

CERTIFICATION OF ENROLLMENT  
**SUBSTITUTE HOUSE BILL 1270**

Chapter 35, Laws of 1991

52nd Legislature  
1991 Regular Session

RETIREMENT SYSTEM--REORGANIZATION OF STATUTES GOVERNING

EFFECTIVE DATE: 7/28/91

Passed by the House February 20, 1991  
Yeas 98 Nays 0

JOE KING  
Speaker of the  
House of Representatives

Passed by the Senate April 10, 1991  
Yeas 41 Nays 0

ALAN BLUECHEL  
President of the Senate

Approved April 22, 1991

BOOTH GARDNER  
Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1270** as passed by the House of Representatives and the Senate on the dates hereon set forth.

ALAN THOMPSON  
Chief Clerk

FILED

April 22, 1991 - 1:39 p.m.

Secretary of State  
State of Washington



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**SUBSTITUTE HOUSE BILL 1270**

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Passed Legislature - 1991 Regular Session

**State of Washington                      52nd Legislature                      1991 Regular Session**

**By** House Committee on Appropriations (originally sponsored 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 February 6, 1991.

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.** If any section of the Revised Code of  
25 Washington amended by this act is also amended by any other session law  
26 enacted during the same session of the legislature, each without  
27 reference to the other, to the extent that the amendatory changes  
28 conflict so that the section cannot be published with all amendments  
29 incorporated therein, the conflicting portion of the section amended by

1 this act shall not be given effect, and shall be omitted by the code  
2 reviser from the publication of the official code and be so noted.

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4 each repealed:

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

6 (2) RCW 2.12.070 and 1981 c 3 s 23, 1955 c 221 s 1, & 1937 c 229 s  
7 8;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 (22) RCW 41.32.4944 and 1973 1st ex.s. c 189 s 5;  
2 (23) RCW 41.32.565 and 1973 1st ex.s. c 190 s 1;  
3 (24) RCW 41.32.600 and 1947 c 80 s 60;  
4 (25) RCW 41.32.610 and 1947 c 80 s 61;  
5 (26) RCW 41.32.620 and 1947 c 80 s 62;  
6 (27) RCW 41.32.630 and 1947 c 80 s 63;  
7 (28) RCW 41.32.650 and 1971 c 81 s 104 & 1947 c 80 s 65;  
8 (29) RCW 41.40.072 and 1981 c 3 s 30 & 1973 1st ex.s. c 103 s 16;  
9 (30) RCW 41.40.075 and 1981 c 3 s 31 & 1959 c 91 s 2;  
10 (31) RCW 41.40.077 and 1977 ex.s. c 251 s 9;  
11 (32) RCW 41.40.090 and 1947 c 274 s 10;  
12 (33) RCW 41.40.155 and 1951 c 50 s 17;  
13 (34) RCW 43.43.170 and 1981 c 3 s 36, 1969 c 12 s 2, & 1965 c 8 s  
14 43.43.170;  
15 (35) RCW 43.43.175 and 1981 c 3 s 37 & 1965 c 8 s 43.43.175;  
16 (36) RCW 43.43.180 and 1965 c 8 s 43.43.180;  
17 (37) RCW 43.43.190 and 1965 c 8 s 43.43.190; and  
18 (38) RCW 43.43.225 and 1984 c 184 s 8.

19 NEW SECTION. **Sec. 4.** The following sections are each  
20 decodified:

- 21 RCW 41.26.043;  
22 RCW 41.26.051;  
23 RCW 41.26.310;  
24 RCW 41.26.400;  
25 RCW 41.26.475;  
26 RCW 41.26.560;  
27 RCW 41.32.015;  
28 RCW 41.32.243;  
29 RCW 41.32.2431;



1 RCW 41.32.2432;  
2 RCW 41.32.245;  
3 RCW 41.32.250;  
4 RCW 41.32.265;  
5 RCW 41.32.280;  
6 RCW 41.32.290;  
7 RCW 41.32.310;  
8 RCW 41.32.365;  
9 RCW 41.32.486;  
10 RCW 41.32.491;  
11 RCW 41.32.492;  
12 RCW 41.32.494;  
13 RCW 41.32.4943;  
14 RCW 41.32.560;  
15 RCW 41.32.561;  
16 RCW 41.32.567;  
17 RCW 41.32.583;  
18 RCW 41.32.750;  
19 RCW 41.40.011;  
20 RCW 41.40.022;  
21 RCW 41.40.135;  
22 RCW 41.40.138;  
23 RCW 41.40.1982;  
24 RCW 41.40.199;  
25 RCW 41.40.225;  
26 RCW 41.40.405;  
27 RCW 41.40.406;  
28 RCW 41.40.407;  
29 RCW 41.40.411;  
30 RCW 41.40.500;

1 RCW 41.40.501;  
2 RCW 41.40.502;  
3 RCW 41.40.503;  
4 RCW 41.40.504;  
5 RCW 41.40.505;  
6 RCW 41.40.506;  
7 RCW 41.40.507;  
8 RCW 41.40.509;  
9 RCW 41.40.515;  
10 RCW 41.40.516;  
11 RCW 41.40.517;  
12 RCW 41.40.518;  
13 RCW 41.40.519;  
14 RCW 41.40.520;  
15 RCW 41.40.521;  
16 RCW 41.40.522;  
17 RCW 41.40.527;  
18 RCW 41.40.535; and  
19 RCW 41.40.600.

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

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

24 RCW 41.32.030, 41.32.120, 41.32.130, 41.32.190, 41.32.230,  
25 41.32.405, 41.32.420, 41.32.430, and 41.32.830.

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

1 RCW 41.40.080;  
2 RCW 41.40.083;  
3 RCW 41.40.100;  
4 RCW 41.40.110; and  
5 RCW 41.40.350.

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

9 RCW 41.26.005;  
10 RCW 41.26.010;  
11 RCW 41.26.020;  
12 RCW 41.26.030;  
13 RCW 41.26.035;  
14 RCW 41.26.040;  
15 RCW 41.26.045;  
16 RCW 41.26.046;  
17 RCW 41.26.047;  
18 RCW 41.26.210;  
19 RCW 41.26.220;  
20 RCW 41.26.230;  
21 RCW 41.26.280; and  
22 RCW 41.26.300.

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

25 RCW 41.26.080;  
26 RCW 41.26.090;  
27 RCW 41.26.100;  
28 RCW 41.26.110;  
29 RCW 41.26.115;

1 RCW 41.26.120;  
2 RCW 41.26.125;  
3 RCW 41.26.130;  
4 RCW 41.26.135;  
5 RCW 41.26.140;  
6 RCW 41.26.150;  
7 RCW 41.26.160;  
8 RCW 41.26.170;  
9 RCW 41.26.180;  
10 RCW 41.26.190;  
11 RCW 41.26.200;  
12 RCW 41.26.240;  
13 RCW 41.26.250;  
14 RCW 41.26.260; and  
15 RCW 41.26.270.

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

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

20 RCW 41.26.410;  
21 RCW 41.26.420;  
22 RCW 41.26.425;  
23 RCW 41.26.430;  
24 RCW 41.26.440;  
25 RCW 41.26.450;  
26 RCW 41.26.460;  
27 RCW 41.26.470;  
28 RCW 41.26.480;  
29 RCW 41.26.490;  
30 RCW 41.26.500;

1 RCW 41.26.510;  
2 RCW 41.26.520;  
3 RCW 41.26.530;  
4 RCW 41.26.540; and  
5 RCW 41.26.550.

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

9 RCW 41.26.901; and  
10 RCW 41.26.921.

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

14 RCW 41.32.005;  
15 RCW 41.32.010;  
16 RCW 41.32.020;  
17 RCW 41.32.160;  
18 RCW 41.32.242;  
19 RCW 41.32.403;  
20 RCW 41.32.460;  
21 RCW 41.32.580;  
22 RCW 41.32.590;  
23 RCW 41.32.670;  
24 RCW 41.32.850; and  
25 RCW 41.32.013.

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

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

1 RCW 41.32.240;  
2 RCW 41.32.300;  
3 RCW 41.32.310;  
4 RCW 41.32.260;  
5 RCW 41.32.270;  
6 RCW 41.32.330;  
7 RCW 41.32.340;  
8 RCW 41.32.350;  
9 RCW 41.32.360;  
10 RCW 41.32.366;  
11 RCW 41.32.380;  
12 RCW 41.32.390;  
13 RCW 41.32.470;  
14 RCW 41.32.480;  
15 RCW 41.32.485;  
16 RCW 41.32.487;  
17 RCW 41.32.488;  
18 RCW 41.32.4931;  
19 RCW 41.32.4945;  
20 RCW 41.32.497;  
21 RCW 41.32.498;  
22 RCW 41.32.499;  
23 RCW 41.32.500;  
24 RCW 41.32.510;  
25 RCW 41.32.520;  
26 RCW 41.32.522;  
27 RCW 41.32.523;  
28 RCW 41.32.530;  
29 RCW 41.32.540;  
30 RCW 41.32.550;

1 RCW 41.32.570; and

2 RCW 41.32.575.

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

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

7 RCW 41.32.755;

8 RCW 41.32.760;

9 RCW 41.32.762;

10 RCW 41.32.765;

11 RCW 41.32.770;

12 RCW 41.32.775;

13 RCW 41.32.780;

14 RCW 41.32.785;

15 RCW 41.32.790;

16 RCW 41.32.795;

17 RCW 41.32.800;

18 RCW 41.32.805;

19 RCW 41.32.810;

20 RCW 41.32.815;

21 RCW 41.32.820; and

22 RCW 41.32.825.

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

27 RCW 41.40.005;

28 RCW 41.40.010;

29 RCW 41.40.020;

1 RCW 41.40.120;  
2 RCW 41.40.123; and  
3 RCW 41.40.130.

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

8 RCW 41.40.165;  
9 RCW 41.40.223;  
10 RCW 41.40.340;  
11 RCW 41.40.361;  
12 RCW 41.40.370;  
13 RCW 41.40.380;  
14 RCW 41.40.400;  
15 RCW 41.40.403;  
16 RCW 41.40.410;  
17 RCW 41.40.412;  
18 RCW 41.40.414;  
19 RCW 41.40.420;  
20 RCW 41.40.440;  
21 RCW 41.40.450;  
22 RCW 41.40.530;  
23 RCW 41.40.540;  
24 RCW 41.40.542;  
25 RCW 41.40.800;  
26 RCW 41.40.810; and  
27 section 101 of this act.

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



1 RCW 41.40.150;  
2 RCW 41.40.160;  
3 RCW 41.40.170;  
4 RCW 41.40.180;  
5 RCW 41.40.185;  
6 RCW 41.40.188;  
7 RCW 41.40.190;  
8 RCW 41.40.193;  
9 RCW 41.40.195;  
10 RCW 41.40.198;  
11 RCW 41.40.1981;  
12 RCW 41.40.200;  
13 RCW 41.40.210;  
14 RCW 41.40.220;  
15 RCW 41.40.230;  
16 RCW 41.40.235;  
17 RCW 41.40.250;  
18 RCW 41.40.260;  
19 RCW 41.40.270;  
20 RCW 41.40.280;  
21 RCW 41.40.300;  
22 RCW 41.40.310;  
23 RCW 41.40.320;  
24 RCW 41.40.325;  
25 RCW 41.40.330; and  
26 RCW 41.40.363.

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

30 RCW 41.40.610;

1 RCW 41.40.620;  
2 RCW 41.40.625;  
3 RCW 41.40.630;  
4 RCW 41.40.640;  
5 RCW 41.40.650;  
6 RCW 41.40.660;  
7 RCW 41.40.670;  
8 RCW 41.40.680;  
9 RCW 41.40.690;  
10 RCW 41.40.700;  
11 RCW 41.40.710;  
12 RCW 41.40.720;  
13 RCW 41.40.730;  
14 RCW 41.40.740;  
15 RCW 41.40.900; and  
16 RCW 41.40.920.

