in the event his or her death occurs before the beginning  
4 of the ensuing school year(~~AND PROVIDED FURTHER, That a deceased~~  
5 ~~member~~));

6 (b) Who was not employed full time in Washington public school  
7 service during the fiscal year immediately preceding the year of his or  
8 her death (~~shall~~) must have been employed full time in Washington  
9 public school service for at least fifty consecutive days during the  
10 fiscal year of his or her death.

11 **Sec. 60.** RCW 41.32.523 and 1974 ex.s. c 193 s 6 are each amended  
12 to read as follows:

13 Upon receipt of proper proof of death of a member who does not  
14 qualify for the death benefit of six hundred dollars under RCW  
15 41.32.522 (~~as now or hereafter amended~~), or a former member who was  
16 retired for age, service, or disability, a death benefit of four  
17 hundred dollars shall be paid from the death benefit fund to (~~his~~)  
18 the member's estate or to (~~such~~) the persons as he or she shall have  
19 nominated by written designation duly executed and filed with the  
20 (~~board of trustees~~) department or to (~~such~~) the persons as may  
21 otherwise qualify as the beneficiary pursuant to RCW 41.32.520(~~as~~  
22 ~~now or hereafter amended~~): PROVIDED, That the member or the retired  
23 former member had established not less than ten years of credit with  
24 the retirement system for full time Washington membership service.

25 **Sec. 61.** RCW 41.32.540 and 1974 ex.s. c 193 s 7 are each amended  
26 to read as follows:

27 Upon application of a member in service or of his or her employer  
28 or of his or her legal guardian or of the legal representative of a



1 deceased member who was eligible to apply for a temporary disability  
2 allowance based on ~~((his))~~ the final illness a member shall be granted  
3 a temporary disability allowance by the ~~((board of trustees))~~  
4 department if the medical director, after a medical examination of  
5 ~~((such))~~ the member, ~~((shall certify))~~ certifies that ~~((such))~~ the  
6 member is mentally or physically incapacitated for the further  
7 performance of duty. Any member receiving a temporary disability  
8 allowance on July 1, 1964 or who qualifies for a temporary disability  
9 allowance effective on or after July 1, 1964 shall receive a temporary  
10 disability allowance of one hundred eighty dollars per month payable  
11 from the disability reserve fund for a period not to exceed two years,  
12 but no payments shall be made for a disability period of less than  
13 sixty days: PROVIDED, That a member who is not employed full time in  
14 Washington public school service for consecutive fiscal years shall  
15 have been employed for at least fifty consecutive days during the  
16 fiscal year in which he or she returns to full time Washington public  
17 school service before he or she may qualify for temporary disability  
18 benefits: PROVIDED FURTHER, That no temporary disability benefits  
19 shall be paid on the basis of an application received more than four  
20 calendar years after a member became eligible to apply for such  
21 benefits.

22 **Sec. 62.** RCW 41.32.550 and 1970 ex.s. c 35 s 4 are each amended to  
23 read as follows:

24 (1) Should the ~~((board))~~ department determine from the report of  
25 the medical director that a member in full time service has become  
26 permanently disabled for the performance of his or her duties or at any  
27 time while a member is receiving temporary disability benefits that a  
28 member's disability will be permanent, a member shall have the option  
29 of then receiving ~~((+1))~~ (a) all of ~~((his))~~ the accumulated

1 contributions in a lump sum payment and canceling his or her  
2 membership, or ~~((+2))~~ (b) of accepting a retirement allowance based on  
3 service or age, if eligible under RCW 41.32.480, or ~~((+3))~~ (c) if  
4 ~~((he))~~ the member had five or more years of Washington membership  
5 service credit established with the retirement system, a retirement  
6 allowance because of disability~~((:—PROVIDED, That))~~.

7       (2) Any member applying for a retirement allowance who is eligible  
8 for benefits on the basis of service or age shall receive a retirement  
9 allowance based on the provision of law governing retirement for  
10 service or age. If the member qualifies to receive a retirement  
11 allowance because of disability he or she shall be paid the maximum  
12 annuity which shall be the actuarial equivalent of ~~((his))~~ the  
13 accumulated contributions at his or her age of retirement and a pension  
14 equal to the service pension to which he or she would be entitled under  
15 RCW 41.32.497 ~~((as now or hereafter amended))~~. If the member dies  
16 before he or she has received in annuity payments the present value of  
17 ~~((his))~~ the accumulated contributions at the time of ~~((his))~~  
18 retirement, the unpaid balance shall be paid to ~~((his))~~ the estate or  
19 to ~~((such))~~ the persons ~~((as he shall have))~~ nominated by written  
20 designation executed and filed with the ~~((board of trustees))~~  
21 department.

22       (3) A member retired for disability may be required at any time to  
23 submit to reexamination. If medical findings reveal that the  
24 individual is no longer disabled for the performance of public school  
25 service, the retirement allowance granted because of disability may be  
26 terminated by action of the ~~((board of trustees))~~ department or upon  
27 written request of the member. In case of ~~((such))~~ termination, the  
28 individual shall be restored to full membership in the retirement  
29 system.

1       **Sec. 63.** RCW 41.32.590 and 1989 c 360 s 25 are each amended to  
2 read as follows:

3       (1) Subject to subsections (2) and (3) of this section, the right  
4 of a person to a pension, an annuity, a retirement allowance, or  
5 disability allowance, to the return of contributions, any optional  
6 benefit or death benefit, any other right accrued or accruing to any  
7 person under the provisions of this chapter and the moneys in the  
8 various funds created by this chapter shall be unassignable, and are  
9 hereby exempt from any state, county, municipal or other local tax, and  
10 shall not be subject to execution, garnishment, attachment, the  
11 operation of bankruptcy or insolvency laws, or other process of law  
12 whatsoever.

13       (2) This section shall not be deemed to prohibit a beneficiary of  
14 a retirement allowance who is eligible:

15       (a) Under RCW 41.05.080 from authorizing monthly deductions  
16 therefrom for payment of premiums due on any group insurance policy or  
17 plan issued for the benefit of a group comprised of public employees of  
18 the state of Washington or its political subdivisions;

19       (b) Under a group health care benefit plan approved pursuant to RCW  
20 28A.400.350 or 41.05.065 from authorizing monthly deductions therefrom,  
21 of the amount or amounts of subscription payments, premiums, or  
22 contributions to any person, firm, or corporation furnishing or  
23 providing medical, surgical, and hospital care or other health care  
24 insurance; or

25       (c) Under ((~~the Washington state teachers' retirement~~)) this system  
26 from authorizing monthly deductions therefrom for payment of dues and  
27 other membership fees to any retirement association composed of retired  
28 teachers and/or public employees pursuant to a written agreement  
29 between the director and the retirement association.

1 Deductions under (a) and (b) of this subsection shall be made in  
2 accordance with rules ~~((and regulations))~~ that may be ~~((promulgated))~~  
3 adopted by the director ~~((of retirement systems))~~.

4 (3) Subsection (1) of this section shall not prohibit the  
5 department ~~((of retirement systems))~~ from complying with (a) a wage  
6 assignment order for child support issued pursuant to chapter 26.18  
7 RCW, (b) an order to withhold and deliver issued pursuant to chapter  
8 74.20A RCW, (c) a notice of payroll deduction issued pursuant to RCW  
9 26.23.060, (d) a mandatory benefits assignment order issued ~~((pursuant~~  
10 ~~to chapter 41.50 RCW))~~ by the department, or (e) any administrative or  
11 court order expressly authorized by federal law.

12 **Sec. 64.** RCW 41.32.610 and 1947 c 80 s 61 are each amended to read  
13 as follows:

14 Any claimant feeling aggrieved by the action of the ~~((board))~~  
15 department may take an appeal to the superior court of Thurston county  
16 within ten days from the day he or she receives written notice of the  
17 ~~((board's))~~ department's action by filing with the ~~((secretary-manager~~  
18 ~~of the system))~~ director a written notice of appeal and giving bond to  
19 the retirement system in the sum of two hundred and fifty dollars  
20 conditioned to pay all costs which may be adjudged against the  
21 applicant in the superior court. Sureties on the bond must be such as  
22 are approved by the court.

23 **Sec. 65.** RCW 41.32.620 and 1947 c 80 s 62 are each amended to read  
24 as follows:

25 Any five members feeling aggrieved by any action of the ~~((board))~~  
26 department may take an appeal to the superior court of Thurston county  
27 within ten days from the date of such action by filing ~~((with the~~  
28 ~~secretary-manager of the system))~~ a written notice of appeal with the

1 director and giving bond to the retirement system in the sum of two  
2 hundred and fifty dollars conditioned to pay all costs which may be  
3 adjudged against appellants in the superior court, with sureties on the  
4 bond approved by the court. In case the appeal involves a claim,  
5 service of a copy of the notice of appeal on the claimant is a  
6 necessary step in perfecting the appeal.

7 **Sec. 66.** RCW 41.32.630 and 1947 c 80 s 63 are each amended to read  
8 as follows:

9 If an appeal involves a claimant, the ~~((secretary manager of the~~  
10 ~~retirement system shall forthwith))~~ director shall certify to the clerk  
11 of the superior court for Thurston county all matter filed with respect  
12 to the claim, together with a transcript of the record of the board  
13 upon the claim, together with the notice of appeal and appeal bond.

14 **Sec. 67.** RCW 41.32.780 and 1990 c 274 s 15 are each amended to  
15 read as follows:

16 ~~((1) Except as provided in subsection (2) of this section,))~~ All  
17 teachers who become employed by an employer in an eligible position on  
18 or after October 1, 1977, shall be members of the retirement system and  
19 shall be governed by the provisions of RCW 41.32.755 through 41.32.825.

20 ~~((2) No teacher who commences a period of employment on or after~~  
21 ~~July 1, 1979, as a participant under the federal comprehensive~~  
22 ~~employment and training act of 1973 (CETA) (29 U.S.C. Sec. 801 et~~  
23 ~~seq.), as amended, shall be a member of this system during the period~~  
24 ~~of such participation unless, at the commencement of the participation~~  
25 ~~under CETA, the teacher either:~~

26 (a) ~~Has at least five years of service and the full amount of the~~  
27 ~~employee's contributions for such service remains on deposit in the~~  
28 ~~system; or~~

1       ~~(b) Has previously been retired from this system.)~~

2       **Sec. 68.** RCW 41.32.790 and 1990 c 249 s 20 are each amended to  
3 read as follows:

4       (1) A member of the retirement system who becomes totally  
5 incapacitated for continued employment by an employer as determined by  
6 the department upon recommendation of the ~~((retirement board))~~  
7 department shall be eligible to receive an allowance under the  
8 provisions of RCW 41.32.755 through 41.32.825. ~~((Such))~~ The member  
9 shall receive a monthly disability allowance computed as provided for  
10 in RCW 41.32.760 and shall have ~~((such))~~ the allowance actuarially  
11 reduced to reflect the difference in the number of years between age at  
12 disability and the attainment of age sixty-five.