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

19 Beginning on June 7, 1990, the 1990 amendments to RCW 41.40.690,  
20 41.26.500, ((41.32.780)) 41.32.800, and 2.10.155 regarding  
21 postretirement employment are available prospectively to all members of  
22 the retirement systems defined in RCW 2.10.040, 41.26.005(2),  
23 41.32.005(2), and 41.40.005(2), regardless of the member's date of  
24 retirement. The legislature reserves the right to revoke or amend the  
25 1990 amendments to RCW 41.40.690, 41.26.500, ((41.32.780)) 41.32.800,  
26 and 2.10.155. The 1990 amendments to RCW 41.40.690, 41.26.500,  
27 ((41.32.780)) 41.32.800, and 2.10.155 do not grant a contractual right  
28 to the members or retirees of the affected systems.

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

3       (~~(1) "Law enforcement officers' and fire fighters' retirement~~  
4 ~~system plan I" or "plan I" means the benefits and funding provisions~~  
5 ~~covering persons who first became members of the law enforcement~~  
6 ~~officers' and fire fighters' retirement system prior to October 1,~~  
7 ~~1977.)) The provisions of the following sections of this chapter shall~~  
8 ~~apply ((only)) to members of plan I and plan II: ((RCW 41.26.080,~~  
9 ~~41.26.090, 41.26.100, 41.26.110, 41.26.120, 41.26.125, 41.26.130,~~  
10 ~~41.26.140, 41.26.150, 41.26.160, 41.26.170, 41.26.190, 41.26.200,~~  
11 ~~41.26.240, 41.26.250, 41.26.260, and 41.26.270.~~

12       ~~(2) "Law enforcement officers' and fire fighters' retirement system~~  
13 ~~plan II" or "plan II" means the benefits and funding provisions~~  
14 ~~covering persons who first became members of the law enforcement~~  
15 ~~officers' and fire fighters' retirement system on or after October 1,~~  
16 ~~1977. The provisions of RCW 41.26.400 through 41.26.550 shall apply~~  
17 ~~only to members of plan II)) RCW 41.26.010; 41.26.020; 41.26.030;~~  
18 ~~41.26.035; 41.26.040; 41.26.043; 41.26.045; 41.26.046; 41.26.047;~~  
19 ~~41.26.210; 41.26.220; 41.26.230; 41.26.280; and 41.26.300.~~

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

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

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

26       (2) (a) "Employer" for (~~persons who establish membership in the~~  
27 ~~retirement system on or before September 30, 1977)) plan I members,~~  
28 means the legislative authority of any city, town, county, or district  
29 or the elected officials of any municipal corporation that employs any

1 law enforcement officer and/or fire fighter, any authorized association  
2 of such municipalities, and, except for the purposes of RCW 41.26.150,  
3 any labor guild, association, or organization, which represents the  
4 fire fighters or law enforcement officers of at least seven cities of  
5 over 20,000 population and the membership of each local lodge or  
6 division of which is composed of at least sixty percent law enforcement  
7 officers or fire fighters as defined in this chapter.

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

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

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

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

27 (c) Only such full time commissioned law enforcement personnel as  
28 have been appointed to offices, positions, or ranks in the police  
29 department which have been specifically created or otherwise expressly  
30 provided for and designated by city charter provision or by ordinance

1 enacted by the legislative body of the city shall be considered city  
2 police officers; and

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

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

16 (4) "Fire fighter" means:

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

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

24 (c) Supervisory fire fighter personnel;

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

1 (e) The executive secretary of a labor guild, association or  
2 organization (which is an employer under RCW 41.26.030(2) as now or  
3 hereafter amended), if such individual has five years previous  
4 membership in a retirement system established in chapter 41.16 or 41.18  
5 RCW(~~(:—PROVIDED, That for persons who establish membership in the~~  
6 ~~retirement system on or after October 1, 1977,)~~). The provisions of  
7 this ~~((subparagraph))~~ subsection shall not apply to plan II members;

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

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

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

20 ~~(5) "Retirement board" means the Washington public employees'~~  
21 ~~retirement system board established in chapter 41.40 RCW, including two~~  
22 ~~members of the retirement system and two employer representatives as~~  
23 ~~provided for in RCW 41.26.050. The retirement board shall be called~~  
24 ~~the Washington law enforcement officers' and fire fighters' retirement~~  
25 ~~board and may enter in legal relationships in that name. Any legal~~  
26 ~~relationships entered into in that name prior to the adoption of this~~  
27 ~~1972 amendatory act are hereby ratified)).~~

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

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

3 (7) (a) "Child" or "children" ((~~whenever used in this chapter means~~  
4 every)) means an unmarried person who is under the age of eighteen or  
5 mentally or physically handicapped as determined by the department,  
6 except a handicapped person in the full time care of a state  
7 institution, who is:

8 (i) A natural born child ((~~and~~))i

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

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

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

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

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

26 (8) "Member" means any fire fighter, law enforcement officer, or  
27 other person as would apply under subsections (3) or (4) of this  
28 section whose membership is transferred to the Washington law  
29 enforcement officers' and fire fighters' retirement system on or after

1 March 1, 1970, and every law enforcement officer and fire fighter who  
2 is employed in that capacity on or after such date.

3 (9) "Retirement fund" means the "Washington law enforcement  
4 officers' and fire fighters' retirement system fund" as provided for  
5 herein.

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

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

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

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



1 salary payable to such member at the time of disability retirement;  
2 (iv) in the case of a member who hereafter vests pursuant to RCW  
3 41.26.090, the basic salary payable to such member at the time of  
4 vesting.

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

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

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

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

1 (ii) Such member's actual basic salary received for nonlegislative  
2 public employment and legislative service combined. Any additional  
3 contributions to the retirement system required because basic salary  
4 under ~~((subparagraph))~~ (b) (i) of this subsection is greater than basic  
5 salary under ~~((subparagraph))~~ (b) (ii) of this subsection shall be paid  
6 by the member for both member and employer contributions.

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

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

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

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

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

28 Members of the retirement system who are elected or appointed to a  
29 state elective position may elect to continue to be members of this  
30 retirement system.

1       Years of service shall be determined by dividing the total number  
2 of months of service by twelve. Any fraction of a year of service as  
3 so determined shall be taken into account in the computation of such  
4 retirement allowance or benefits.

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

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

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

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

23       (18) "Disability board" for plan I members means either the county  
24 disability board or the city disability board established in RCW  
25 41.26.110 (~~for persons who establish membership in the retirement~~  
26 ~~system on or before September 30, 1977)).~~

27       (19) "Disability leave" means the period of six months or any  
28 portion thereof during which a member is on leave at an allowance equal  
29 to the member's full salary prior to the commencement of disability  
30 retirement. The definition contained in 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 (20) "Disability retirement" for (~~persons who establish membership~~  
4 ~~in the retirement system on or before September 30, 1977~~) plan I  
5 members, means the period following termination of a member's  
6 disability leave, during which the member is in receipt of a disability  
7 retirement allowance.

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

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

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

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

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

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

25 (i) The fees of the following:

26 (A) A physician or surgeon licensed under the provisions of chapter  
27 18.71 RCW;

28 (B) An osteopath licensed under the provisions of chapter 18.57  
29 RCW;

1 (C) A chiropractor licensed under the provisions of chapter 18.25  
2 RCW.

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

6 (iii) The charges for the following medical services and supplies:

7 (A) Drugs and medicines upon a physician's prescription;

8 (B) Diagnostic x-ray and laboratory examinations;

9 (C) X-ray, radium, and radioactive isotopes therapy;

10 (D) Anesthesia and oxygen;

11 (E) Rental of iron lung and other durable medical and surgical  
12 equipment;

13 (F) Artificial limbs and eyes, and casts, splints, and trusses;

14 (G) Professional ambulance service when used to transport the  
15 member to or from a hospital when (~~he is~~) injured by an accident or  
16 stricken by a disease;

17 (H) Dental charges incurred by a member who sustains an accidental  
18 injury to his or her teeth and who commences treatment by a legally  
19 licensed dentist within ninety days after the accident;

20 (I) Nursing home confinement or hospital extended care facility;

21 (J) Physical therapy by a registered physical therapist;

22 (K) Blood transfusions, including the cost of blood and blood  
23 plasma not replaced by voluntary donors;

24 (L) An optometrist licensed under the provisions of chapter 18.53  
25 RCW.

26 (23) "Regular interest" means such rate as the director may  
27 determine.

28 (24) "Retiree" for persons who establish membership in the  
29 retirement system on or after October 1, 1977, means any member in

1 receipt of a retirement allowance or other benefit provided by this  
2 chapter resulting from service rendered to an employer by such member.

3 (25) (~~("Department" means the department of retirement systems~~  
4 ~~created in chapter 41.50 RCW.~~

5 ~~(26))~~) "Director" means the director of the department.

6 (~~((27))~~) (26) "State actuary" or "actuary" means the person  
7 appointed pursuant to RCW 44.44.010(2).

8 (~~((28))~~) (27) "State elective position" means any position held by  
9 any person elected or appointed to state-wide office or elected or  
10 appointed as a member of the legislature.

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

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

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

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

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

26 The Washington law enforcement officers' and fire fighters'  
27 retirement system is hereby created for fire fighters and law  
28 enforcement officers.

1       (1) (~~(a)~~) Notwithstanding RCW 41.26.030(8) (~~and except as~~  
2 ~~provided in subsection (1)(b) of this section~~), all fire fighters and  
3 law enforcement officers employed as such on or after March 1, 1970, on  
4 a full time fully compensated basis in this state shall be members of  
5 the retirement system established by this chapter with respect to all  
6 periods of service as such, to the exclusion of any pension system  
7 existing under any prior act (~~except as provided in subsection (2) of~~  
8 ~~this section.~~

9       ~~(b) No fire fighter or law enforcement officer who commences a~~  
10 ~~period of employment on or after July 1, 1979, as a participant under~~  
11 ~~the federal comprehensive employment and training act of 1973 (CETA)~~  
12 ~~(29 U.S.C. Sec. 801 et seq.), as amended, shall be a member of this~~  
13 ~~system during the period of such participation unless, at the~~  
14 ~~commencement of the participation under CETA, the fire fighter or law~~  
15 ~~enforcement officer either:~~

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

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

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



1 benefits shall continue to be as provided in such prior retirement act,  
2 as if transfer of membership had not occurred. The excess, if any, of  
3 the benefits so computed, giving full value to survivor benefits, over  
4 the benefits payable under this chapter shall be paid whether or not  
5 the employee has made application under the prior act. If the  
6 employee's prior retirement system was the Washington public employees'  
7 retirement system, payment of such excess shall be made by that system;  
8 if the employee's prior retirement system was the state-wide city  
9 employees' retirement system, payment of such excess shall be made by  
10 the employer which was the member's employer when his transfer of  
11 membership occurred: PROVIDED, That any death in line of duty lump sum  
12 benefit payment shall continue to be the obligation of that system as  
13 provided in RCW 41.44.210; in the case of all other prior retirement  
14 systems, payment of such excess shall be made by the employer which was  
15 the member's employer when his transfer of membership occurred.

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

24 ~~((4) Any member transferring from the Washington public employees'~~  
25 ~~retirement system or the state-wide city employees' retirement system~~  
26 ~~shall have transferred from the appropriate fund of the prior system of~~  
27 ~~membership, a sum sufficient to pay into the Washington law enforcement~~  
28 ~~officers' and fire fighters' retirement system fund the amount of the~~  
29 ~~employees' and employers' contributions plus credited interest in the~~  
30 ~~prior system for all service, as defined in this chapter, from the date~~

1 of the employee's entrance therein until March 1, 1970. Except as  
2 provided for in subsection (2), such transfer of funds shall discharge  
3 said state retirement systems from any further obligation to pay  
4 benefits to such transferring members with respect to such service.)

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

7 The administration of ((this)) the Washington law enforcement  
8 officers' and fire fighters' retirement system is hereby vested in the  
9 director of retirement systems, and the director shall:

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

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

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

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

22 (5) From time to time adopt such rules and regulations not  
23 inconsistent with ((this)) chapter 41.26 RCW, for the administration of  
24 the provisions of this chapter, for the administration of the fund  
25 created by this chapter and the several accounts thereof, and for the  
26 transaction of the business of the system;

27 (6) Prepare and publish annually a financial statement showing the  
28 condition of the Washington law enforcement officers' and fire  
29 fighters' fund and the various accounts thereof, and setting forth such

1 other facts, recommendations and data as may be of use in the  
2 advancement of knowledge concerning the Washington law enforcement  
3 officers' and fire fighters' retirement system, and furnish a copy  
4 thereof to each employer, and to such members as may request copies  
5 thereof;

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

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

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

16 (10) Perform any other duties prescribed elsewhere in ((this))  
17 chapter 41.26 RCW;

18 (11) Issue decisions relating to appeals initiated pursuant to RCW  
19 41.16.145 and 41.18.104 as now or hereafter amended and shall be  
20 authorized to order increased benefits pursuant to RCW 41.16.145 and  
21 41.18.104 as now or hereafter amended.

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

24 The total liability of the plan I system shall be funded as  
25 follows:

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

28 (2) Every employer shall contribute monthly a sum equal to six  
29 percent of the basic salary of each plan I employee who is a member of

1 this retirement system. The employer shall transmit the employee and  
2 employer contributions with a copy of the payroll to the retirement  
3 system monthly.

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

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

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

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

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

22 (2) Any member having five or more years of service, who terminates  
23 his or her employment with any employer, may leave his or her  
24 contributions in the fund. Any employee who so elects, upon attaining  
25 age fifty, shall be eligible to apply for and receive a service  
26 retirement allowance based on his or her years of service, commencing  
27 on the first day following his or her attainment of age fifty. ((This  
28 section shall also apply to a person who rendered service as a law  
29 enforcement officer or fire fighter, as those terms are defined in RCW

1 41.26.030, on or after July 1, 1969, but who was not employed as a law  
2 enforcement officer or fire fighter on March 1, 1970, by reason of his  
3 having been elected to a public office.))

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

26 ((+3)) (4) Any member who has attained the age of sixty years  
27 shall be retired on the first day of the calendar month next succeeding  
28 that in which said member shall have attained the age of sixty and may  
29 not thereafter be employed as a law enforcement officer or fire  
30 fighter: PROVIDED, That for any member who is elected or appointed to

1 the office of sheriff, chief of police, or fire chief, his or her  
2 election or appointment shall be considered as a waiver of the age  
3 sixty provision for retirement and nonemployment for whatever number of  
4 years remain in his or her present term of office and any succeeding  
5 periods for which he or she may be so elected or appointed(~~(:—PROVIDED~~  
6 ~~FURTHER, That~~)). The provisions of this subsection shall not apply to  
7 any member who is employed as a law enforcement officer or fire fighter  
8 on March 1, 1970.

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

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

1 the member became disabled. Applications for disability retirement  
2 shall be processed in accordance with the following procedures:

3 (1) Any member who believes he or she is or is believed to be  
4 physically or mentally disabled shall be examined by such medical  
5 authority as the disability board shall employ, upon application of  
6 said member, or a person acting in his or her behalf, stating that said  
7 member is disabled, either physically or mentally: PROVIDED, That no  
8 such application shall be considered unless said member or someone in  
9 his or her behalf, in case of the incapacity of a member, shall have  
10 filed the application within a period of one year from and after the  
11 discontinuance of service of said member.

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

26 (3) Every order of a disability board granting a duty disability  
27 retirement allowance shall forthwith be reviewed by the director except  
28 the finding that the disability was incurred in the line of duty. The  
29 director may affirm the decision of the disability board or remand the  
30 case for further proceedings, or the director may reverse the decision

1 of the disability board if the director finds the disability board's  
2 findings, inferences, conclusions, or decisions are:

3 (a) In violation of constitutional provisions; or

4 (b) In excess of the statutory authority or jurisdiction of the  
5 disability board; or

6 (c) Made upon unlawful procedure; or

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

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

10 (f) Arbitrary or capricious.

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

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

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



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

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

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

17 (5) A member retired for disability shall be subject to periodic  
18 examinations by a physician approved by the disability board prior to  
19 (~~his~~) attainment of age fifty, pursuant to rules adopted by the  
20 director under RCW 41.26.115. Examinations of members who retired for  
21 disability prior to July 26, 1981, shall not exceed two medical  
22 examinations per year.

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

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

1           (2) If the disability board shall determine that the beneficiary is  
2 not so incapacitated ((his)) the retirement allowance shall be canceled  
3 and ((he)) the member shall be restored to duty in the same civil  
4 service rank, if any, held by the beneficiary at the time of his or her  
5 retirement or if unable to perform the duties of said rank, then, at  
6 his or her request, in such other like or lesser rank as may be or  
7 become open and available, the duties of which he or she is then able  
8 to perform. In no event, shall a beneficiary previously drawing a  
9 disability allowance be returned or be restored to duty at a salary or  
10 rate of pay less than the current salary attached to the rank or  
11 position held by the said beneficiary at the date of ((his)) retirement  
12 for disability. If the disability board determines that the  
13 beneficiary is able to return to service he or she shall be entitled to  
14 notice and a hearing, both the notice and the hearing shall comply with  
15 the requirements of chapter 34.05 RCW, as now or hereafter amended.

16           (3) Should a disability beneficiary reenter service and be eligible  
17 for membership in the retirement system, ((his)) the retirement  
18 allowance shall be canceled and he or she shall immediately become a  
19 member of the retirement system.

20           (4) Should any disability beneficiary under age fifty refuse to  
21 submit to examination, ((his)) the retirement allowance shall be  
22 discontinued until ((his)) withdrawal of such refusal, and should such  
23 refusal continue for one year or more, ((his)) the retirement allowance  
24 shall be canceled.

25           (5) Should the disability retirement allowance of any disability  
26 beneficiary be canceled for any cause other than reentrance into  
27 service or retirement for service, he or she shall be paid the excess,  
28 if any, of ((his)) the accumulated contributions at the time of ((his))  
29 retirement over all payments made on his or her behalf under this  
30 chapter.

1 (6) Any person feeling aggrieved by an order of a disability board  
2 determining that a beneficiary's disability has not ceased, pursuant to  
3 RCW 41.26.130(3) has the right to appeal the order or determination to  
4 the director. The director shall have no jurisdiction to entertain the  
5 appeal unless a notice of appeal is filed with the director within  
6 thirty days following the rendition of the order by the disability  
7 board. A copy of the notice of appeal shall be served upon the  
8 director and the applicable disability board and, within ninety days  
9 thereof, the disability board shall certify its decision and order  
10 which shall include findings of fact and conclusions of law, together  
11 with a transcript of all proceedings in connection therewith, to the  
12 director for review. Upon review of the record, the director may  
13 affirm the order of the disability board or may remand the case for  
14 further proceedings if the director finds that the disability board's  
15 findings, inferences, conclusions, or decisions are:

16 (a) In violation of constitutional provisions; or

17 (b) In excess of the statutory authority or jurisdiction of the  
18 disability board; or

19 (c) Made upon unlawful procedure; or

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

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

23 (f) Arbitrary or capricious.

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

26 (1) Whenever any active member, or any member hereafter retired, on  
27 account of service, sickness or disability, not caused or brought on by  
28 dissipation or abuse, of which the disability board shall be judge, is  
29 confined in any hospital or in ((his)) home, and whether or not so

1 confined, requires medical services, the employer shall pay for such  
2 active or retired member the necessary medical services not payable  
3 from some other source as provided for in subsection (2) of this  
4 section. In the case of active or retired fire fighters the employer  
5 may make the payments provided for in this section from the firemen's  
6 pension fund established pursuant to RCW 41.16.050 where such fund had  
7 been established prior to March 1, 1970(~~(:—PROVIDED, That in the event~~  
8 ~~the))~~). If this pension fund is depleted, the employer shall have the  
9 obligation to pay all benefits payable under chapters 41.16 and 41.18  
10 RCW(~~(:—PROVIDED FURTHER, That)~~).

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

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

23 (2) The medical services payable under this section will be reduced  
24 by any amount received or eligible to be received by the member under  
25 workers' compensation, social security including the changes  
26 incorporated under Public Law 89-97 as now or hereafter amended,  
27 insurance provided by another employer, other pension plan, or any  
28 other similar source. Failure to apply for coverage if otherwise  
29 eligible under the provisions of Public Law 89-97 as now or hereafter

1 amended shall not be deemed a refusal of payment of benefits thereby  
2 enabling collection of charges under the provisions of this chapter.

3 (3) Upon making such payments as are provided for in subsection (1)  
4 of this section, the employer shall be subrogated to all rights of the  
5 member against any third party who may be held liable for the member's  
6 injuries or for the payment of the cost of medical services in  
7 connection with a member's sickness or disability to the extent  
8 necessary to recover the amount of payments made by the employer.

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

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

24 (1) In the event of the death of any member who is in active  
25 service, or who has vested under the provisions of RCW 41.26.090 with  
26 twenty or more years of service, or who is on disability leave or  
27 retired, whether for disability or service, (~~his~~) the surviving  
28 spouse shall become entitled to receive a monthly allowance equal to  
29 fifty percent of (~~his~~) the final average salary at the date of death

1 if active, or the amount of retirement allowance the vested member  
2 would have received at age fifty, or the amount of the retirement  
3 allowance such retired member was receiving at the time of ((his))  
4 death if retired for service or disability. The amount of this  
5 allowance will be increased five percent of final average salary for  
6 each child as defined in RCW 41.26.030(7), as now or hereafter amended,  
7 subject to a maximum combined allowance of sixty percent of final  
8 average salary: PROVIDED, That if the child or children is or are in  
9 the care of a legal guardian, payment of the increase attributable to  
10 each child will be made to the child's legal guardian or, in the  
11 absence of a legal guardian and if the member has created a trust for  
12 the benefit of the child or children, payment of the increase  
13 attributable to each child will be made to the trust.

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

24 (3) If there be no surviving spouse eligible to receive benefits at  
25 the time of such member's death, then the child or children of such  
26 member shall receive a monthly allowance equal to thirty percent of  
27 final average salary for one child and an additional ten percent for  
28 each additional child subject to a maximum combined payment, under this  
29 subsection, of sixty percent of final average salary. When there cease  
30 to be any eligible children as defined in RCW 41.26.030(7), as now or

1 hereafter amended, there shall be paid to the legal heirs of said  
2 member the excess, if any, of accumulated contributions of said member  
3 at the time of ~~((his))~~ death over all payments made to ~~((his))~~  
4 survivors on his or her behalf under this chapter: PROVIDED, That  
5 payments under this subsection to children shall be prorated equally  
6 among the children, if more than one. If the member has created a  
7 trust for the benefit of the child or children, the payment shall be  
8 made to the trust.

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

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

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

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

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

1       (2) Any member whose contributions have been paid (~~to him~~) in  
2 accordance with subsection (1) of this section and who reenters the  
3 service of an employer within ten years of the date of (~~his~~)  
4 separation shall upon the restoration of all withdrawn contributions,  
5 which restoration must be completed within a total period of five years  
6 of service following resumption of employment, then receive credit  
7 toward retirement for the period of previous service which these  
8 contributions are to cover.

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

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

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



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

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

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

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

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

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

24       (2) "Retirement allowance" shall mean the retirement allowance  
25 provided for in RCW 41.26.100 and 41.26.130, and the monthly allowance  
26 provided for in RCW 41.26.160.

27       Effective April 1 of 1971, and of each succeeding year, every  
28 retirement allowance which has been in effect for more than one year

1 shall be adjusted to that dollar amount which exceeds its original  
2 dollar amount by the percentage difference which the ((board))  
3 department finds to exist between the index for the previous calendar  
4 year and the index for the calendar year prior to the effective  
5 retirement date of the person to whom, or on behalf of whom, such  
6 retirement allowance is being paid.