13       Any member who receives an allowance under the provisions of this  
14 section shall be subject to ~~((such))~~ comprehensive medical examinations  
15 as required by the department. If ~~((such))~~ medical examinations reveal  
16 that ~~((such))~~ a member has recovered from the incapacitating disability  
17 and the member is offered reemployment by an employer at a comparable  
18 compensation, ~~((such))~~ the member shall cease to be eligible for  
19 ~~((such))~~ the allowance.

20       (2) (a) If the recipient of a monthly retirement allowance under  
21 this section dies before the total of the retirement allowance paid to  
22 the recipient equals the amount of the accumulated contributions at the  
23 date of retirement, then the balance shall be paid to ~~((such))~~ the  
24 person or persons having an insurable interest in his or her life as  
25 the recipient has nominated by written designation duly executed and  
26 filed with the director, or, if there is no ~~((such))~~ designated person  
27 or persons still living at the time of the recipient's death, then to  
28 the surviving spouse, or, if there is neither ~~((such))~~ a designated

1 person or persons still living at the time of his or her death nor a  
2 surviving spouse, then to his or her legal representative.

3 (b) If a recipient of a monthly retirement allowance under this  
4 section died before April 27, 1989, and before the total of the  
5 retirement allowance paid to the recipient equaled the amount of his or  
6 her accumulated contributions at the date of retirement, then the  
7 department shall pay the balance of the accumulated contributions to  
8 the member's surviving spouse or, if there is no surviving spouse, then  
9 in equal shares to the member's children. If there is no surviving  
10 spouse or children, the department shall retain the contributions.

11 **Sec. 69.** RCW 41.40.005 and 1989 c 273 s 20 and 1989 c 272 s 7 are  
12 each reenacted and amended to read as follows:

13 (~~((1) "Public employees' retirement system plan I" or "plan I"~~  
14 ~~means the benefits and funding provisions covering persons who first~~  
15 ~~became members of the public employees' retirement system prior to~~  
16 ~~October 1, 1977.))~~ The provisions of the following sections of this  
17 chapter shall apply (~~(only)~~) to members of plan I and plan II: ((RCW  
18 41.40.150, 41.40.160, 41.40.170, 41.40.180, 41.40.185, 41.40.190,  
19 41.40.193, 41.40.195, 41.40.200, 41.40.210, 41.40.220, 41.40.230,  
20 41.40.235, 41.40.250, 41.40.260, 41.40.270, 41.40.280, 41.40.300,  
21 41.40.310, 41.40.320, 41.40.325, and 41.40.330.

22 ~~(2) "Public employees' retirement system plan II" or "plan II"~~  
23 ~~means the benefits and funding provisions covering persons who first~~  
24 ~~became members of the public employees' retirement system on or after~~  
25 ~~October 1, 1977. The provisions of RCW 41.40.600 through 41.40.740~~  
26 ~~apply only to members of plan II))~~ RCW 41.40.010; 41.40.020; 41.40.123;  
27 41.40.130; 41.40.165; 41.40.223; 41.40.340; 41.40.361; 41.40.370;  
28 41.40.380; 41.40.400; 41.40.403; 41.40.410; 41.40.412; 41.40.414;

1 41.40.420; 41.40.440; 41.40.450; 41.40.530; 41.40.540; 41.40.542;  
2 41.40.800; and 41.40.810.

3       **Sec. 70.** RCW 41.40.010 and 1990 c 274 s 3 are each amended to read  
4 as follows:

5       As used in this chapter, unless a different meaning is plainly  
6 required by the context:

7       (1) "Retirement system" means the public employees' retirement  
8 system provided for in this chapter.

9       (2) (~~("Retirement board" means the board provided for in this~~  
10 ~~chapter and chapter 41.26 RCW))~~ "Department" means the department of  
11 retirement systems created in chapter 41.50 RCW.

12       (3) "State treasurer" means the treasurer of the state of  
13 Washington.

14       (4) (a) "Employer" for (~~(persons who establish membership in the~~  
15 ~~retirement system on or before September 30, 1977))~~ plan I members,  
16 means every branch, department, agency, commission, board, and office  
17 of the state, any political subdivision or association of political  
18 subdivisions of the state admitted into the retirement system, and  
19 legal entities authorized by RCW 35.63.070 and 36.70.060 or chapter  
20 39.34 RCW as now or hereafter amended; and the term shall also include  
21 any labor guild, association, or organization the membership of a local  
22 lodge or division of which is comprised of at least forty percent  
23 employees of an employer (other than such labor guild, association, or  
24 organization) within this chapter. The term may also include any city  
25 of the first class that has its own retirement system.

26       (b) "Employer" for (~~(persons who establish membership in the~~  
27 ~~retirement system on or after October 1, 1977))~~ plan II members, means  
28 every branch, department, agency, commission, board, and office of the  
29 state, and any political subdivision and municipal corporation of the



1 state admitted into the retirement system, including public agencies  
2 created pursuant to RCW 35.63.070, 36.70.060, and 39.34.030.

3 (5) "Member" means any employee included in the membership of the  
4 retirement system, as provided for in RCW 41.40.120.

5 (6) "Original member" of this retirement system means:

6 (a) Any person who became a member of the system prior to April 1,  
7 1949;

8 (b) Any person who becomes a member through the admission of an  
9 employer into the retirement system on and after April 1, 1949, and  
10 prior to April 1, 1951;

11 (c) Any person who first becomes a member by securing employment  
12 with an employer prior to April 1, 1951, provided the member has  
13 rendered at least one or more years of service to any employer prior to  
14 October 1, 1947;

15 (d) Any person who first becomes a member through the admission of  
16 an employer into the retirement system on or after April 1, 1951,  
17 provided, such person has been in the regular employ of the employer  
18 for at least six months of the twelve-month period preceding the said  
19 admission date;

20 (e) Any member who has restored all contributions that may have  
21 been withdrawn as provided by RCW 41.40.150 and who on the effective  
22 date of the individual's retirement becomes entitled to be credited  
23 with ten years or more of membership service except that the provisions  
24 relating to the minimum amount of retirement allowance for the member  
25 upon retirement at age seventy as found in RCW 41.40.190(4) shall not  
26 apply to the member;

27 (f) Any member who has been a contributor under the system for two  
28 or more years and who has restored all contributions that may have been  
29 withdrawn as provided by RCW 41.40.150 and who on the effective date of  
30 the individual's retirement has rendered five or more years of service

1 for the state or any political subdivision prior to the time of the  
2 admission of the employer into the system; except that the provisions  
3 relating to the minimum amount of retirement allowance for the member  
4 upon retirement at age seventy as found in RCW 41.40.190(4) shall not  
5 apply to the member.

6 (7) "New member" means a person who becomes a member on or after  
7 April 1, 1949, except as otherwise provided in this section.

8 (8) (a) "Compensation earnable" for (~~persons who establish~~  
9 ~~membership in the retirement system on or before September 30, 1977~~)  
10 plan I members, means salaries or wages earned during a payroll period  
11 for personal services and where the compensation is not all paid in  
12 money, maintenance compensation shall be included upon the basis of the  
13 schedules established by the member's employer: PROVIDED, That  
14 retroactive payments to an individual by an employer on reinstatement  
15 of the employee in a position, or payments by an employer to an  
16 individual in lieu of reinstatement in a position which are awarded or  
17 granted as the equivalent of the salary or wage which the individual  
18 would have earned during a payroll period shall be considered  
19 compensation earnable and the individual shall receive the equivalent  
20 service credit: PROVIDED FURTHER, That if a leave of absence is taken  
21 by an individual for the purpose of serving in the state legislature,  
22 the salary which would have been received for the position from which  
23 the leave of absence was taken, shall be considered as compensation  
24 earnable if the employee's contribution is paid by the employee and the  
25 employer's contribution is paid by the employer or employee.

26 (b) "Compensation earnable" for (~~persons who establish membership~~  
27 ~~in the retirement system on or after October 1, 1977~~) plan II members,  
28 means salaries or wages earned by a member during a payroll period for  
29 personal services, including overtime payments, and shall include wages  
30 and salaries deferred under provisions established pursuant to sections

1 403(b), 414(h), and 457 of the United States Internal Revenue Code, but  
2 shall exclude nonmoney maintenance compensation and lump sum payments  
3 for deferred annual sick leave, unused accumulated vacation, unused  
4 accumulated annual leave, or any form of severance pay: PROVIDED, That  
5 retroactive payments to an individual by an employer on reinstatement  
6 of the employee in a position, or payments by an employer to an  
7 individual in lieu of reinstatement in a position which are awarded or  
8 granted as the equivalent of the salary or wage which the individual  
9 would have earned during a payroll period shall be considered  
10 compensation earnable to the extent provided above, and the individual  
11 shall receive the equivalent service credit: PROVIDED FURTHER, That in  
12 any year in which a member serves in the legislature, the member shall  
13 have the option of having such member's compensation earnable be the  
14 greater of:

15 (i) the compensation earnable the member would have received had  
16 such member not served in the legislature; or

17 (ii) such member's actual compensation earnable received for  
18 nonlegislative public employment and legislative service combined. Any  
19 additional contributions to the retirement system required because  
20 compensation earnable under subparagraph (i) of this subsection is  
21 greater than compensation earnable under subparagraph (ii) of this  
22 subsection shall be paid by the member for both member and employer  
23 contributions.

24 (9) (a) "Service" for (~~persons who establish membership in the~~  
25 ~~retirement system on or before September 30, 1977~~) plan I members,  
26 means periods of employment rendered to any employer for which  
27 compensation is paid, and includes time spent in office as an elected  
28 or appointed official of an employer. Full time work for seventy hours  
29 or more in any given calendar month shall constitute one month of  
30 service except as provided in RCW 41.40.450. Only months of service

1 shall be counted in the computation of any retirement allowance or  
2 other benefit provided for in this chapter. Years of service shall be  
3 determined by dividing the total number of months of service by twelve.  
4 Any fraction of a year of service as so determined shall be taken into  
5 account in the computation of such retirement allowance or benefits.

6 Service by a state employee officially assigned by the state on a  
7 temporary basis to assist another public agency, shall be considered as  
8 service as a state employee: PROVIDED, That service to any other  
9 public agency shall not be considered service as a state employee if  
10 such service has been used to establish benefits in any other public  
11 retirement system: PROVIDED FURTHER, That an individual shall receive  
12 no more than a total of twelve months of service credit during any  
13 calendar year: PROVIDED FURTHER, That where an individual is employed  
14 by two or more employers the individual shall only receive one months  
15 service credit during any calendar month in which multiple service for  
16 seventy or more hours is rendered.