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

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

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

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

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

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

8       (1) (~~"Teachers' retirement system plan I" or "plan I" means the~~  
9 ~~benefits and funding provisions covering persons who first became~~  
10 ~~members of the teachers' retirement system prior to July 1, 1977.)~~)  
11 The provisions of the following sections of this chapter shall apply  
12 (~~only~~) to members of plan I and plan II: (~~RCW 41.32.240, 41.32.250,~~  
13 ~~41.32.260, 41.32.270, 41.32.280, 41.32.290, 41.32.300, 41.32.310,~~  
14 ~~41.32.320, 41.32.330, 41.32.340, 41.32.350, 41.32.360, 41.32.365,~~  
15 ~~41.32.366, 41.32.380, 41.32.390, 41.32.430, 41.32.440, 41.32.470,~~  
16 ~~41.32.480, 41.32.491, 41.32.492, 41.32.493, 41.32.4931, 41.32.4932,~~  
17 ~~41.32.494, 41.32.4943, 41.32.4944, 41.32.4945, 41.32.497, 41.32.498,~~  
18 ~~41.32.499, 41.32.500, 41.32.510, 41.32.520, 41.32.522, 41.32.523,~~  
19 ~~41.32.530, 41.32.540, 41.32.550, 41.32.560, 41.32.561, 41.32.565,~~  
20 ~~41.32.567, 41.32.570, 41.32.575, and 41.32.583.~~

21       (2) ~~"Teachers' retirement system plan II" or "plan II" means the~~  
22 ~~benefits and funding provisions covering persons who first became~~  
23 ~~members of the teachers' retirement system on or after July 1, 1977.~~  
24 ~~The provisions of RCW 41.32.760 through 41.32.830 shall apply only to~~  
25 ~~the members of plan II)~~) RCW 41.32.010; 41.32.011; 41.32.020;  
26 41.32.160; 41.32.242; 41.32.460; 41.32.580; 41.32.670; 41.32.850; and  
27 41.32.013.

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

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

5       (1) (a) "Accumulated contributions" for (~~persons who establish~~  
6 ~~membership in the retirement system on or before September 30, 1977~~) plan I members, means the sum of all regular annuity contributions with  
7 regular interest thereon.

8  
9       (b) "Accumulated contributions" for (~~persons who establish~~  
10 ~~membership in the retirement system on or after October 1, 1977~~) plan  
11 II members, means the sum of all contributions standing to the credit  
12 of a member in the member's individual account together with the  
13 regular interest thereon.

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

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

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

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

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

27       (b) "Beneficiary" for (~~persons who establish membership in the~~  
28 ~~retirement system on or after October 1, 1977~~) plan II members, means  
29 any person in receipt of a retirement allowance or other benefit

1 provided by this chapter resulting from service rendered to an employer  
2 by another person.

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

5 (8) "Creditable service" means membership service plus prior  
6 service for which credit is allowable. This subsection shall apply  
7 only to ~~((persons who establish membership in the retirement system on  
8 or before September 30, 1977))~~ plan I members.

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

11 (10) "Disability allowance" means monthly payments during  
12 disability. This subsection shall apply only to ~~((persons who  
13 establish membership in the retirement system on or before September  
14 30, 1977))~~ plan I members.

15 (11) (a) ~~((i))~~ "Earnable compensation" for ~~((persons who  
16 establish membership in the retirement system on or before September  
17 30, 1977))~~ plan I members, means:

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

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

1        (B) If a leave of absence, without pay, is taken by a member for  
2 the purpose of serving as a member of the state legislature, and such  
3 member has served in the legislature five or more years, the salary  
4 which would have been received for the position from which the leave of  
5 absence was taken shall be considered as compensation earnable if the  
6 employee's contribution thereon is paid by the employee. In addition,  
7 where a member has been a member of the state legislature for five or  
8 more years, earnable compensation for the member's two highest  
9 compensated consecutive years of service shall include a sum not to  
10 exceed thirty-six hundred dollars for each of such two consecutive  
11 years, regardless of whether or not legislative service was rendered  
12 during those two years.

13        (ii) For members employed less than full time under written  
14 contract with a school district, or community college district, in an  
15 instructional position, for which the member receives service credit of  
16 less than one year in all of the years used to determine the earnable  
17 compensation used for computing benefits due under RCW 41.32.497,  
18 41.32.498, and 41.32.520, the member may elect to have earnable  
19 compensation defined as provided in RCW 41.32.011. For the purposes of  
20 this subsection, the term "instructional position" means a position in  
21 which more than seventy-five percent of the member's time is spent as  
22 a classroom instructor (including office hours), a librarian, or a  
23 counselor. Earnable compensation shall be so defined only for the  
24 purpose of the calculation of retirement benefits and only as necessary  
25 to insure that members who receive fractional service credit under RCW  
26 41.32.270 receive benefits proportional to those received by members  
27 who have received full-time service credit.

28        (b) "Earnable compensation" for (~~persons who establish membership~~  
29 ~~in the retirement system on or after October 1, 1977~~) plan II members,  
30 means salaries or wages earned by a member during a payroll period for

1 personal services, including overtime payments, and shall include wages  
2 and salaries deferred under provisions established pursuant to sections  
3 403(b), 414(h), and 457 of the United States Internal Revenue Code, but  
4 shall exclude lump sum payments for deferred annual sick leave, unused  
5 accumulated vacation, unused accumulated annual leave, or any form of  
6 severance pay(~~(:—PROVIDED, That)~~).

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

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

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

20 ~~((ii))~~ (B) Such member's actual earnable compensation received  
21 for teaching and legislative service combined. Any additional  
22 contributions to the retirement system required because compensation  
23 earnable under ~~((subparagraph (i)))~~ (b)(ii)(A) of this subsection is  
24 greater than compensation earnable under ~~((subparagraph (ii)))~~  
25 (b)(ii)(B) of this subsection shall be paid by the member for both  
26 member and employer contributions.

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

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

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

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

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

11 (17) "Membership service" means service rendered subsequent to the  
12 first day of eligibility of a person to membership in the retirement  
13 system: PROVIDED, That where a member is employed by two or more  
14 employers the individual shall only receive one month's service credit  
15 during any calendar month in which multiple service is rendered. The  
16 provisions of this subsection shall apply only to ~~((persons who~~  
17 ~~establish membership in the retirement system on or before September~~  
18 ~~30, 1977))~~ plan I members.

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

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

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



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

5 (22) "Public school" means any institution or activity operated by  
6 the state of Washington or any instrumentality or political subdivision  
7 thereof employing teachers, except the University of Washington and  
8 Washington State University.

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

14 (24) "Regular interest" means such rate as the director may  
15 determine.

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

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

24 (26) "Retirement system" means the Washington state teachers'  
25 retirement system.

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

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

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

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

16 Any person who is a member of the teachers' retirement system and  
17 who is elected or appointed to a state elective position may continue  
18 to be a member of the retirement system and continue to receive service  
19 credit for the time spent in a state elective position by making the  
20 required member contributions.

21 When an individual is employed by two or more employers the  
22 individual shall only receive one month's service credit during any  
23 calendar month in which multiple service for ninety or more hours is  
24 rendered.

25 ~~((Notwithstanding RCW 41.32.240, teachers covered by RCW 41.32.755~~  
26 ~~through 41.32.825, who render service need not serve for ninety days to~~  
27 ~~obtain membership so long as the required contribution is submitted for~~  
28 ~~such ninety-day period. Where a member did not receive service credit~~  
29 ~~under RCW 41.32.775 through 41.32.825 due to the ninety-day period in~~  
30 ~~RCW 41.32.240 the member may receive service credit for that period so~~

1 long as the required contribution is submitted for the period. Anyone  
2 entering membership on or after October 1, 1977, and prior to July 1,  
3 1979, shall have until June 30, 1980, to make the required contribution  
4 in one lump sum.))

5 The department shall adopt rules implementing this subsection  
6 (27)(b).

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

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

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

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

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

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

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

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

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

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

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

12 (b) Persons who work in ineligible positions in more than one  
13 school district.

14 ~~((38))~~ (37) "Eligible position" in plan II means a position which  
15 normally requires two or more uninterrupted months of creditable  
16 service during September through August of the following year.

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

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

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

25 ~~((All of the assets of the retirement system shall be credited~~  
26 ~~according to the purposes for which they are held, to two funds to be~~  
27 ~~maintained in the state treasury, namely, the teachers' retirement~~  
28 ~~system plan I fund and the teachers' retirement system plan II fund.~~  
29 ~~The plan I fund shall consist of all moneys paid to finance the~~

1 ~~benefits provided to members of plan I, and the plan II fund shall~~  
2 ~~consist of all moneys paid to finance the benefits provided to members~~  
3 ~~of plan II.)~~)

4 In the records of the teachers' retirement system the teachers'  
5 retirement fund plan I fund shall be subdivided into the annuity fund,  
6 the annuity reserve fund, the survivors' benefit fund, the pension  
7 reserve fund, the disability reserve fund, the death benefit fund, the  
8 income fund, the expense fund, and ((such)) other funds as may from  
9 time to time be created by the director for the purpose of the internal  
10 accounting record.

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

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

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

23 The ((board of trustees)) director shall designate a medical  
24 director. If required, other physicians may be employed to report on  
25 special cases. The medical director shall arrange for and pass upon  
26 all medical examinations required under the provisions of this  
27 chapter((; he shall)), investigate all essential statements and  
28 certificates by or on behalf of a member in connection with an

1 application for a disability allowance, and (~~shall~~) report in writing  
2 to the board of trustees (~~his~~) the conclusions and recommendations  
3 upon all matters (~~referred to him~~) under referral.

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

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

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

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

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

24 No trustee or employee of the (~~board of trustees~~) department  
25 shall become an endorser or surety or an obligor for moneys loaned by  
26 the (~~board of trustees~~) department.

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

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

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

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

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

17       A minimum of ninety days or the equivalent of ninety days of  
18 employment during a fiscal year shall be required to establish  
19 membership. A teacher shall be considered as employed full time if  
20 serving regularly for four-fifths or more of a school day or if  
21 assigned to duties which are the equivalent of four-fifths or more of  
22 a full time assignment. A teacher who is employed for less than full  
23 time service may become a member by filing an application with the  
24 retirement system, submitting satisfactory proof of teaching service  
25 and making the necessary payment before June 30 of the school year  
26 immediately following the one during which the service was rendered.  
27 (~~If an exempted teacher desires membership he must file with the~~  
28 ~~department a written request, duly executed, that his exemption~~  
29 ~~certificate be canceled, present proof of service, and make the~~  
30 ~~necessary payment before June 30 of the school year immediately~~

1 following the one in which his request for cancellation of the  
2 exemption was filed. Any teacher who is still exempt from membership  
3 in the teachers' retirement system after July 1, 1965 and chooses not  
4 to become a member of the teachers' retirement system may continue his  
5 exemption and shall not become a member of the state employees'  
6 retirement system while employed as a teacher. All service rendered in  
7 this state subsequent to his exemption from membership must be  
8 established by proper proof and paid for, with interest at three  
9 percent, upon the same basis as he would have paid had he been a member  
10 during the period covered by his exemption. Twenty percent of the  
11 total amount due must be paid before membership can be established.  
12 Payment of the remainder, including interest, must be completed before  
13 June 30th of the fourth school year following that in which membership  
14 was established. A minimum of five years of membership in the present  
15 system and/or the former state fund or a local fund shall be required  
16 of a member who was formerly exempt from membership before such member  
17 may qualify for a retirement allowance.))

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

20 (1) Any teacher, as defined under RCW 41.32.010(29), who is first  
21 employed by a public school on or after June 7, 1984, shall become a  
22 member of the retirement system as directed under RCW ((41.32.240))  
23 41.32.780 if otherwise eligible.

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

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



1 (b) To irrevocably elect to join the retirement system under this  
2 chapter and to receive service credit for previous periods of  
3 employment in any position included under RCW 41.32.010(29). ((Such))  
4 This service credit and corresponding employee contribution shall be  
5 computed as though the person had then been a member of the retirement  
6 system under this chapter. All employee contributions credited to a  
7 member under chapter 41.40 RCW for service now to be credited to the  
8 retirement system under this chapter shall be transferred to the system  
9 and the member shall not receive any credit nor enjoy any rights under  
10 chapter 41.40 RCW for those periods of service. The member shall pay  
11 any difference between the employee contributions made under chapter  
12 41.40 RCW and transferred under this subsection and what would have  
13 been required under this chapter, including interest as set by the  
14 director. The member shall be given until July 1, 1989, to make the  
15 irrevocable election permitted under this section. The election shall  
16 be made by submitting written notification as required by the  
17 department requesting credit under this section and by remitting any  
18 necessary proof of service or payments within the time set by the  
19 department.

20 Any person, not employed as an educational staff associate on June  
21 7, 1984, may, before June 30 of the fifth school year after that  
22 person's return to employment as a teacher, request and establish  
23 membership and credit under this subsection.

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

26 Any member whose public school service is interrupted by active  
27 service to the United States as a member of its military, naval or air  
28 service, or to the state of Washington, as a member of the legislature,  
29 may upon becoming reemployed in the public schools, receive credit for

1 ((such)) that service upon presenting satisfactory proof, and  
2 contributing to the annuity fund, either in a lump sum or installments,  
3 ((such)) amounts ((as shall be)) determined by the ((board of trustees:  
4 ~~PROVIDED (1),~~) director. Except that no ((such)) military service  
5 credit in excess of five years shall be established or reestablished  
6 after July 1, 1961, unless the service was actually rendered during  
7 time of war((: ~~PROVIDED FURTHER~~

8 (2), That a member of the retirement system who is a member of the  
9 state legislature or a state official eligible for the combined pension  
10 and annuity provided by RCW 41.32.497, or 41.32.498, as now or  
11 hereafter amended shall have deductions taken from his salary in the  
12 amount of seven and one half percent of earnable compensation and that  
13 service credit shall be established with the retirement system while  
14 such deductions are reported to the retirement system, unless he has by  
15 reason of his employment become a contributing member of another public  
16 retirement system in the state of Washington: ~~AND PROVIDED FURTHER~~

17 (3), That such elected official who has retired or otherwise terminated  
18 his public school service may then elect to terminate his membership in  
19 the retirement system and receive retirement benefits while continuing  
20 to serve as an elected official: ~~AND, PROVIDED FURTHER (4), That a~~  
21 member of the retirement system who had previous service as an elected  
22 or appointed official, for which he did not contribute to the  
23 retirement system, may receive credit for such legislative service  
24 unless he has received credit for that service in another state  
25 retirement system, upon making contributions in such amounts as shall  
26 be determined by the board of trustees)).

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

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

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

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

28 (2) No out-of-state service credit shall be established or  
29 reestablished subsequent to July 1, 1964, except that a member who has

1 been granted official leave of absence by his or her employer may, upon  
2 ((his)) return to public school service in this state, establish out-  
3 of-state membership service credit, within the limitations of this  
4 section and conditioned upon satisfactory proof and upon contributions  
5 to the annuity fund, for public school service rendered in another  
6 state or in another country.

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

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

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

26 (2) A member who had the opportunity under chapter 41.32 RCW prior  
27 to July 1, 1969, to establish credit for active United States military  
28 service or credit for professional preparation and failed to do so  
29 shall be permitted to establish ((such)) additional credit within the

1 provisions of RCW 41.32.260 and 41.32.330(~~(: PROVIDED FURTHER, That)~~).  
2 A member who was not permitted to establish credit pursuant to section  
3 2, chapter 32, Laws of 1973 2nd ex. sess., for Washington teaching  
4 service previously rendered, must present proof and make the necessary  
5 payment to establish such credit as membership service credit. Payment  
6 for such credit must be made in a lump sum on or before June 30, 1974.  
7 Any member desiring to establish credit under the provisions of this  
8 1969 amendment must present proof and make the necessary payment before  
9 June 30, 1974; or, if not employed on the effective date of this  
10 amendment, before June 30th of the fifth school year upon returning to  
11 public school employment in this state.

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

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

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

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

1 payments shall be made for service credits established or reestablished  
2 after July 1, 1961, if such credits entitle the member to retirement  
3 benefits from a public federal retirement system or fund for services  
4 rendered under a civilian program: PROVIDED, That no pension payments  
5 shall be made for service credits established or reestablished after  
6 July 1, 1969, if credit for the same service is retained for benefits  
7 under any other retirement system or fund.

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

10 ~~((Member contributions shall be placed in the annuity fund, the  
11 disability reserve fund and the death benefit fund.))~~ A member may  
12 make an additional lump sum payment at date of retirement, not to  
13 exceed ~~((his))~~ the member's accumulated contributions, to purchase  
14 additional annuity. A contribution of six percent of earnable  
15 compensation is required from each member, except as provided under RCW  
16 41.32.013.

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

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

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

3       (~~Each fiscal year~~) During (~~which~~) each fiscal year that a  
4 member is employed on a full time basis, (~~there shall be transferred~~  
5 ~~from his~~) the department shall transfer from the member's  
6 contributions (~~such~~) a sum (~~as~~) that will, with regular interest,  
7 (~~create~~) maintain a fund sufficient according to actuarial rates  
8 adopted by the (~~board of trustees,~~) department to pay the death  
9 benefits as provided for in this chapter.

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

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

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

22       (~~An~~) The teachers' retirement system income fund is hereby  
23 created for the purpose of crediting regular interest and (~~such~~)  
24 other income as may be derived from the deposits and investments of the  
25 various funds of the teachers' retirement fund. All accumulated  
26 contributions in the account of a terminated employee who is a member  
27 of the Washington teachers' retirement system, except as provided for  
28 in RCW 41.32.500 (1) through (3), 41.32.510, 41.32.810, and 41.32.815,

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

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

28 On or before a date specified by the (~~board of trustees~~)  
29 department in each month every employer shall file a report with the



1 (~~board of trustees of the retirement system~~) department on a form  
2 provided, stating the name of the employer and with respect to each  
3 employee who is a member or who is required to become a member of the  
4 Washington state teachers' retirement system: (1) The full name, (2)  
5 the earnable compensation paid, (3) the employee's contribution to the  
6 retirement system, and (4) (~~such~~) other information as the (~~board~~)  
7 department shall require(~~, and at the same time notify each new~~  
8 ~~employee in writing with reference to the Washington state teachers'~~  
9 ~~retirement system and that an application for prior service credit may~~  
10 ~~be filed with the board of trustees thereof on a form furnished by the~~  
11 ~~board~~)).

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

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

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

23 (1) Any member who has left public school service after having  
24 completed thirty years of creditable service may retire upon the  
25 approval by the (~~board of trustees~~) department of an application for  
26 retirement filed on the prescribed form. Upon retirement (~~such~~) the  
27 member shall receive a retirement allowance consisting of an annuity  
28 which shall be the actuarial equivalent of his or her accumulated

1 contributions at his or her age of retirement and a pension as provided  
2 in RCW 41.32.497 (~~((as now or hereafter amended))~~). Effective July 1,  
3 1967, anyone then receiving a retirement allowance or a survivor  
4 retirement allowance under this chapter, based on thirty-five years of  
5 creditable service, and who has established more than thirty-five years  
6 of service credit with the retirement system, shall thereafter receive  
7 a retirement allowance based on the total years of service credit  
8 established.

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

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

1 options contained in RCW 41.32.530(~~(: PROVIDED FURTHER, That)~~). This  
2 1974 amendment shall be retroactive to July 1, 1969.

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

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

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

16 Any person who becomes a member subsequent to April 25, 1973 or who  
17 has made the election, provided by RCW 41.32.497, to receive the  
18 benefit provided by this section, shall receive a retirement allowance  
19 consisting of:

20 (1) An annuity which shall be the actuarial equivalent of his or  
21 her additional contributions on full salary as provided by chapter 274,  
22 Laws of 1955 and his or her lump sum payment in excess of the required  
23 contribution rate made at date of retirement, pursuant to RCW  
24 41.32.350, if any; and

25 (2) A combined pension and annuity service retirement allowance  
26 which shall be equal to two percent of his or her average earnable  
27 compensation for his or her two highest compensated consecutive years  
28 of service times the total years of creditable service established with

1 the retirement system, to a maximum of sixty percent of such average  
2 earnable compensation: PROVIDED, That any member may irrevocably  
3 elect, at time of retirement, to withdraw all or a part of his  
4 accumulated contributions and to receive, in lieu of the full  
5 retirement allowance provided by this subsection, a reduction in the  
6 standard two percent allowance, of the actuarially determined amount of  
7 monthly annuity which would have been purchased by said contributions:  
8 PROVIDED FURTHER, That no member may withdraw an amount of accumulated  
9 contributions which would lower his or her retirement allowance below  
10 the minimum allowance provided by RCW 41.32.497 as now or hereafter  
11 amended: AND PROVIDED FURTHER, That said reduced amount may be reduced  
12 even further pursuant to the options provided in RCW 41.32.530;

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

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

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

26 (2) "Cost-of-living factor" for the purposes of this section for  
27 any year shall mean the ratio of the index for the previous year to the  
28 index for the year preceding the initial date of payment of the

1 retirement allowance, except that, in no event, shall the cost-of-  
2 living factor, for any year subsequent to 1971, be

3 (a) less than 1.000;

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

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

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

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

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

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

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

3       (1) Membership in the retirement system is terminated when a member  
4 retires for service or disability, dies, withdraws ((his)) the  
5 accumulated contributions or does not establish service credit with the  
6 retirement system for five consecutive years; however, a member may  
7 retain membership in the teachers' retirement system by leaving ((his))  
8 the accumulated contributions in the teachers' retirement fund under  
9 one of the following conditions:

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

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

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

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

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

27       (3) Within the ninety days following the employee's resumption of  
28 employment, the employer shall notify the department of the resumption  
29 and the department shall then return to the employer a statement of the  
30 potential service credit to be restored, the amount of funds required

1 for restoration, and the date when the restoration must be  
2 accomplished. The employee shall be given a copy of the statement and  
3 shall sign a copy of the statement which signed copy shall be placed in  
4 the employee's personnel file.

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

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

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

28 (b) The beneficiary, if a surviving spouse or a dependent (as that  
29 term is used in computing the dependent exemption for federal internal

1 revenue purposes) may elect to receive a joint and one hundred percent  
2 retirement allowance under RCW 41.32.530.

3 (i) In the case of a dependent child the allowance shall continue  
4 until attainment of majority or so long as the (~~board~~) department  
5 judges that the circumstances which created his or her dependent status  
6 continue to exist. In any case, if at the time dependent status  
7 ceases, an amount equal to the amount of accumulated contributions of  
8 the deceased member has not been paid to the beneficiary, the remainder  
9 shall then be paid in a lump sum to the beneficiary.

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

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

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



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

3       (1) A death benefit of six hundred dollars shall be paid from the  
4 death benefit fund to a member's estate or to the persons the member  
5 nominates by written designation duly executed and filed with the  
6 department or to the persons as may otherwise qualify as the  
7 beneficiary pursuant to RCW 41.32.520 upon receipt of proper proof of  
8 death of ((a member who)) the member if he or she:

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

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

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

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

22       (e) Upon becoming eligible for a disability retirement allowance  
23 submits an application for ((such)) an allowance to be approved ((at  
24 the next regular meeting of the board of trustees)) by the department  
25 immediately following the date of his or her eligibility for a  
26 disability retirement allowance and dies before the first installment  
27 of such allowance becomes due((, a death benefit of six hundred dollars  
28 shall be paid from the death benefit fund to his estate or to such  
29 persons as he shall have nominated by written designation duly executed  
30 and filed with the board of trustees or to such persons as may

1 otherwise qualify as the beneficiary pursuant to RCW 41.32.520, as now  
2 or hereafter amended: PROVIDED, That the)).