17 (b) "Service" for ~~((persons who establish membership in the~~  
18 ~~retirement system on or after October 1, 1977))~~ plan II members, means  
19 periods of employment by a member for one or more employers for which  
20 compensation earnable is earned for ninety or more hours per calendar  
21 month except as provided in RCW 41.40.450.

22 Years of service shall be determined by dividing the total number  
23 of months of service by twelve. Any fraction of a year of service as  
24 so determined shall be taken into account in the computation of such  
25 retirement allowance or benefits.

26 Service in any state elective position shall be deemed to be full  
27 time service, except that persons serving in state elective positions  
28 who are members of the teachers' retirement system or law enforcement  
29 officers' and fire fighters' retirement system at the time of election  
30 or appointment to such position may elect to continue membership in the

1 teachers' retirement system or law enforcement officers' and fire  
2 fighters' retirement system.

3 A member shall receive a total of not more than twelve months of  
4 service for such calendar year: PROVIDED, That when an individual is  
5 employed by two or more employers the individual shall only receive one  
6 month's service credit during any calendar month in which multiple  
7 service for ninety or more hours is rendered.

8 (10) "Prior service" means all service of an original member  
9 rendered to any employer prior to October 1, 1947.

10 (11) "Membership service" means:

11 (a) All service rendered, as a member, after October 1, 1947;

12 (b) All service after October 1, 1947, to any employer prior to the  
13 time of its admission into the retirement system: PROVIDED, That an  
14 amount equal to the employer and employee contributions which would  
15 have been paid to the retirement system on account of such service  
16 shall have been paid to the retirement system with interest (as  
17 computed by the department) on the employee's portion prior to  
18 retirement of such person, by the employee or his employer, except as  
19 qualified by RCW 41.40.120: PROVIDED FURTHER, That employer  
20 contributions plus employee contributions with interest submitted by  
21 the employee under this subsection shall be placed in the employee's  
22 individual account in the employees' savings fund and be treated as any  
23 other contribution made by the employee, with the exception that the  
24 contributions submitted by the employee in payment of the employer's  
25 obligation, together with the interest the director may apply to the  
26 employer's contribution, shall be excluded from the calculation of the  
27 member's annuity in the event the member selects a benefit with an  
28 annuity option;

29 (c) Service not to exceed six consecutive months of probationary  
30 service rendered after April 1, 1949, and prior to becoming a member,

1 in the case of any member, upon payment in full by such member of the  
2 total amount of the employer's contribution to the retirement fund  
3 which would have been required under the law in effect when such  
4 probationary service was rendered if the member had been a member  
5 during such period, except that the amount of the employer's  
6 contribution shall be calculated by the director based on the first  
7 month's compensation earnable as a member;

8 (d) Service not to exceed six consecutive months of probationary  
9 service, rendered after October 1, 1947, and before April 1, 1949, and  
10 prior to becoming a member, in the case of any member, upon payment in  
11 full by such member of five percent of such member's salary during said  
12 period of probationary service, except that the amount of the  
13 employer's contribution shall be calculated by the director based on  
14 the first month's compensation earnable as a member.

15 (12) (a) "Beneficiary" for (~~persons who establish membership in~~  
16 ~~the retirement system on or before September 30, 1977~~) plan I members,  
17 means any person in receipt of a retirement allowance, pension or other  
18 benefit provided by this chapter.

19 (b) "Beneficiary" for (~~persons who establish membership in the~~  
20 ~~retirement system on or after October 1, 1977~~) plan II members, means  
21 any person in receipt of a retirement allowance or other benefit  
22 provided by this chapter resulting from service rendered to an employer  
23 by another person.

24 (13) "Regular interest" means such rate as the director may  
25 determine.

26 (14) "Accumulated contributions" means the sum of all contributions  
27 standing to the credit of a member in the member's individual account  
28 together with the regular interest thereon.

29 (15) (a) "Average final compensation" for (~~persons who establish~~  
30 ~~membership in the retirement system on or before September 30, 1977~~)

1 plan I members, means the annual average of the greatest compensation  
2 earnable by a member during any consecutive two year period of service  
3 for which service credit is allowed; or if the member has less than two  
4 years of service then the annual average compensation earnable during  
5 the total years of service for which service credit is allowed.

6 (b) "Average final compensation" for (~~persons who establish~~  
7 ~~membership in the retirement system on or after October 1, 1977~~) plan  
8 II members, means the member's average compensation earnable of the  
9 highest consecutive sixty months of service prior to such member's  
10 retirement, termination, or death. Periods constituting authorized  
11 leaves of absence may not be used in the calculation of average final  
12 compensation.

13 (16) "Final compensation" means the annual rate of compensation  
14 earnable by a member at the time of termination of employment.

15 (17) "Annuity" means payments for life derived from accumulated  
16 contributions of a member. All annuities shall be paid in monthly  
17 installments.

18 (18) "Pension" means payments for life derived from contributions  
19 made by the employer. All pensions shall be paid in monthly  
20 installments.

21 (19) "Retirement allowance" means the sum of the annuity and the  
22 pension.

23 (20) "Employee" means any person who may become eligible for  
24 membership under this chapter, as set forth in RCW 41.40.120.

25 (21) "Actuarial equivalent" means a benefit of equal value when  
26 computed upon the basis of such mortality and other tables as may be  
27 adopted by the director.

28 (22) "Retirement" means withdrawal from active service with a  
29 retirement allowance as provided by this chapter.

30 (23) "Eligible position" means:

1 (a) Any position which normally requires five or more months of  
2 service a year for which regular compensation is paid to the occupant  
3 thereof. For purposes of this chapter an employer shall not define  
4 "position" in such a manner that an employee's work for that employer  
5 is divided into more than one position;

6 (b) Any position occupied by an elected official or person  
7 appointed directly by the governor for which compensation is paid.

8 (24) "Ineligible position" means any position which does not  
9 conform with the requirements set forth in subdivision (23).

10 (25) "Leave of absence" means the period of time a member is  
11 authorized by the employer to be absent from service without being  
12 separated from membership.

13 (26) "Totally incapacitated for duty" means total inability to  
14 perform the duties of a member's employment or office or any other work  
15 for which the member is qualified by training or experience.

16 (27) "Retiree" means any member in receipt of a retirement  
17 allowance or other benefit provided by this chapter resulting from  
18 service rendered to an employer by such member.

19 ~~(28) ("Department" means the department of retirement systems  
20 created in chapter 41.50 RCW.~~

21 ~~(29))~~ "Director" means the director of the department.

22 ~~((30))~~ (29) "State elective position" means any position held by  
23 any person elected or appointed to state-wide office or elected or  
24 appointed as a member of the legislature.

25 ~~((31))~~ (30) "State actuary" or "actuary" means the person  
26 appointed pursuant to RCW 44.44.010(2).

27 (31) "Plan I" means the teachers' retirement system, plan I  
28 providing the benefits and funding provisions covering persons who  
29 first became members of the system prior to October 1, 1977.



1        (32) "Plan II" means the teachers' retirement system, plan II  
2 providing the benefits and funding provisions covering persons who  
3 first became members of the system on and after October 1, 1977.

4        **Sec. 71.** RCW 41.40.020 and 1969 c 128 s 2 are each amended to read  
5 as follows:

6        A state employees' retirement system is hereby created for the  
7 employees of the state of Washington and its political subdivisions.  
8 The administration and management of the retirement system, the  
9 responsibility for making effective the provisions of this chapter, and  
10 the authority to make all rules and regulations necessary therefor are  
11 hereby vested in ~~((a retirement board))~~ the department. All such rules  
12 and regulations shall be governed by the provisions of chapter 34.05  
13 RCW, as now or hereafter amended. The retirement system herein  
14 provided for shall be known as the Washington Public Employees'  
15 Retirement System.

16        **Sec. 72.** RCW 41.40.080 and 1989 c 273 s 21 are each amended to  
17 read as follows:

18        ~~(1) ((All bonds or other obligations purchased according to RCW~~  
19 ~~43.84.150 shall be forthwith placed in the hands of the state treasurer~~  
20 ~~who is hereby designated as custodian thereof, and it shall be his duty~~  
21 ~~to collect the principal thereof and the interest thereon as the same~~  
22 ~~becomes due and payable, and place the same when so collected into the~~  
23 ~~retirement system's funds.~~

24        ~~(2) The state treasurer shall be the custodian of all other funds~~  
25 ~~of the retirement system and all disbursements therefrom shall be paid~~  
26 ~~by the state treasurer upon vouchers duly authorized by the department~~  
27 ~~and bearing the signature of the duly authorized officer of the~~  
28 ~~department.~~

1       ~~(3) The state treasurer is hereby authorized and directed to~~  
2 ~~deposit any portion of the funds of the retirement system not needed~~  
3 ~~for immediate use in the same manner and subject to all the provisions~~  
4 ~~of law with respect to the deposit of state funds by such treasurer,~~  
5 ~~and all interest earned by such portion of the retirement system's~~  
6 ~~funds as may be deposited by the state treasurer in pursuance of~~  
7 ~~authority herewith given shall be collected by him and placed to the~~  
8 ~~credit of the retirement fund or the department of retirement systems~~  
9 ~~expense fund.~~

10       ~~(4))~~ There is hereby established in the state treasury ((three  
11 separate funds, namely:

12       ~~(a) The public employees' retirement system plan I fund and the~~  
13 ~~public employees' plan II fund, into which shall be paid all moneys~~  
14 ~~received by the department and from which shall be paid all refunds,~~  
15 ~~adjustments, retirement allowances and other benefits provided for~~  
16 ~~herein. The plan I fund shall consist of all moneys paid to finance~~  
17 ~~the benefits, provided to members of plan I, and the plan II fund shall~~  
18 ~~consist of all moneys paid to finance the benefits provided to members~~  
19 ~~of plan II. All contributions by members to the department of~~  
20 ~~retirement systems expense fund as provided in RCW 41.40.330 and~~  
21 ~~contributions by employers for the expense of operating the retirement~~  
22 ~~system as provided for herein shall be transferred by the state~~  
23 ~~treasurer from the retirement system fund to the department of~~  
24 ~~retirement systems expense fund upon authorization of the department;~~

25       ~~(b))~~ the department of retirement systems expense fund, from which  
26 shall be paid the expenses of the administration of the retirement  
27 systems established in chapters 41.26, 41.32, and 41.40 RCW.