3 (2) In order to receive a death benefit under this section a  
4 deceased member ((had)):

5 (a) Must have established at least one year of credit with the  
6 retirement system for full time Washington membership service ((and  
7 that his)). A member's contribution to the death benefit fund for a  
8 given fiscal year ((shall qualify him)) qualifies the member for the  
9 death benefit in the event his or her death occurs before the beginning  
10 of the ensuing school year((:—AND PROVIDED FURTHER, That a deceased  
11 member));

12 (b) Who was not employed full time in Washington public school  
13 service during the fiscal year immediately preceding the year of his or  
14 her death ((shall)) must have been employed full time in Washington  
15 public school service for at least fifty consecutive days during the  
16 fiscal year of his or her death.

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

19 Upon receipt of proper proof of death of a member who does not  
20 qualify for the death benefit of six hundred dollars under RCW  
21 41.32.522 ((as now or hereafter amended)), or a former member who was  
22 retired for age, service, or disability, a death benefit of four  
23 hundred dollars shall be paid from the death benefit fund to ((his))  
24 the member's estate or to ((such)) the persons as he or she shall have  
25 nominated by written designation duly executed and filed with the  
26 ((board of trustees)) department or to ((such)) the persons as may  
27 otherwise qualify as the beneficiary pursuant to RCW 41.32.520((,—as  
28 now or hereafter amended)): PROVIDED, That the member or the retired

1 former member had established not less than ten years of credit with  
2 the retirement system for full time Washington membership service.

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

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

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

3       (1) Should the (~~board~~) department determine from the report of  
4 the medical director that a member in full time service has become  
5 permanently disabled for the performance of his or her duties or at any  
6 time while a member is receiving temporary disability benefits that a  
7 member's disability will be permanent, a member shall have the option  
8 of then receiving (~~(1)~~) (a) all of (~~his~~) the accumulated  
9 contributions in a lump sum payment and canceling his or her  
10 membership, or (~~(2)~~) (b) of accepting a retirement allowance based on  
11 service or age, if eligible under RCW 41.32.480, or (~~(3)~~) (c) if  
12 (~~he~~) the member had five or more years of Washington membership  
13 service credit established with the retirement system, a retirement  
14 allowance because of disability(~~(:—PROVIDED, That)~~).

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

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

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

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

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

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

27       (b) Under a group health care benefit plan approved pursuant to RCW  
28 28A.400.350 or 41.05.065 from authorizing monthly deductions therefrom,  
29 of the amount or amounts of subscription payments, premiums, or

1 contributions to any person, firm, or corporation furnishing or  
2 providing medical, surgical, and hospital care or other health care  
3 insurance; or

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

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

12 (3) Subsection (1) of this section shall not prohibit the  
13 department ~~((of retirement systems))~~ from complying with (a) a wage  
14 assignment order for child support issued pursuant to chapter 26.18  
15 RCW, (b) an order to withhold and deliver issued pursuant to chapter  
16 74.20A RCW, (c) a notice of payroll deduction issued pursuant to RCW  
17 26.23.060, (d) a mandatory benefits assignment order issued ~~((pursuant~~  
18 ~~to chapter 41.50 RCW))~~ by the department, or (e) any administrative or  
19 court order expressly authorized by federal law.

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

22 Any claimant feeling aggrieved by the action of the ~~((board))~~  
23 department may take an appeal to the superior court of Thurston county  
24 within ten days from the day he or she receives written notice of the  
25 ~~((board's))~~ department's action by filing with the ~~((secretary-manager~~  
26 ~~of the system))~~ director a written notice of appeal and giving bond to  
27 the retirement system in the sum of two hundred and fifty dollars  
28 conditioned to pay all costs which may be adjudged against the

1 applicant in the superior court. Sureties on the bond must be such as  
2 are approved by the court.

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

5 Any five members feeling aggrieved by any action of the (~~board~~)  
6 department may take an appeal to the superior court of Thurston county  
7 within ten days from the date of such action by filing (~~with the~~  
8 ~~secretary manager of the system~~) a written notice of appeal with the  
9 director and giving bond to the retirement system in the sum of two  
10 hundred and fifty dollars conditioned to pay all costs which may be  
11 adjudged against appellants in the superior court, with sureties on the  
12 bond approved by the court. In case the appeal involves a claim,  
13 service of a copy of the notice of appeal on the claimant is a  
14 necessary step in perfecting the appeal.

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

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

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

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

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

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

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

13       (1) A member of the retirement system who becomes totally  
14 incapacitated for continued employment by an employer as determined by  
15 the department upon recommendation of the ~~((retirement board))~~  
16 department shall be eligible to receive an allowance under the  
17 provisions of RCW 41.32.755 through 41.32.825. ~~((Such))~~ The member  
18 shall receive a monthly disability allowance computed as provided for  
19 in RCW 41.32.760 and shall have ~~((such))~~ the allowance actuarially  
20 reduced to reflect the difference in the number of years between age at  
21 disability and the attainment of age sixty-five.

22       Any member who receives an allowance under the provisions of this  
23 section shall be subject to ~~((such))~~ comprehensive medical examinations  
24 as required by the department. If ~~((such))~~ medical examinations reveal  
25 that ~~((such))~~ a member has recovered from the incapacitating disability  
26 and the member is offered reemployment by an employer at a comparable  
27 compensation, ~~((such))~~ the member shall cease to be eligible for  
28 ~~((such))~~ the allowance.



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

12 (b) If a recipient of a monthly retirement allowance under this  
13 section died before April 27, 1989, and before the total of the  
14 retirement allowance paid to the recipient equaled the amount of his or  
15 her accumulated contributions at the date of retirement, then the  
16 department shall pay the balance of the accumulated contributions to  
17 the member's surviving spouse or, if there is no surviving spouse, then  
18 in equal shares to the member's children. If there is no surviving  
19 spouse or children, the department shall retain the contributions.

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

22 ~~((1) "Public employees' retirement system plan I" or "plan I"~~  
23 ~~means the benefits and funding provisions covering persons who first~~  
24 ~~became members of the public employees' retirement system prior to~~  
25 ~~October 1, 1977.))~~ The provisions of the following sections of this  
26 chapter shall apply ~~((only))~~ to members of plan I and plan II: ~~((RCW~~  
27 ~~41.40.150, 41.40.160, 41.40.170, 41.40.180, 41.40.185, 41.40.190,~~  
28 ~~41.40.193, 41.40.195, 41.40.200, 41.40.210, 41.40.220, 41.40.230,~~

1 41.40.235, 41.40.250, 41.40.260, 41.40.270, 41.40.280, 41.40.300,  
2 41.40.310, 41.40.320, 41.40.325, and 41.40.330.

3 (2) ~~"Public employees' retirement system plan II" or "plan II"~~  
4 ~~means the benefits and funding provisions covering persons who first~~  
5 ~~became members of the public employees' retirement system on or after~~  
6 ~~October 1, 1977. The provisions of RCW 41.40.600 through 41.40.740~~  
7 ~~apply only to members of plan II))~~ RCW 41.40.010; 41.40.020; 41.40.123;  
8 41.40.130; 41.40.165; 41.40.223; 41.40.340; 41.40.361; 41.40.370;  
9 41.40.380; 41.40.400; 41.40.403; 41.40.410; 41.40.412; 41.40.414;  
10 41.40.420; 41.40.440; 41.40.450; 41.40.530; 41.40.540; 41.40.542;  
11 41.40.800; and 41.40.810.

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

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

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

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

21 (3) "State treasurer" means the treasurer of the state of  
22 Washington.

23 (4) (a) "Employer" for (~~(persons who establish membership in the~~  
24 ~~retirement system on or before September 30, 1977))~~ plan I members,  
25 means every branch, department, agency, commission, board, and office  
26 of the state, any political subdivision or association of political  
27 subdivisions of the state admitted into the retirement system, and  
28 legal entities authorized by RCW 35.63.070 and 36.70.060 or chapter  
29 39.34 RCW as now or hereafter amended; and the term shall also include

1 any labor guild, association, or organization the membership of a local  
2 lodge or division of which is comprised of at least forty percent  
3 employees of an employer (other than such labor guild, association, or  
4 organization) within this chapter. The term may also include any city  
5 of the first class that has its own retirement system.

6 (b) "Employer" for (~~persons who establish membership in the~~  
7 ~~retirement system on or after October 1, 1977~~) plan II members, means  
8 every branch, department, agency, commission, board, and office of the  
9 state, and any political subdivision and municipal corporation of the  
10 state admitted into the retirement system, including public agencies  
11 created pursuant to RCW 35.63.070, 36.70.060, and 39.34.030.

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

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

15 (a) Any person who became a member of the system prior to April 1,  
16 1949;

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

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

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

29 (e) Any member who has restored all contributions that may have  
30 been withdrawn as provided by RCW 41.40.150 and who on the effective

1 date of the individual's retirement becomes entitled to be credited  
2 with ten years or more of membership service 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 (f) Any member who has been a contributor under the system for two  
7 or more years and who has restored all contributions that may have been  
8 withdrawn as provided by RCW 41.40.150 and who on the effective date of  
9 the individual's retirement has rendered five or more years of service  
10 for the state or any political subdivision prior to the time of the  
11 admission of the employer into the system; except that the provisions  
12 relating to the minimum amount of retirement allowance for the member  
13 upon retirement at age seventy as found in RCW 41.40.190(4) shall not  
14 apply to the member.

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

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

1 the salary which would have been received for the position from which  
2 the leave of absence was taken, shall be considered as compensation  
3 earnable if the employee's contribution is paid by the employee and the  
4 employer's contribution is paid by the employer or employee.

5 (b) "Compensation earnable" for (~~persons who establish membership~~  
6 ~~in the retirement system on or after October 1, 1977~~) plan II members,  
7 means salaries or wages earned by a member during a payroll period for  
8 personal services, including overtime payments, and shall include wages  
9 and salaries deferred under provisions established pursuant to sections  
10 403(b), 414(h), and 457 of the United States Internal Revenue Code, but  
11 shall exclude nonmoney maintenance compensation and lump sum payments  
12 for deferred annual sick leave, unused accumulated vacation, unused  
13 accumulated annual leave, or any form of severance pay: 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 to the extent provided above, and the individual  
20 shall receive the equivalent service credit: PROVIDED FURTHER, That in  
21 any year in which a member serves in the legislature, the member shall  
22 have the option of having such member's compensation earnable be the  
23 greater of:

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

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

1 subsection shall be paid by the member for both member and employer  
2 contributions.

3 (9) (a) "Service" for (~~persons who establish membership in the~~  
4 ~~retirement system on or before September 30, 1977~~) plan I members,  
5 means periods of employment rendered to any employer for which  
6 compensation is paid, and includes time spent in office as an elected  
7 or appointed official of an employer. Full time work for seventy hours  
8 or more in any given calendar month shall constitute one month of  
9 service except as provided in RCW 41.40.450. Only months of service  
10 shall be counted in the computation of any retirement allowance or  
11 other benefit provided for in this chapter. Years of service shall be  
12 determined by dividing the total number of months of service by twelve.  
13 Any fraction of a year of service as so determined shall be taken into  
14 account in the computation of such retirement allowance or benefits.

15 Service by a state employee officially assigned by the state on a  
16 temporary basis to assist another public agency, shall be considered as  
17 service as a state employee: PROVIDED, That service to any other  
18 public agency shall not be considered service as a state employee if  
19 such service has been used to establish benefits in any other public  
20 retirement system: PROVIDED FURTHER, That an individual shall receive  
21 no more than a total of twelve months of service credit during any  
22 calendar year: PROVIDED FURTHER, That where an individual is employed  
23 by two or more employers the individual shall only receive one months  
24 service credit during any calendar month in which multiple service for  
25 seventy or more hours is rendered.