28       ~~((5))~~ (2) In order to reimburse the department of retirement  
29 systems expense fund on an equitable basis the department shall(~~(7~~  
30 ~~after crediting the estimated amount to be collected as employees'~~

1 ~~contributions,~~) ascertain and report to each employer, as defined in  
2 RCW 41.26.030, 41.32.010, or 41.40.010, the sum necessary to defray its  
3 proportional share of the entire expense of the administration of  
4 (~~this chapter~~) the retirement system that the employer participates  
5 in during the ensuing biennium or fiscal year whichever may be  
6 required. Such sum is to be computed in an amount directly  
7 proportional to the estimated entire expense of the said administration  
8 as the ratio of monthly salaries of the employer's members bears to the  
9 total salaries of all members in the entire system. It shall then be  
10 the duty of all such employers to include in their budgets or otherwise  
11 provide the amounts so required.

12 (~~(6)~~) (3) The department shall compute and bill each employer, as  
13 defined in RCW 41.26.030, 41.32.010, or 41.40.010, at the end of each  
14 month for the amount due for that month to the department of retirement  
15 systems expense fund and the same shall be paid as are its other  
16 obligations. Such computation as to each such employer shall be made  
17 on a percentage rate of salary established by the department:  
18 PROVIDED, That the department may at its discretion establish a system  
19 of billing based upon calendar year quarters in which event the said  
20 billing shall be at the end of each such quarter.

21 (~~(7)~~) (4) For the purpose of providing amounts to be used to  
22 defray the cost of such administration, the department shall ascertain  
23 at the beginning of each biennium and request from the legislature an  
24 appropriation from the department of retirement systems expense fund  
25 sufficient to cover estimated expenses for the said biennium.

26 **Sec. 73.** RCW 41.40.083 and 1984 c 184 s 7 are each amended to read  
27 as follows:

1 The director is authorized to pay from the interest earnings of the  
2 trust funds of the public employees' retirement system, the teachers'  
3 retirement system, the Washington state patrol retirement system, the  
4 Washington judicial retirement system, the judges' retirement system,  
5 or the law enforcement officers' and fire fighters' retirement system  
6 lawful obligations of the appropriate system for legal expenses and  
7 medical expenses which expenses are primarily incurred for the purpose  
8 of protecting the appropriate trust fund or are incurred in compliance  
9 with statutes governing such funds.

10 The term "legal expense" includes, but is not limited to, legal  
11 services provided through the legal services revolving fund, fees for  
12 expert witnesses, travel expenses, fees for court reporters, cost of  
13 transcript preparation, and reproduction of documents.

14 The term "medical costs" includes, but is not limited to, expenses  
15 for the medical examination or reexamination of members or retirees,  
16 the costs of preparation of medical reports, and fees charged by  
17 medical professionals for attendance at discovery proceedings or  
18 hearings.

19 **Sec. 74.** RCW 41.40.100 and 1982 1st ex.s. c 52 s 18 are each  
20 amended to read as follows:

21 For the purpose of the internal accounting record of the public  
22 employees' retirement system and not the segregation of moneys on  
23 deposit with the state treasurer there are hereby created the  
24 employees' savings fund, the benefit account fund, the public  
25 employees' income fund and such other funds as may from time to time be  
26 required.

27 (1) The employees' savings fund shall be the fund in which shall be  
28 accumulated the contributions from the compensation of public  
29 employees' retirement system members. The director shall provide for

1 the maintenance of an individual account for each member of the public  
2 employees' retirement system showing the amount of the member's  
3 contributions together with interest accumulations thereon. The  
4 contributions of a member returned to the former employee upon the  
5 individual's withdrawal from service, or paid in event of the  
6 employee's or former employee's death, as provided in (~~this~~) chapter  
7 41.40 RCW, shall be paid from the employees' savings fund. The  
8 accumulated contributions of a member, upon the commencement of the  
9 individual's retirement, shall be transferred from the employees'  
10 savings fund to the benefit account fund.

11 (2) The benefit account fund shall be the fund in which shall be  
12 accumulated the reserves for the payment of all public employees'  
13 retirement system retirement allowances and death benefits, if any, in  
14 respect of any beneficiary. The amounts contributed by all public  
15 employees' retirement system employers to provide pension benefits  
16 shall be credited to the benefit account fund. The benefit account  
17 fund shall be the fund from which shall be paid all public employees'  
18 retirement system retirement allowances, or benefits in lieu thereof  
19 because of which reserves have been transferred from the employees'  
20 savings fund to the benefit account fund. At the time a recipient of  
21 a retirement allowance again becomes a member (~~there shall be~~  
22 ~~transferred~~) of the public employees' retirement system, the  
23 department shall transfer from the benefit account fund to the  
24 employees' savings fund and (~~credited~~) credit to the individual  
25 account of such a member a sum (~~that shall be~~) equal to the excess,  
26 if any, of the individual's account at the date of the member's  
27 retirement over any service retirement allowance received since that  
28 date.

29 (3) (~~An~~) A public employees' income fund is hereby created for  
30 the purpose of crediting interest on the amounts in the various other

1 public employees' retirement system funds with the exception of the  
2 department of retirement systems expense fund, and to provide a  
3 contingent fund out of which special requirements of any of the other  
4 such funds may be covered. The director shall determine when a  
5 distribution of interest and other earnings of the public employees'  
6 retirement system shall take place. The amounts to be credited and the  
7 methods for distribution to each of the funds enumerated in subsections  
8 (1) and (2) of this section and for special requirements previously  
9 mentioned in this subsection shall be at the director's discretion.

10 All accumulated contributions standing to the account of a  
11 terminated member of the public employees' retirement system except as  
12 provided in RCW 41.40.150 (~~((3) and (5))~~) (4), 41.40.170, 41.40.710,  
13 and 41.40.720 shall be transferred from the employees' savings fund to  
14 the public employees' income fund. If the former employee, the former  
15 employee's beneficiary, or the former employee's estate at a future  
16 date requests the unclaimed contributions or reinstatement of the  
17 rights previously provided thereunder, the former employee's  
18 contributions shall be transferred from the public employees' income  
19 fund to the savings fund and the former employee's account  
20 reestablished with all the rights which would have been due the former  
21 employee, the former employee's beneficiary, or the former employee's  
22 estate as if in fact the transfer to the public employees' income fund  
23 had not occurred. All income, interest, and dividends derived from the  
24 deposits and investments authorized by (~~(this)~~) chapter 41.40 RCW shall  
25 be paid into the public employees' income fund with the exception of  
26 interest derived from sums deposited in the department of retirement  
27 systems expense fund. The director on behalf of the retirement system  
28 is hereby authorized to accept gifts and bequests. Any funds that may  
29 come into the possession of the public employees' retirement system in  
30 such manner, or any funds which may be transferred from the employees'

1 savings fund by reason of lack of claimant, or because of a surplus in  
2 any fund created by ~~((this))~~ chapter 41.40 RCW, or any other moneys the  
3 disposition of which is not otherwise provided for, shall be credited  
4 to the public employees' income fund.

5 **Sec. 75.** RCW 41.40.110 and 1947 c 274 s 12 are each amended to  
6 read as follows:

7 The state treasurer shall furnish annually to the ~~((retirement  
8 board))~~ department a statement of the amount of the funds in ~~((his))~~  
9 the treasurer's custody belonging to the public employees' retirement  
10 system. Copies of this annual report shall be available to public  
11 employees' retirement system members upon request. The records of the  
12 ~~((retirement board))~~ department shall be open to public inspection.  
13 Any member of the public employees' retirement system shall be  
14 furnished with a statement of the amount to the credit of his or her  
15 individual account in the employees' savings fund upon his or her  
16 written request, provided that the ~~((retirement board))~~ department  
17 shall not be required to answer more than one such request of any  
18 member in any one year.

19 **Sec. 76.** RCW 41.40.130 and 1949 c 240 s 8 are each amended to read  
20 as follows:

21 Within thirty days after his or her employment or his or her  
22 acceptance into membership ~~((by action of the retirement board))~~ each  
23 employee~~((r))~~ or appointive or elective official shall submit to the  
24 ~~((retirement board))~~ department a statement of his or her name, sex,  
25 title, compensation, duties, date of birth, and length of service as an  
26 employee or appointive or elective official, and such other information  
27 as the ~~((retirement board))~~ department shall require. Each employee  
28 ~~((becoming an original))~~ who becomes a member shall file a detailed

1 statement of all his or her prior service as an employee and shall  
2 furnish such other facts as the (~~retirement board~~) department may  
3 require for the proper operation of the retirement system. Compliance  
4 with the provisions set forth in this section shall be considered to be  
5 a condition of employment and failure by an employee to comply may  
6 result in separation from service.

7 **Sec. 77.** RCW 41.40.160 and 1989 c 273 s 27 are each amended to  
8 read as follows:

9 (1) Subject to the provisions of RCW 41.40.150, at retirement the  
10 total service credited to a member shall consist of all (~~his~~)  
11 membership service and, if he or she is an original member, all of  
12 (~~his~~) the certified prior service.

13 (2) Employees of a public utility or other private enterprise all  
14 or any portion of which has been heretofore or may be hereafter  
15 acquired by a public agency as a matter of public convenience and  
16 necessity, where it is in the public interest to retain the trained  
17 personnel of such enterprise, all service to that enterprise shall,  
18 upon the acquiring public agency becoming an employer as defined in RCW  
19 41.40.010(4) be credited on the same basis as if rendered to the said  
20 employer: PROVIDED, That this shall apply only to those employees who  
21 were in the service of the enterprise at or prior to the time of  
22 acquisition by the public agency and who remain in the service of the  
23 acquiring agency until they attain membership in the state employees'  
24 retirement system; and to those employees who were in the service of  
25 the enterprise at the time of acquisition by the public agency and  
26 subsequently attain membership through employment with any  
27 participating agency: PROVIDED FURTHER, In the event that the  
28 acquiring agency is an employer at the time of the acquisition,  
29 employer's contributions in connection with members achieving service



1 credit hereunder shall be made on the same basis as set forth in RCW  
2 41.40.361 and 41.40.370 for an employer admitted after April 1, 1949.

3 **Sec. 78.** RCW 41.40.170 and 1981 c 294 s 12 are each amended to  
4 read as follows:

5 (1) A member who has served or shall serve on active federal  
6 service in the military or naval forces of the United States and who  
7 left or shall leave an employer to enter such service shall be deemed  
8 to be on military leave of absence if he or she has resumed or shall  
9 resume employment as an employee within one year from termination  
10 thereof.

11 (2) If he or she has applied or shall apply for reinstatement of  
12 employment, within one year from termination of the military service,  
13 and is refused employment for reasons beyond his or her control, he or  
14 she shall, upon resumption of service within ten years have such  
15 service credited to him or her.