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

1       Years of service shall be determined by dividing the total number  
2 of months of service by twelve. Any fraction of a year of service as  
3 so determined shall be taken into account in the computation of such  
4 retirement allowance or benefits.

5       Service in any state elective position shall be deemed to be full  
6 time service, except that persons serving in state elective positions  
7 who are members of the teachers' retirement system or law enforcement  
8 officers' and fire fighters' retirement system at the time of election  
9 or appointment to such position may elect to continue membership in the  
10 teachers' retirement system or law enforcement officers' and fire  
11 fighters' retirement system.

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

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

19       (11) "Membership service" means:

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

21       (b) All service after October 1, 1947, to any employer prior to the  
22 time of its admission into the retirement system: PROVIDED, That an  
23 amount equal to the employer and employee contributions which would  
24 have been paid to the retirement system on account of such service  
25 shall have been paid to the retirement system with interest (as  
26 computed by the department) on the employee's portion prior to  
27 retirement of such person, by the employee or his employer, except as  
28 qualified by RCW 41.40.120: PROVIDED FURTHER, That employer  
29 contributions plus employee contributions with interest submitted by  
30 the employee under this subsection shall be placed in the employee's

1 individual account in the employees' savings fund and be treated as any  
2 other contribution made by the employee, with the exception that the  
3 contributions submitted by the employee in payment of the employer's  
4 obligation, together with the interest the director may apply to the  
5 employer's contribution, shall be excluded from the calculation of the  
6 member's annuity in the event the member selects a benefit with an  
7 annuity option;

8 (c) Service not to exceed six consecutive months of probationary  
9 service rendered after April 1, 1949, and prior to becoming a member,  
10 in the case of any member, upon payment in full by such member of the  
11 total amount of the employer's contribution to the retirement fund  
12 which would have been required under the law in effect when such  
13 probationary service was rendered if the member had been a member  
14 during such period, except that the amount of the employer's  
15 contribution shall be calculated by the director based on the first  
16 month's compensation earnable as a member;

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

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

28 (b) "Beneficiary" for (~~persons who establish membership in the~~  
29 ~~retirement system on or after October 1, 1977~~) plan II members, means  
30 any person in receipt of a retirement allowance or other benefit



1 provided by this chapter resulting from service rendered to an employer  
2 by another person.

3 (13) "Regular interest" means such rate as the director may  
4 determine.

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

8 (15) (a) "Average final compensation" for (~~persons who establish~~  
9 ~~membership in the retirement system on or before September 30, 1977~~)  
10 plan I members, means the annual average of the greatest compensation  
11 earnable by a member during any consecutive two year period of service  
12 for which service credit is allowed; or if the member has less than two  
13 years of service then the annual average compensation earnable during  
14 the total years of service for which service credit is allowed.

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

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

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

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

1 (19) "Retirement allowance" means the sum of the annuity and the  
2 pension.

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

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

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

10 (23) "Eligible position" means:

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

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

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

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

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

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

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

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

2       ~~((30))~~ (29) "State elective position" means any position held by  
3 any person elected or appointed to state-wide office or elected or  
4 appointed as a member of the legislature.

5       ~~((31))~~ (30) "State actuary" or "actuary" means the person  
6 appointed pursuant to RCW 44.44.010(2).

7       (31) "Plan I" means the public employees' retirement system, plan  
8 I providing the benefits and funding provisions covering persons who  
9 first became members of the system prior to October 1, 1977.

10       (32) "Plan II" means the public employees' retirement system, plan  
11 II providing the benefits and funding provisions covering persons who  
12 first became members of the system on and after October 1, 1977.

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

15       A state employees' retirement system is hereby created for the  
16 employees of the state of Washington and its political subdivisions.  
17 The administration and management of the retirement system, the  
18 responsibility for making effective the provisions of this chapter, and  
19 the authority to make all rules and regulations necessary therefor are  
20 hereby vested in ~~((a retirement board))~~ the department. All such rules  
21 and regulations shall be governed by the provisions of chapter 34.05  
22 RCW, as now or hereafter amended. The retirement system herein  
23 provided for shall be known as the Washington Public Employees'  
24 Retirement System.

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

27       (1) ~~((All bonds or other obligations purchased according to RCW~~  
28 ~~43.84.150 shall be forthwith placed in the hands of the state treasurer~~

1 who is hereby designated as custodian thereof, and it shall be his duty  
2 to collect the principal thereof and the interest thereon as the same  
3 becomes due and payable, and place the same when so collected into the  
4 retirement system's funds.

5 (2) The state treasurer shall be the custodian of all other funds  
6 of the retirement system and all disbursements therefrom shall be paid  
7 by the state treasurer upon vouchers duly authorized by the department  
8 and bearing the signature of the duly authorized officer of the  
9 department.

10 (3) The state treasurer is hereby authorized and directed to  
11 deposit any portion of the funds of the retirement system not needed  
12 for immediate use in the same manner and subject to all the provisions  
13 of law with respect to the deposit of state funds by such treasurer,  
14 and all interest earned by such portion of the retirement system's  
15 funds as may be deposited by the state treasurer in pursuance of  
16 authority herewith given shall be collected by him and placed to the  
17 credit of the retirement fund or the department of retirement systems  
18 expense fund.

19 (4)) There is hereby established in the state treasury ((three  
20 separate funds, namely:

21 (a) The public employees' retirement system plan I fund and the  
22 public employees' plan II fund, into which shall be paid all moneys  
23 received by the department and from which shall be paid all refunds,  
24 adjustments, retirement allowances and other benefits provided for  
25 herein. The plan I fund shall consist of all moneys paid to finance  
26 the benefits, provided to members of plan I, and the plan II fund shall  
27 consist of all moneys paid to finance the benefits provided to members  
28 of plan II. All contributions by members to the department of  
29 retirement systems expense fund as provided in RCW 41.40.330 and  
30 contributions by employers for the expense of operating the retirement

1 system as provided for herein shall be transferred by the state  
2 treasurer from the retirement system fund to the department of  
3 retirement systems expense fund upon authorization of the department;

4 (b)) the department of retirement systems expense fund, from which  
5 shall be paid the expenses of the administration of the retirement  
6 systems established in chapters 41.26, 41.32, and 41.40 RCW.

7 ((+5)) (2) In order to reimburse the department of retirement  
8 systems expense fund on an equitable basis the department shall((+7  
9 after crediting the estimated amount to be collected as employees'  
10 contributions,)) ascertain and report to each employer, as defined in  
11 RCW 41.26.030, 41.32.010, or 41.40.010, the sum necessary to defray its  
12 proportional share of the entire expense of the administration of  
13 ((this chapter)) the retirement system that the employer participates  
14 in during the ensuing biennium or fiscal year whichever may be  
15 required. Such sum is to be computed in an amount directly  
16 proportional to the estimated entire expense of the said administration  
17 as the ratio of monthly salaries of the employer's members bears to the  
18 total salaries of all members in the entire system. It shall then be  
19 the duty of all such employers to include in their budgets or otherwise  
20 provide the amounts so required.

21 ((+6)) (3) The department shall compute and bill each employer, as  
22 defined in RCW 41.26.030, 41.32.010, or 41.40.010, at the end of each  
23 month for the amount due for that month to the department of retirement  
24 systems expense fund and the same shall be paid as are its other  
25 obligations. Such computation as to each such employer shall be made  
26 on a percentage rate of salary established by the department:  
27 PROVIDED, That the department may at its discretion establish a system  
28 of billing based upon calendar year quarters in which event the said  
29 billing shall be at the end of each such quarter.

1       (~~(7)~~) (4) For the purpose of providing amounts to be used to  
2 defray the cost of such administration, the department shall ascertain  
3 at the beginning of each biennium and request from the legislature an  
4 appropriation from the department of retirement systems expense fund  
5 sufficient to cover estimated expenses for the said biennium.

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

8       The director is authorized to pay from the interest earnings of the  
9 trust funds of the public employees' retirement system, the teachers'  
10 retirement system, the Washington state patrol retirement system, the  
11 Washington judicial retirement system, the judges' retirement system,  
12 or the law enforcement officers' and fire fighters' retirement system  
13 lawful obligations of the appropriate system for legal expenses and  
14 medical expenses which expenses are primarily incurred for the purpose  
15 of protecting the appropriate trust fund or are incurred in compliance  
16 with statutes governing such funds.

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

21       The term "medical costs" includes, but is not limited to, expenses  
22 for the medical examination or reexamination of members or retirees,  
23 the costs of preparation of medical reports, and fees charged by  
24 medical professionals for attendance at discovery proceedings or  
25 hearings.

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

1 For the purpose of the internal accounting record of the public  
2 employees' retirement system and not the segregation of moneys on  
3 deposit with the state treasurer there are hereby created the  
4 employees' savings fund, the benefit account fund, the public  
5 employees' income fund and such other funds as may from time to time be  
6 required.

7 (1) The employees' savings fund shall be the fund in which shall be  
8 accumulated the contributions from the compensation of public  
9 employees' retirement system members. The director shall provide for  
10 the maintenance of an individual account for each member of the public  
11 employees' retirement system showing the amount of the member's  
12 contributions together with interest accumulations thereon. The  
13 contributions of a member returned to the former employee upon the  
14 individual's withdrawal from service, or paid in event of the  
15 employee's or former employee's death, as provided in ((this)) chapter  
16 41.40 RCW, shall be paid from the employees' savings fund. The  
17 accumulated contributions of a member, upon the commencement of the  
18 individual's retirement, shall be transferred from the employees'  
19 savings fund to the benefit account fund.

20 (2) The benefit account fund shall be the fund in which shall be  
21 accumulated the reserves for the payment of all public employees'  
22 retirement system retirement allowances and death benefits, if any, in  
23 respect of any beneficiary. The amounts contributed by all public  
24 employees' retirement system employers to provide pension benefits  
25 shall be credited to the benefit account fund. The benefit account  
26 fund shall be the fund from which shall be paid all public employees'  
27 retirement system retirement allowances, or benefits in lieu thereof  
28 because of which reserves have been transferred from the employees'  
29 savings fund to the benefit account fund. At the time a recipient of  
30 a retirement allowance again becomes a member ((there shall be

1 transferred)) of the public employees' retirement system, the  
2 department shall transfer from the benefit account fund to the  
3 employees' savings fund and (~~credited~~) credit to the individual  
4 account of such a member a sum (~~that shall be~~) equal to the excess,  
5 if any, of the individual's account at the date of the member's  
6 retirement over any service retirement allowance received since that  
7 date.

8 (3) (~~An~~) A public employees' income fund is hereby created for  
9 the purpose of crediting interest on the amounts in the various other  
10 public employees' retirement system funds with the exception of the  
11 department of retirement systems expense fund, and to provide a  
12 contingent fund out of which special requirements of any of the other  
13 such funds may be covered. The director shall determine when a  
14 distribution of interest and other earnings of the public employees'  
15 retirement system shall take place. The amounts to be credited and the  
16 methods for distribution to each of the funds enumerated in subsections  
17 (1) and (2) of this section and for special requirements previously  
18 mentioned in this subsection shall be at the director's discretion.

19 All accumulated contributions standing to the account of a  
20 terminated member of the public employees' retirement system except as  
21 provided in RCW 41.40.150 (~~(3) and (5)~~) (4), 41.40.170, 41.40.710,  
22 and 41.40.720 shall be transferred from the employees' savings fund to  
23 the public employees' income fund. If the former employee, the former  
24 employee's beneficiary, or the former employee's estate at a future  
25 date requests the unclaimed contributions or reinstatement of the  
26 rights previously provided thereunder, the former employee's  
27 contributions shall be transferred from the public employees' income  
28 fund to the savings fund and the former employee's account  
29 reestablished with all the rights which would have been due the former  
30 employee, the former employee's beneficiary, or the former employee's



1 estate as if in fact the transfer to the public employees' income fund  
2 had not occurred. All income, interest, and dividends derived from the  
3 deposits and investments authorized by ((this)) chapter 41.40 RCW shall  
4 be paid into the public employees' income fund with the exception of  
5 interest derived from sums deposited in the department of retirement  
6 systems expense fund. The director on behalf of the retirement system  
7 is hereby authorized to accept gifts and bequests. Any funds that may  
8 come into the possession of the public employees' retirement system in  
9 such manner, or any funds which may be transferred from the employees'  
10 savings fund by reason of lack of claimant, or because of a surplus in  
11 any fund created by ((this)) chapter 41.40 RCW, or any other moneys the  
12 disposition of which is not otherwise provided for, shall be credited  
13 to the public employees' income fund.