16 (3) In any event, after completing twenty-five years of creditable  
17 service, any member may have ~~((his))~~ service in the armed forces  
18 credited to him or her as a member whether or not he or she left the  
19 employ of an employer to enter ~~((such))~~ the armed service: PROVIDED,  
20 That in no instance, described in ~~((subsections (1), (2), and (3) of))~~  
21 this section, shall military service in excess of five years be  
22 credited: AND PROVIDED FURTHER, That in each instance the member must  
23 restore all withdrawn accumulated contributions, which restoration must  
24 be completed within five years of membership service following ~~((his))~~  
25 the first resumption of employment or complete twenty-five years of  
26 creditable service: AND PROVIDED FURTHER, That this section will not  
27 apply to any individual, not a veteran within the meaning of RCW  
28 41.04.005, as now or hereafter amended: AND PROVIDED FURTHER, That in  
29 no instance, described in ~~((subsections (1), (2), and (3) of))~~ this

1 section, shall military service be credited to any member who is  
2 receiving full military retirement benefits pursuant to Title 10 United  
3 States Code.

4 **Sec. 79.** RCW 41.40.195 and 1973 2nd ex.s. c 14 s 1 are each  
5 amended to read as follows:

6 (1) "Index" for the purposes of this section, shall mean, for any  
7 calendar year, that year's annual average consumer price index for  
8 urban wage earners and clerical workers, all items (1957-1959 equal one  
9 hundred)--compiled by the Bureau of Labor Statistics, United States  
10 Department of Labor;

11 (2) "Cost-of-living factor", for any year shall mean the ratio of  
12 the index for the previous year to the index for the year preceding the  
13 initial date of payment of the retirement allowance, except that, in no  
14 event, shall the cost-of-living factor, for any year subsequent to  
15 1971, be

16 (a) less than 1.000;

17 (b) more than one hundred three percent or less than ninety-seven  
18 percent of the previous year's cost-of-living factor; or

19 (c) such as to yield a retirement allowance, for any individual,  
20 less than that which was in effect July 1, 1971;

21 (3) "Initial date of payment" shall mean:

22 (a) The date of retirement of a member, or

23 (b) In the case of beneficiary receiving an allowance pursuant to  
24 the automatic application of option II pursuant to RCW 41.40.270(2),  
25 the first day of the month following the date of death;

26 (4) Each service retirement allowance payable from July 1, 1973  
27 until any subsequent adjustment pursuant to subsection (5) of this  
28 section shall be adjusted so as to equal the product of the cost-of-

1 living factor for 1973 and the amount of said retirement allowance on  
2 the initial date of payment.

3 (5) Each service retirement allowance payable from July 1st of any  
4 year after 1973 until any subsequent adjustment pursuant to this  
5 subsection shall be adjusted so as to equal the product of the cost-of-  
6 living factor for such year and the amount of said retirement allowance  
7 on the initial date of payment: PROVIDED, That the ((board)) department  
8 finds, at its sole discretion, that the cost of such adjustments shall  
9 have been met by the excess of the growth in the assets of the system  
10 over that required for meeting the actuarial liabilities of the system  
11 at that time.

12 (6) The cost-of-living increases provided by this section shall be  
13 applicable to those individuals receiving benefits calculated pursuant  
14 to chapter 41.44 RCW and paid by the public employees' retirement  
15 system pursuant to RCW 41.40.407.

16 **Sec. 80.** RCW 41.40.200 and 1986 c 207 s 1 are each amended to read  
17 as follows:

18 (1) Subject to the provisions of RCW 41.40.310 and 41.40.320, upon  
19 application of a member, or his or her employer, a member who becomes  
20 totally incapacitated for duty as the natural and proximate result of  
21 an accident occurring in the actual performance of duty or who becomes  
22 totally incapacitated for duty and qualifies to receive benefits under  
23 Title 51 RCW as a result of an occupational disease, as now or  
24 hereafter defined in RCW 51.08.140, while in the service of an  
25 employer, without willful negligence on his or her part, shall be  
26 retired subject to the following conditions: ((PROVIDED,))

27 (a) That the medical adviser, after a medical examination of such  
28 member made by or under the direction of the ((said)) medical adviser,  
29 shall certify in writing that ((such)) the member is mentally or

1 physically totally incapacitated for the further performance of his or  
2 her duty and that such member should be retired(~~(:—PROVIDED~~  
3 ~~FURTHER~~))i

4 (b) That the director concurs in the recommendation of the medical  
5 adviser(~~(:—AND PROVIDED FURTHER~~))i

6 (c) That no application shall be valid or a claim thereunder  
7 enforceable unless, in the case of an accident, the claim is filed  
8 within two years after the date upon which the injury occurred or, in  
9 the case of an occupational disease, the claim is filed within two  
10 years after the member separated from service with the employer(~~(-)~~)i  
11 and

12 (d) That the coverage provided for occupational disease under this  
13 section may be restricted in the future by the legislature for all  
14 current and future members.

15 (2) The retirement for disability of a judge, who is a member of  
16 the retirement system, by the supreme court under Article IV, section  
17 31 of the Constitution of the state of Washington (~~((House Joint~~  
18 ~~Resolution No. 37, approved by the voters November 4, 1980))~~)  
19 (Amendment 71), with the concurrence of the director, shall be  
20 considered a retirement under subsection (1) of this section.

21 **Sec. 81.** RCW 41.40.220 and 1972 ex.s. c 151 s 9 are each amended  
22 to read as follows:

23 Upon retirement for disability, as provided in RCW 41.40.200, a  
24 member who has not attained age sixty shall receive the following  
25 benefits, subject to the provisions of RCW 41.40.310 and 41.40.320:

26 (1) A disability retirement pension of two-thirds of his or her  
27 average final compensation to his or her attainment of age sixty,  
28 subject to the provisions of RCW 41.40.310. The disability retirement

1 pension provided by the employer shall not exceed forty-two hundred  
2 dollars per annum, and

3 (2) Upon attainment of age sixty, the disabled member shall receive  
4 a service retirement allowance as provided in RCW 41.40.210. ~~((Such))~~  
5 The department shall grant the disabled member ~~((shall be given))~~  
6 membership service for the period of time prior to age sixty he or she  
7 was out of such service due to ~~((such))~~ disability.

8 (3) During the period a disabled member is receiving a disability  
9 pension, as provided for in ~~((subdivision))~~ subsection (1) of this  
10 section, his or her contributions to the employees' savings fund shall  
11 be suspended and his or her balance in the employees' savings fund,  
12 standing to his or her credit as of the date his or her disability  
13 pension is to begin, shall remain in the employees' savings fund~~((÷~~  
14 ~~PROVIDED, That))~~. If the disabled member should die before attaining  
15 age sixty, while a disability beneficiary, upon receipt by the  
16 ~~((retirement board))~~ department of proper proof of death, ~~((his))~~ the  
17 member's accumulated contributions standing to his or her credit in the  
18 employees' savings fund, shall be paid to such person or persons,  
19 having an insurable interest in his or her life, as he or she shall  
20 have nominated by written designation duly executed and filed with the  
21 ~~((retirement board:— PROVIDED, HOWEVER, That))~~ department. If there  
22 ~~((be no such))~~ is no designated person or persons still living at the  
23 time of the member's death, ~~((his))~~ the accumulated contributions  
24 standing to ~~((his))~~ the member's credit in the employees' savings fund  
25 shall be paid to his or her surviving spouse ~~((as if in fact such~~  
26 ~~spouse had been nominated by written designation as aforesaid))~~, or if  
27 there ~~((be no such))~~ is no surviving spouse, then to ~~((his))~~ the  
28 member's legal representative.

1       **Sec. 82.** RCW 41.40.230 and 1982 c 18 s 4 are each amended to read  
2 as follows:

3       (1) Subject to the provisions of RCW 41.40.310 and 41.40.320, upon  
4 application of a member, or his or her employer, a member who has been  
5 an employee at least five years, and who becomes totally and  
6 permanently incapacitated for duty as the result of causes occurring  
7 not in the performance of his or her duty, may be retired by the  
8 ~~((retirement board: PROVIDED,))~~ department, subject to the following  
9 conditions:

10       (a) That the medical adviser, after a medical examination of  
11 ~~((such))~~ the member~~((,))~~ made by or under the direction of the ~~((said))~~  
12 medical adviser, shall certify in writing that ~~((such))~~ the member is  
13 mentally or physically incapacitated for the further performance of  
14 duty, ~~((and such))~~ that the incapacity is likely to be permanent, and  
15 that ~~((such))~~ the member should be retired~~((: PROVIDED FURTHER,))~~; and

16       (b) That the ~~((retirement board))~~ department concurs in the  
17 recommendation of the medical adviser.

18       (2) The retirement for disability of a judge, who is a member of  
19 the retirement system and who has been an employee at least five years,  
20 by the supreme court under Article IV, section 31 of the Constitution  
21 of the state of Washington ~~((House Joint Resolution No. 37, approved~~  
22 ~~by the voters November 4, 1980))~~ (Amendment 71), with the concurrence  
23 of the ~~((retirement board))~~ department, shall be considered a  
24 retirement under subsection (1) of this section.

25       **Sec. 83.** RCW 41.40.235 and 1986 c 176 s 4 are each amended to read  
26 as follows:

27       (1) Upon retirement, a member shall receive a nonduty disability  
28 retirement allowance equal to two percent of average final compensation  
29 for each year of service: PROVIDED, That ~~((such))~~ this allowance shall

1 be reduced by two percent of itself for each year or fraction thereof  
2 that his or her age is less than fifty-five years: PROVIDED FURTHER,  
3 That in no case may the allowance provided by this section exceed sixty  
4 percent of average final compensation.

5 (2) If the recipient of a retirement allowance under this section  
6 dies before the total of the retirement allowance paid to the recipient  
7 equals the amount of the accumulated contributions at the date of  
8 retirement, then the balance shall be paid to ((such)) the person or  
9 persons having an insurable interest in his or her life as the  
10 recipient has nominated by written designation duly executed and filed  
11 with the director or, if there is no ((such)) designated person or  
12 persons still living at the time of the recipient's death, then to the  
13 surviving spouse or, if there is neither ((such)) a designated person  
14 or persons still living at the time of his or her death nor a surviving  
15 spouse, then to his or her legal representative.

16 **Sec. 84.** RCW 41.40.250 and 1972 ex.s. c 151 s 11 are each amended  
17 to read as follows:

18 ((In lieu of the nonduty disability retirement allowance provided  
19 in RCW 41.40.240,)) An individual who was a member((,)) on February 25,  
20 1972, may upon qualifying pursuant to RCW 41.40.230, make an  
21 irrevocable election to receive the nonduty disability retirement  
22 allowance provided in subsections (1) and (2) of this section subject  
23 to the provisions of RCW 41.40.310 and 41.40.320. Upon attaining or  
24 becoming disabled after age sixty ((he)) the member shall receive a  
25 service retirement allowance as provided for in RCW 41.40.190 except  
26 that the annuity portion thereof shall consist of a continuation of the  
27 cash refund annuity previously provided to him or her. ((His)) The  
28 disability retirement allowance prior to age sixty shall consist of:

1 (1) A cash refund annuity which shall be the actuarial equivalent  
2 of ~~((his))~~ the member's accumulated contributions at the time of his or  
3 her retirement; and

4 (2) A pension, in addition to the annuity, equal to one one-  
5 hundredth of ~~((his))~~ the member's average final compensation for each  
6 year of service. If the recipient of a retirement allowance under this  
7 section ~~((shall))~~ dies before the total of the annuity portions of the  
8 retirement allowance paid to him or her equals the amount of his or her  
9 accumulated contributions at the date of retirement, then the balance  
10 shall be paid to ~~((such))~~ the person or persons having an insurable  
11 interest in his or her life as he or she shall have nominated by  
12 written designation duly executed and filed with the ~~((retirement~~  
13 ~~board))~~ department, or if there ~~((be no such))~~ is no designated person  
14 or persons, still living at the time of his or her death, then to his  
15 or her surviving spouse, or if there ~~((be neither such))~~ is no  
16 designated person or persons still living at the time of his or her  
17 death nor a surviving spouse, then to his or her legal representatives.

18 **Sec. 85.** RCW 41.40.260 and 1983 c 3 s 95 are each amended to read  
19 as follows:

20 Subject to the provisions of RCW 41.40.280, should a member cease  
21 to be an employee, he or she may request upon a form provided by the  
22 ~~((retirement board))~~ department a refund of all or part of the funds  
23 standing to his or her credit in the employees' savings fund and this  
24 amount shall be paid to him ~~((: PROVIDED, That))~~ or her. Withdrawal of  
25 all or part of the funds, other than additional contributions under RCW  
26 41.40.330(2) by a member who is eligible for a service retirement  
27 allowance in RCW 41.40.180 or a disability retirement allowance in RCW  
28 41.40.200, 41.40.210, 41.40.220, 41.40.230, or 41.40.250 shall  
29 constitute a waiver of any service or disability retirement



1 allowance(~~(: PROVIDED FURTHER, That the withdrawal of all or part of~~  
2 ~~additional contributions made pursuant to RCW 41.40.330(2) shall not~~  
3 ~~constitute a waiver~~)).

4 **Sec. 86.** RCW 41.40.280 and 1973 2nd ex.s. c 14 s 2 are each  
5 amended to read as follows:

6 The (~~retirement board~~) department may, in its discretion,  
7 withhold payment of all or part of a member's contributions for not  
8 more than six months after a member has ceased to be an employee(~~(: PROVIDED, That~~)).  
9 Termination of employment with one employer for the  
10 purpose of accepting employment with another employer or termination  
11 with one employer and reemployment with the same employer within a  
12 period of thirty days shall not qualify a member for a refund of his or  
13 her accumulated contributions. In addition, a member who files an  
14 application for a refund of his or her accumulated contributions and  
15 subsequently becomes employed in an eligible position before the  
16 expiration of thirty days or before a refund payment has been made,  
17 shall not be eligible for (~~such~~) the refund payment.

18 **Sec. 87.** RCW 41.40.310 and 1984 c 184 s 14 are each amended to  
19 read as follows:

20 Once each year during the first five years following the retirement  
21 of a member on a disability pension or retirement allowance, and at  
22 least once in every three year period thereafter the (~~retirement~~  
23 ~~board~~) department may, and upon the member's application shall,  
24 require any disability beneficiary, who has not attained age sixty  
25 years, to undergo a medical examination; such examination to be made by  
26 or under the direction of the medical adviser at the place of residence  
27 of (~~said~~) the beneficiary, or other place mutually agreed upon.  
28 Should any disability beneficiary, who has not attained age sixty

1 years, refuse to submit to ((such)) a medical examination in any  
2 ((such)) period, his or her disability pension or retirement allowance  
3 may be discontinued until his or her withdrawal of ((such)) the  
4 refusal, and should ((such)) the refusal continue for one year, all his  
5 or her rights in and to his or her disability pension, or retirement  
6 allowance, may be revoked by the ((retirement board)) department. If  
7 upon ((such)) a medical examination of a disability beneficiary, the  
8 medical adviser reports and his or her report is concurred in by the  
9 ((retirement board)) department, that the disability beneficiary is no  
10 longer totally incapacitated for duty as the result of the injury or  
11 illness for which the disability was granted, or that he or she is  
12 engaged in a gainful occupation, his or her disability pension or  
13 retirement allowance shall cease((:—PROVIDED, That)).

14 If the disability beneficiary resumes a gainful occupation and his  
15 or her compensation is less than his or her compensation earnable at  
16 the date of disability, the ((board)) department shall continue the  
17 disability benefits in an amount which when added to his or her  
18 compensation does not exceed his or her compensation earnable at the  
19 date of separation, but the disability benefit shall in no event exceed  
20 the disability benefit originally awarded((:—PROVIDED FURTHER, That)).  
21 The compensation earnable at the date of separation ((is)) shall be  
22 adjusted July 1 of each year by the ratio of the average consumer price  
23 index (Seattle, Washington area) for urban consumers, compiled by the  
24 United States department of labor, bureau of labor statistics, for the  
25 calendar year prior to the adjustment to the average consumer price  
26 index for the calendar year in which separation from service occurred  
27 but in no event shall the adjustment result in an amount lower than the  
28 original compensation earnable at the date of separation.

1       **Sec. 88.** RCW 41.40.320 and 1953 c 200 s 16 are each amended to  
2 read as follows:

3       A disability beneficiary who has been or shall be reinstated to  
4 active service shall from the date of ((such)) restoration again become  
5 a member of the retirement system; and ((he)) shall contribute to the  
6 retirement system in the same manner as prior to ((his)) the disability  
7 retirement. Any prior service and membership service, on the basis of  
8 which ((his)) retirement allowances were computed at the time of  
9 ((his)) retirement, shall be restored to full force and effect, and,  
10 except in the case of retirement for nonduty disability as provided in  
11 RCW 41.40.230, he or she shall be given membership service for the  
12 period of time ((he—was)) out of service due to ((such)) the  
13 disability.

14       **Sec. 89.** RCW 41.40.340 and 1977 ex.s. c 295 s 18 are each amended  
15 to read as follows:

16       The deductions from the compensation of members, provided for in  
17 RCW 41.40.330 or 41.40.650, shall be made notwithstanding that the  
18 minimum compensation provided for by law for any member shall be  
19 reduced thereby. Every member shall be deemed to consent and agree to  
20 the deductions made and provided for in this chapter and ((shall))  
21 receipt in full for his or her salary or compensation, and payment less  
22 ((said)) the deductions shall be a full and complete discharge and  
23 acquittance of all claims and demands whatsoever for the services  
24 rendered by ((such)) the person during the period covered by ((such))  
25 the payment, except as to benefits provided for under this chapter.

26       **Sec. 90.** RCW 41.40.350 and 1977 ex.s. c 295 s 19 are each amended  
27 to read as follows:

1       The person responsible for making up the payroll shall transmit  
2 promptly to the department at the end of each and every payroll period  
3 a copy of the original payroll voucher or ~~((such))~~ any other payroll  
4 report as the department may require showing thereon all deductions for  
5 the public employees' retirement system made from the compensation  
6 earnable of each member, together with warrants or checks covering the  
7 total of ~~((such))~~ the deductions. The department after making a record  
8 of all ~~((such))~~ receipts shall pay them to the state treasurer for use  
9 according to the provisions of ~~((this))~~ chapter 41.40 RCW.

10       **Sec. 91.** RCW 41.40.363 and 1963 c 225 s 3 are each amended to read  
11 as follows:

12       Any labor guild, association, or organization qualifying as an  
13 employer under this chapter and which is required to make contributions  
14 for an elective official qualifying for membership under RCW  
15 ~~((41.40.120(10) - [(11)]))~~ 41.40.120(11) shall make contributions as any  
16 other employer within this chapter: PROVIDED, That the ~~((retirement~~  
17 ~~board))~~ department shall cause an actuarial computation to be made of  
18 all prior service liability for which contributions are required from  
19 ~~((such))~~ the employer to be computed on an actual dollar basis, and if  
20 the ~~((board))~~ department determines that the contributions being made  
21 therefor under this chapter are insufficient to defray any cost to the  
22 state, the ~~((board))~~ department shall require additional contributions  
23 from ~~((such))~~ the employer in ~~((such))~~ amounts and at ~~((such))~~ times as  
24 will defray all costs to the state, ~~((such))~~ the additional  
25 contributions to be completed within ten years from the date the  
26 elective official is accepted by the ~~((board))~~ department.

27       **Sec. 92.** RCW 41.40.380 and 1989 c 360 s 27 are each amended to  
28 read as follows:

1 (1) Subject to subsections (2) and (3) of this section, the right  
2 of a person to a pension, an annuity, or retirement allowance, any  
3 optional benefit, any other right accrued or accruing to any person  
4 under the provisions of this chapter, the various funds created by this  
5 chapter, and all moneys and investments and income thereof, are hereby  
6 exempt from any state, county, municipal, or other local tax, and shall  
7 not be subject to execution, garnishment, attachment, the operation of  
8 bankruptcy or insolvency laws, or other process of law whatsoever, and  
9 shall be unassignable.

10 (2) This section shall not be deemed to prohibit a beneficiary of  
11 a retirement allowance from authorizing deductions therefrom for  
12 payment of premiums due on any group insurance policy or plan issued  
13 for the benefit of a group comprised of public employees of the state  
14 of Washington or its political subdivisions and which has been approved  
15 for deduction in accordance with rules ~~((and regulations))~~ that may be  
16 ~~((promulgated))~~ adopted by the state health care authority and/or the  
17 department ~~((of retirement systems))~~, and this section shall not be  
18 deemed to prohibit a beneficiary of a retirement allowance from  
19 authorizing deductions therefrom for payment of dues and other  
20 membership fees to any retirement association or organization the  
21 membership of which is composed of retired public employees, if a total  
22 of three hundred or more of such retired employees have authorized such  
23 deduction for payment to the same retirement association or  
24 organization.

25 (3) Subsection (1) of this section shall not prohibit the  
26 department ~~((of retirement systems))~~ from complying with (a) a wage  
27 assignment order for child support issued pursuant to chapter 26.18  
28 RCW, (b) an order to withhold and deliver issued pursuant to chapter  
29 74.20A RCW, (c) a notice of payroll deduction issued pursuant to RCW  
30 26.23.060, (d) a mandatory benefits assignment order issued ~~((pursuant~~

1 to ~~chapter 41.50 RCW~~) by the department, or (e) any administrative or  
2 court order expressly authorized by federal law.

3 **Sec. 93.** RCW 41.40.410 and 1971 ex.s. c 271 s 12 are each amended  
4 to read as follows:

5 (1) The employees and appointive and elective officials of any  
6 political subdivision or association of political subdivisions of the  
7 state may become members of the retirement system by the approval of  
8 the local legislative authority(~~(:—PROVIDED, That)~~).

9 (2) On and after September 1, 1965, every school district of the  
10 state of Washington shall be an employer under this chapter (~~(and)~~).  
11 Every employee of (~~(the)~~) each school district who is eligible for  
12 membership under RCW 41.40.120 shall be a member of the retirement  
13 system and participate on the same basis as a person who first becomes  
14 a member through the admission of any employer into the retirement  
15 system on and after April 1, 1949.

16 (3) Each (~~(such)~~) political subdivision becoming an employer under  
17 the meaning of this chapter shall make contributions to the funds of  
18 the retirement system as provided in RCW 41.40.080, 41.40.361, and  
19 41.40.370 and its employees shall contribute to the employees' savings  
20 fund at the rate established under the provisions of RCW 41.40.330. In  
21 addition to the foregoing requirement, where the political subdivision  
22 becoming an employer (~~(hereunder)~~) under this section has its own  
23 retirement plan, any of the employee members thereof who may elect to  
24 transfer to this retirement system may, if permitted by (~~(said)~~) the  
25 plan, withdraw all or any part of their employees' contributions to the  
26 former plan and transfer (~~(such)~~) the funds to the employees' savings  
27 fund at the time of their transfer of membership. Any portion of the  
28 employees' savings fund not withdrawn shall be transferred by the  
29 employer to the retirement system over a period not to exceed fifteen

1 years. The length of the transfer period and the method of payment to  
2 be utilized during that period shall be established by agreement  
3 between the ((retirement board)) department and the political  
4 subdivision. Employers making deferred payments of employee funds  
5 under this section shall transfer an additional amount equal to the  
6 interest that would have been credited to each employee's savings fund  
7 had his or her contributions been transferred to the state retirement  
8 system's employee savings fund on the date the political subdivision  
9 became an employer ((hereunder)) under this section. Any funds  
10 remaining in the employer's former retirement plan after all  
11 obligations of ((such)) the plan have been provided for, as evidenced  
12 by appropriate actuarial study, shall be disposed of by the governing  
13 body of the political subdivision in such manner as it deems  
14 appropriate. For the purpose of administering and interpreting this  
15 chapter the ((board)) department may substitute the names of political  
16 subdivisions of the state for the "state" and employees of the  
17 subdivisions for "state employees" wherever ((such)) those terms appear  
18 in this chapter. The ((board)) department may also alter any dates  
19 mentioned in this chapter for the purpose of making the provisions of  
20 the chapter applicable to the entry of any political subdivisions into  
21 the system. Any member transferring employment to another employer  
22 which is covered by the retirement system may continue as a member  
23 without loss of previously earned pension and annuity benefits. The  
24 ((board)) department shall keep ((such)) accounts as are necessary to  
25 show the contributions of each political subdivision to the benefit  
26 account fund and shall have the power to debit and credit the various  
27 accounts in accordance with the transfer of the members from one  
28 employer to another.

29 (4) Employees of a political subdivision, maintaining its own  
30 retirement system, who have been transferred to a health district

1 formed pursuant to chapter 70.46 RCW, but who have been allowed to  
2 remain members of the political subdivision's retirement system may be  
3 transferred as a group to the Washington public employees' retirement  
4 system. ((Such)) This transfer may be made by the action of the  
5 legislative authority of ((such)) the political subdivision maintaining  
6 its own retirement system. ((Such)) This transfer shall include  
7 employer's and member's funds in the transferring municipalities'  
8 retirement system.

9 (5) Employees of a political subdivision, maintaining its own  
10 retirement system, heretofore transferred to a joint airport operation  
11 of two municipalities pursuant to chapter ((182, Laws of 1945)) 14.08  
12 RCW, may be transferred as a group to the Washington public employees'  
13 retirement system. ((Such)) This transfer may be made by the action of  
14 the legislative authority of ((such)) the political subdivision  
15 maintaining its own retirement system. ((Such)) This transfer shall  
16 include employer's and member's funds in the transferring  
17 municipalities' retirement system.

18 **Sec. 94.** RCW 41.40.412 and 1969 c 128 s 14 are each amended to  
19 read as follows:

20 Any person aggrieved by any decision of the ((retirement board))  
21 department affecting his or her legal rights, duties, or privileges  
22 must before he or she appeals to the courts, file with the director  
23 ((of the retirement system)) by mail or personally within sixty days  
24 from the day ((such)) the decision was communicated to ((such)) the  
25 person, a notice for a hearing before the ((retirement board))  
26 director's designee. The notice of hearing shall set forth in full  
27 detail the grounds upon which ((such)) the person considers ((such))  
28 the decision unjust or unlawful and shall include every issue to be  
29 considered by the ((retirement board)) department, and it must contain



1 a detailed statement of facts upon which (~~such~~) the person relies in  
2 support (~~thereof~~) of the appeal. (~~Such~~) These persons shall be  
3 deemed to have waived all objections or irregularities concerning the  
4 matter on which (~~such~~) the appeal is taken, other than those  
5 specifically set forth in the notice of hearing or appearing in the  
6 records of the retirement system.

7 **Sec. 95.** RCW 41.40.440 and 1971 c 81 s 105 are each amended to  
8 read as follows:

9 No bond of any kind shall be required of a claimant appealing to  
10 the superior court, the court of appeals, or the supreme court from a  
11 finding of the (~~retirement board effecting such~~) department affecting  
12 the claimant's right to retirement or disability benefits.

13 **Sec. 96.** RCW 41.40.450 and 1990 c 274 s 4 are each amended to read  
14 as follows:

15 (1) A plan I member who is employed by a school district or  
16 districts, an educational (~~school~~) service district, the state school  
17 for the deaf, the state school for the blind, institutions of higher  
18 education, or community colleges:

19 (a) Shall receive service credit for each month of the period from  
20 September through August of the following year if he or she is employed  
21 in an eligible position, earns compensation earnable for six hundred  
22 thirty hours or more during that period, and is employed during nine  
23 months of that period, except that a member may not receive credit for  
24 any period prior to the member's employment in an eligible position;

25 (b) If a member in an eligible position does not meet the  
26 requirements of (a) of this subsection, the member is entitled to  
27 service credit only for those calendar months during which he or she  
28 received compensation for seventy or more hours.

1 (2) A plan II member who is employed by a school district or  
2 districts, an educational (~~school~~) service district, the state school  
3 for the blind, the state school for the deaf, institutions of higher  
4 education, or community colleges:

5 (a) Shall receive service credit for each month of the period from  
6 September through August of the following year if he or she is employed  
7 in an eligible position, earns compensation earnable for eight hundred  
8 ten hours or more during that period, and is employed during nine  
9 months of that period, except that a member may not receive credit for  
10 any period prior to the member's employment in an eligible position;

11 (b) If a member in an eligible position does not meet the  
12 requirements of (a) of this subsection, the member is entitled to  
13 service credit only for those calendar months during which he or she  
14 received compensation for ninety or more hours.

15 (3) The department shall adopt rules implementing this section.

16 **Sec. 97.** RCW 41.40.610 and 1977 ex.s. c 295 s 2 are each amended  
17 to read as follows:

18 RCW 41.40.620 through 41.40.740 shall apply only to (~~those persons~~  
19 ~~who are initially employed by an employer on or after October 1, 1977~~)  
20 plan II members.

21 **Sec. 98.** RCW 41.40.625 and 1982 c 144 s 3 are each amended to read  
22 as follows:

23 (1) On or after June 10, 1982, the director may pay a member  
24 eligible to receive a retirement allowance or the member's beneficiary,  
25 (~~as defined in RCW 41.04.040(3),~~) subject to the provisions of  
26 subsection (4) of this section, a lump sum payment in lieu of a monthly  
27 benefit if the initial monthly benefit computed in accordance with RCW  
28 41.40.620 would be less than fifty dollars. The lump sum payment shall

1 be the greater of the actuarial equivalent of (~~such~~) the monthly  
2 benefits or an amount equal to the individual's accumulated  
3 contributions plus accrued interest.

4 (2) A retiree or a beneficiary, (~~as defined in RCW 41.04.040(3),~~)  
5 subject to the provisions of subsection (4) of this section, who is  
6 receiving a regular monthly benefit of less than fifty dollars may  
7 request, in writing, to convert from a monthly benefit to a lump sum  
8 payment. If the director approves the conversion, the calculation of  
9 the actuarial equivalent of the total estimated regular benefit will be  
10 computed based on the beneficiary's age at the time the benefit  
11 initially accrued. The lump sum payment will be reduced to reflect any  
12 payments received on or after the initial benefit accrual date.

13 (3) Persons covered under the provisions of subsection (1) of this  
14 section may upon returning to member status (~~as defined in RCW~~  
15 ~~41.04.040(2)~~) reinstate all previous service by depositing the lump  
16 sum payment received, with interest as computed by the director, within  
17 two years of returning to service or prior to re-retiring, whichever  
18 comes first. In computing the amount due, the director shall exclude  
19 the accumulated value of the normal payments the member would have  
20 received while in beneficiary status if the lump sum payment had not  
21 occurred.

22 (4) Only persons entitled to or receiving a service retirement  
23 allowance under RCW 41.40.620 or an earned disability allowance under  
24 RCW 41.40.670 qualify for participation under this section.

25 (5) It is the intent of the legislature that any member who  
26 receives a settlement under this section shall be deemed to be retired  
27 from this system.

28 **Sec. 99.** RCW 41.40.670 and 1990 c 249 s 21 are each amended to  
29 read as follows:

1 (1) A member of the retirement system who becomes totally  
2 incapacitated for continued employment by an employer as determined by  
3 the department upon recommendation of the ~~((retirement board))~~  
4 department shall be eligible to receive an allowance under the  
5 provisions of RCW 41.40.610 through 41.40.740. ~~((Such))~~ The member  
6 shall receive a monthly disability allowance computed as provided for  
7 in RCW 41.40.620 and shall have ~~((such))~~ this allowance actuarially  
8 reduced to reflect the difference in the number of years between age at  
9 disability and the attainment of age sixty-five.

10 Any member who receives an allowance under the provisions of this  
11 section shall be subject to ~~((such))~~ comprehensive medical examinations  
12 as required by the department. If ~~((such))~~ these medical examinations  
13 reveal that ~~((such))~~ a member has recovered from the incapacitating  
14 disability and the member is offered reemployment by an employer at a  
15 comparable compensation, ~~((such))~~ the member shall cease to be eligible  
16 for ~~((such))~~ the allowance.

17 (2) The retirement for disability of a judge, who is a member of  
18 the retirement system, by the supreme court under Article IV, section  
19 31 of the Constitution of the state of Washington ~~((House Joint  
20 Resolution No. 37, approved by the voters November 4, 1980))~~  
21 (Amendment 71), with the concurrence of the ~~((retirement board))~~  
22 department, shall be considered a retirement under subsection (1) of  
23 this section.

24 (3) (a) If the recipient of a monthly retirement allowance under  
25 this section dies before the total of the retirement allowance paid to  
26 the recipient equals the amount of the accumulated contributions at the  
27 date of retirement, then the balance shall be paid to ~~((such))~~ the  
28 person or persons having an insurable interest in his or her life as  
29 the recipient has nominated by written designation duly executed and  
30 filed with the director, or, if there is no ~~((such))~~ designated person

1 or persons still living at the time of the recipient's death, then to  
2 the surviving spouse, or, if there is (~~neither such~~) no designated  
3 person or persons still living at the time of his or her death nor a  
4 surviving spouse, then to his or her legal representative.

5 (b) If a recipient of a monthly retirement allowance under this  
6 section died before April 27, 1989, and before the total of the  
7 retirement allowance paid to the recipient equaled the amount of his or  
8 her accumulated contributions at the date of retirement, then the  
9 department shall pay the balance of the accumulated contributions to  
10 the member's surviving spouse or, if there is no surviving spouse, then  
11 in equal shares to the member's children. If there is no surviving  
12 spouse or children, the department shall retain the contributions.

13 **Sec. 100.** RCW 41.40.710 and 1977 ex.s. c 295 s 12 are each amended  
14 to read as follows:

15 A member who is on a paid leave of absence authorized by a member's  
16 employer shall continue to receive service credit as provided for under  
17 the provisions of RCW 41.40.610 through 41.40.740.

18 A member shall be eligible to receive a maximum of two years  
19 service credit during a member's entire working career for those  
20 periods when a member is on an unpaid leave of absence authorized by an  
21 employer. Such credit may be obtained only if the member makes both  
22 the plan II employer and member contributions plus interest as  
23 determined by the department for the period of the authorized leave of  
24 absence within five years of resumption of service or prior to  
25 retirement whichever comes sooner(~~(: PROVIDED, That for the purpose of~~  
26 ~~this subsection [section] the contribution shall not include the~~  
27 ~~contribution for the unfunded supplemental present value as required by~~  
28 ~~RCW 41.40.650)~~). The contributions required shall be based on the  
29 average of the member's compensation earnable at both the time the

1 authorized leave of absence was granted and the time the member resumed  
2 employment.

3 A member who is inducted into the armed forces of the United States  
4 shall be deemed to be on an unpaid, authorized leave of absence.

5 NEW SECTION. **Sec. 101.** A new section is added to chapter 41.26  
6 RCW under the subchapter heading "Provisions Applicable to Plan I" to  
7 read as follows:

8 The provisions of the following sections of this subchapter shall  
9 apply only to members of plan I: RCW 41.26.080; 41.26.090; 41.26.100;  
10 41.26.110; 41.26.115; 41.26.120; 41.26.125; 41.26.130; 41.26.135;  
11 41.26.140; 41.26.150; 41.26.160; 41.26.170; 41.26.180; 41.26.190;  
12 41.26.200; 41.26.240; 41.26.250; 41.26.260; 41.26.270; 41.26.900;  
13 41.26.910; and 41.26.920.

14 NEW SECTION. **Sec. 102.** A new section is added to chapter 41.26  
15 RCW under the subchapter heading "Provisions Applicable to Plan II" to  
16 read as follows:

17 The provisions of the following sections of this subchapter shall  
18 apply only to members of plan II: RCW 41.26.400; 41.26.410; 41.26.420;  
19 41.26.425; 41.26.430; 41.26.440; 41.26.450; 41.26.460; 41.26.470;  
20 41.26.480; 41.26.490; 41.26.500; 41.26.510; 41.26.520; 41.26.530;  
21 41.26.540; 41.26.550; 41.26.901; and 41.26.921.

22 NEW SECTION. **Sec. 103.** A new section is added to chapter 41.32  
23 RCW under the subchapter heading "Provisions Applicable to Plan I" to  
24 read as follows:

25 The provisions of the following sections of this subchapter shall  
26 apply only to members of plan I: RCW 41.32.240; 41.32.260; 41.32.270;  
27 41.32.300; 41.32.330; 41.32.340; 41.32.350; 41.32.360; 41.32.366;

1 41.32.380; 41.32.390; 41.32.470; 41.32.480; 41.32.485; 41.32.487;  
2 41.32.488; 41.32.4931; 41.32.4945; 41.32.497; 41.32.498; 41.32.499;  
3 41.32.500; 41.32.510; 41.32.520; 41.32.522; 41.32.523; 41.32.530;  
4 41.32.540; 41.32.550; 41.32.570; and 41.32.575.

5 NEW SECTION. **Sec. 104.** A new section is added to chapter 41.32  
6 RCW under the subchapter heading "Provisions Applicable to Plan II" to  
7 read as follows:

8 The provisions of the following sections of this subchapter shall  
9 apply only to members of plan II: RCW 41.32.755; 41.32.760; 41.32.762;  
10 41.32.765; 41.32.770; 41.32.775; 41.32.780; 41.32.785; 41.32.790;  
11 41.32.795; 41.32.800; 41.32.805; 41.32.810; 41.32.815; 41.32.820; and  
12 41.32.825.

13 NEW SECTION. **Sec. 105.** A new section is added to chapter 41.40  
14 RCW under the subchapter heading "Provisions Applicable to Plan I" to  
15 read as follows:

16 The provisions of the following sections of this subchapter shall  
17 apply only to members of plan I: RCW 41.40.150; 41.40.160; 41.40.170;  
18 41.40.180; 41.40.185; 41.40.188; 41.40.190; 41.40.193; 41.40.195;  
19 41.40.198; 41.40.1981; 41.40.200; 41.40.210; 41.40.220; 41.40.230;  
20 41.40.235; 41.40.250; 41.40.260; 41.40.270; 41.40.280; 41.40.300;  
21 41.40.310; 41.40.320; 41.40.325; 41.40.330; and 41.40.363.

22 NEW SECTION. **Sec. 106.** A new section is added to chapter 41.40  
23 RCW under the subchapter heading "Provisions Applicable to Plan II" to  
24 read as follows:

25 The provisions of the following sections of this subchapter shall  
26 apply only to members of plan II: RCW 41.40.610; 41.40.620; 41.40.625;  
27 41.40.630; 41.40.640; 41.40.650; 41.40.660; 41.40.670; 41.40.680;

1 41.40.690; 41.40.700; 41.40.710; 41.40.720; 41.40.730; 41.40.740;  
2 41.40.900; and 41.40.920.

3 NEW SECTION. **Sec. 107.** A new section is added to chapter 41.40  
4 RCW under the subchapter heading "Provisions Applicable to Plan I and  
5 Plan II" to read as follows:

6 (1) All classified employees employed by Washington State  
7 University on and after April 24, 1973, and otherwise eligible shall  
8 become members of the Washington public employees' retirement system to  
9 the exclusion of any other retirement benefit system at the institution  
10 unless otherwise provided by law.

11 (2) All classified employees employed by the University of  
12 Washington or each of the regional universities or The Evergreen State  
13 College on and after May 6, 1974, and otherwise eligible shall become  
14 members of the Washington public employees' retirement system at the  
15 institution unless otherwise provided by law: PROVIDED, That persons  
16 who, immediately prior to the date of their hiring as classified  
17 employees, have for at least two consecutive years held membership in  
18 a retirement plan underwritten by the private insurer of the retirement  
19 plan of their respective educational institution may irrevocably elect  
20 to continue their membership in the retirement plan notwithstanding the  
21 provisions of this chapter, if the election is made within thirty days  
22 from the date of their hiring as classified employees. If these  
23 persons elect to become members of the public employees' retirement  
24 system, contributions by them and their employers shall be required  
25 from their first day of employment.

26 NEW SECTION. **Sec. 108.** A new section is added to chapter 41.50  
27 RCW to read as follows:



1           (1) Two funds are hereby created and established in the state  
2 treasury to be known as the Washington law enforcement officers' and  
3 fire fighters' system plan I retirement fund, and the Washington law  
4 enforcement officers' and fire fighters' system plan II retirement fund  
5 which shall consist of all moneys paid into them in accordance with the  
6 provisions of this chapter and chapter 41.26 RCW, whether such moneys  
7 take the form of cash, securities, or other assets. The plan I fund  
8 shall consist of all moneys paid to finance the benefits provided to  
9 members of the law enforcement officers' and fire fighters' retirement  
10 system plan I, and the plan II fund shall consist of all moneys paid to  
11 finance the benefits provided to members of the law enforcement  
12 officers' and fire fighters' retirement system plan II.

13           (2) All of the assets of the Washington state teachers' retirement  
14 system shall be credited according to the purposes for which they are  
15 held, to two funds to be maintained in the state treasury, namely, the  
16 teachers' retirement system plan I fund and the teachers' retirement  
17 system plan II fund. The plan I fund shall consist of all moneys paid  
18 to finance the benefits provided to members of the Washington state  
19 teachers' retirement system plan I, and the plan II fund shall consist  
20 of all moneys paid to finance the benefits provided to members of the  
21 Washington state teachers' retirement system plan II.

22           (3) There is hereby established in the state treasury two separate  
23 funds, namely the public employees' retirement system plan I fund and  
24 the public employees' plan II fund. The plan I fund shall consist of  
25 all moneys paid to finance the benefits provided to members of the  
26 public employees' retirement system plan I, and the plan II fund shall  
27 consist of all moneys paid to finance the benefits provided to members  
28 of the public employees' retirement system plan II.

1        NEW SECTION.    **Sec. 109.**    A new section is added to chapter 41.50  
2    RCW to read as follows:  
3        The state treasurer is the custodian of, and accountant for, all  
4    funds and holdings of the retirement systems listed in RCW 41.50.030.