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

16 The state treasurer shall furnish annually to the ((retirement  
17 board)) department a statement of the amount of the funds in ((his))  
18 the treasurer's custody belonging to the public employees' retirement  
19 system. Copies of this annual report shall be available to public  
20 employees' retirement system members upon request. The records of the  
21 ((retirement board)) department shall be open to public inspection.  
22 Any member of the public employees' retirement system shall be  
23 furnished with a statement of the amount to the credit of his or her  
24 individual account in the employees' savings fund upon his or her  
25 written request, provided that the ((retirement board)) department  
26 shall not be required to answer more than one such request of any  
27 member in any one year.

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

3       Within thirty days after his or her employment or his or her  
4 acceptance into membership (~~((by action of the retirement board))~~) each  
5 employee(~~((or))~~) or appointive or elective official shall submit to the  
6 (~~((retirement board))~~) department a statement of his or her name, sex,  
7 title, compensation, duties, date of birth, and length of service as an  
8 employee or appointive or elective official, and such other information  
9 as the (~~((retirement board))~~) department shall require. Each employee  
10 (~~((becoming an original))~~) who becomes a member shall file a detailed  
11 statement of all his or her prior service as an employee and shall  
12 furnish such other facts as the (~~((retirement board))~~) department may  
13 require for the proper operation of the retirement system. Compliance  
14 with the provisions set forth in this section shall be considered to be  
15 a condition of employment and failure by an employee to comply may  
16 result in separation from service.

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

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

23       (2) Employees of a public utility or other private enterprise all  
24 or any portion of which has been heretofore or may be hereafter  
25 acquired by a public agency as a matter of public convenience and  
26 necessity, where it is in the public interest to retain the trained  
27 personnel of such enterprise, all service to that enterprise shall,  
28 upon the acquiring public agency becoming an employer as defined in RCW  
29 41.40.010(4) be credited on the same basis as if rendered to the said

1 employer: PROVIDED, That this shall apply only to those employees who  
2 were in the service of the enterprise at or prior to the time of  
3 acquisition by the public agency and who remain in the service of the  
4 acquiring agency until they attain membership in the state employees'  
5 retirement system; and to those employees who were in the service of  
6 the enterprise at the time of acquisition by the public agency and  
7 subsequently attain membership through employment with any  
8 participating agency: PROVIDED FURTHER, In the event that the  
9 acquiring agency is an employer at the time of the acquisition,  
10 employer's contributions in connection with members achieving service  
11 credit hereunder shall be made on the same basis as set forth in RCW  
12 41.40.361 and 41.40.370 for an employer admitted after April 1, 1949.

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

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

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

26 (3) In any event, after completing twenty-five years of creditable  
27 service, any member may have ((his)) service in the armed forces  
28 credited to him or her as a member whether or not he or she left the  
29 employ of an employer to enter ((such)) the armed service: PROVIDED,

1 That in no instance, described in (~~subsections (1), (2), and (3) of~~)  
2 this section, shall military service in excess of five years be  
3 credited: AND PROVIDED FURTHER, That in each instance the member must  
4 restore all withdrawn accumulated contributions, which restoration must  
5 be completed within five years of membership service following (~~his~~)  
6 the first resumption of employment or complete twenty-five years of  
7 creditable service: AND PROVIDED FURTHER, That this section will not  
8 apply to any individual, not a veteran within the meaning of RCW  
9 41.04.005, as now or hereafter amended: AND PROVIDED FURTHER, That in  
10 no instance, described in (~~subsections (1), (2), and (3) of~~) this  
11 section, shall military service be credited to any member who is  
12 receiving full military retirement benefits pursuant to Title 10 United  
13 States Code.

14 **Sec. 79.** RCW 41.40.195 and 1973 2nd ex.s. c 14 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 any year shall mean the ratio of  
22 the index for the previous year to the index for the year preceding the  
23 initial date of payment of the retirement allowance, except that, in no  
24 event, shall the cost-of-living factor, for any year subsequent to  
25 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, 1971;

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

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

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

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

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

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

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

28 (1) Subject to the provisions of RCW 41.40.310 and 41.40.320, upon  
29 application of a member, or his or her employer, a member who becomes

1 totally incapacitated for duty as the natural and proximate result of  
2 an accident occurring in the actual performance of duty or who becomes  
3 totally incapacitated for duty and qualifies to receive benefits under  
4 Title 51 RCW as a result of an occupational disease, as now or  
5 hereafter defined in RCW 51.08.140, while in the service of an  
6 employer, without willful negligence on his or her part, shall be  
7 retired subject to the following conditions: ((PROVIDED<sub>7</sub>))

8 (a) That the medical adviser, after a medical examination of such  
9 member made by or under the direction of the ((said)) medical adviser,  
10 shall certify in writing that ((such)) the member is mentally or  
11 physically totally incapacitated for the further performance of his or  
12 her duty and that such member should be retired((~~PROVIDED~~  
13 FURTHER<sub>7</sub>))i

14 (b) That the director concurs in the recommendation of the medical  
15 adviser((~~AND PROVIDED FURTHER<sub>7</sub>~~))i

16 (c) That no application shall be valid or a claim thereunder  
17 enforceable unless, in the case of an accident, the claim is filed  
18 within two years after the date upon which the injury occurred or, in  
19 the case of an occupational disease, the claim is filed within two  
20 years after the member separated from service with the employer((~~-~~))i  
21 and

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

25 (2) The retirement for disability of a judge, who is a member of  
26 the retirement system, by the supreme court under Article IV, section  
27 31 of the Constitution of the state of Washington ((~~House Joint~~  
28 ~~Resolution No. 37, approved by the voters November 4, 1980~~))  
29 (Amendment 71), with the concurrence of the director, shall be  
30 considered a retirement under subsection (1) of this section.

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

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

6       (1) A disability retirement pension of two-thirds of his or her  
7 average final compensation to his or her attainment of age sixty,  
8 subject to the provisions of RCW 41.40.310. The disability retirement  
9 pension provided by the employer shall not exceed forty-two hundred  
10 dollars per annum, and

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

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

1 time of the member's death, ~~((his))~~ the accumulated contributions  
2 standing to ~~((his))~~ the member's credit in the employees' savings fund  
3 shall be paid to his or her surviving spouse ~~((as if in fact such~~  
4 ~~spouse had been nominated by written designation as aforesaid))~~, or if  
5 there ~~((be no such))~~ is no surviving spouse, then to ~~((his))~~ the  
6 member's legal representative.

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

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

16 (a) That the medical adviser, after a medical examination of  
17 ~~((such))~~ the member~~((,))~~ made by or under the direction of the ~~((said))~~  
18 medical adviser, shall certify in writing that ~~((such))~~ the member is  
19 mentally or physically incapacitated for the further performance of  
20 duty, ~~((and such))~~ that the incapacity is likely to be permanent, and  
21 that ~~((such))~~ the member should be retired~~((: PROVIDED FURTHER,))~~; and

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

24 (2) The retirement for disability of a judge, who is a member of  
25 the retirement system and who has been an employee at least five years,  
26 by the supreme court under Article IV, section 31 of the Constitution  
27 of the state of Washington ~~((House Joint Resolution No. 37, approved~~  
28 ~~by the voters November 4, 1980))~~ (Amendment 71), with the concurrence



1 of the (~~retirement board~~) department, shall be considered a  
2 retirement under subsection (1) of this section.

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

5 (1) Upon retirement, a member shall receive a nonduty disability  
6 retirement allowance equal to two percent of average final compensation  
7 for each year of service: PROVIDED, That (~~such~~) this allowance shall  
8 be reduced by two percent of itself for each year or fraction thereof  
9 that his or her age is less than fifty-five years: PROVIDED FURTHER,  
10 That in no case may the allowance provided by this section exceed sixty  
11 percent of average final compensation.

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

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

25 (~~In lieu of the nonduty disability retirement allowance provided~~  
26 ~~in RCW 41.40.240,~~) An individual who was a member(~~( )~~) on February 25,  
27 1972, may upon qualifying pursuant to RCW 41.40.230, make an  
28 irrevocable election to receive the nonduty disability retirement

1 allowance provided in subsections (1) and (2) of this section subject  
2 to the provisions of RCW 41.40.310 and 41.40.320. Upon attaining or  
3 becoming disabled after age sixty (~~he~~) the member shall receive a  
4 service retirement allowance as provided for in RCW 41.40.190 except  
5 that the annuity portion thereof shall consist of a continuation of the  
6 cash refund annuity previously provided to him or her. (~~His~~) The  
7 disability retirement allowance prior to age sixty shall consist of:

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

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

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

27 Subject to the provisions of RCW 41.40.280, should a member cease  
28 to be an employee, he or she may request upon a form provided by the  
29 (~~retirement board~~) department a refund of all or part of the funds

1 standing to his or her credit in the employees' savings fund and this  
2 amount shall be paid to him(~~(: PROVIDED, That)~~) or her. Withdrawal of  
3 all or part of the funds, other than additional contributions under RCW  
4 41.40.330(2) by a member who is eligible for a service retirement  
5 allowance in RCW 41.40.180 or a disability retirement allowance in RCW  
6 41.40.200, 41.40.210, 41.40.220, 41.40.230, or 41.40.250 shall  
7 constitute a waiver of any service or disability retirement  
8 allowance(~~(: PROVIDED FURTHER, That the withdrawal of all or part of~~  
9 ~~additional contributions made pursuant to RCW 41.40.330(2) shall not~~  
10 ~~constitute a waiver)~~)).

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

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

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

27 Once each year during the first five years following the retirement  
28 of a member on a disability pension or retirement allowance, and at

1 least once in every three year period thereafter the ((retirement  
2 board)) department may, and upon the member's application shall,  
3 require any disability beneficiary, who has not attained age sixty  
4 years, to undergo a medical examination; such examination to be made by  
5 or under the direction of the medical adviser at the place of residence  
6 of ((said)) the beneficiary, or other place mutually agreed upon.  
7 Should any disability beneficiary, who has not attained age sixty  
8 years, refuse to submit to ((such)) a medical examination in any  
9 ((such)) period, his or her disability pension or retirement allowance  
10 may be discontinued until his or her withdrawal of ((such)) the  
11 refusal, and should ((such)) the refusal continue for one year, all his  
12 or her rights in and to his or her disability pension, or retirement  
13 allowance, may be revoked by the ((retirement board)) department. If  
14 upon ((such)) a medical examination of a disability beneficiary, the  
15 medical adviser reports and his or her report is concurred in by the  
16 ((retirement board)) department, that the disability beneficiary is no  
17 longer totally incapacitated for duty as the result of the injury or  
18 illness for which the disability was granted, or that he or she is  
19 engaged in a gainful occupation, his or her disability pension or  
20 retirement allowance shall cease((:—PROVIDED, That)).

21 If the disability beneficiary resumes a gainful occupation and his  
22 or her compensation is less than his or her compensation earnable at  
23 the date of disability, the ((board)) department shall continue the  
24 disability benefits in an amount which when added to his or her  
25 compensation does not exceed his or her compensation earnable at the  
26 date of separation, but the disability benefit shall in no event exceed  
27 the disability benefit originally awarded((:—PROVIDED FURTHER, That)).  
28 The compensation earnable at the date of separation ((is)) shall be  
29 adjusted July 1 of each year by the ratio of the average consumer price  
30 index (Seattle, Washington area) for urban consumers, compiled by the

1 United States department of labor, bureau of labor statistics, for the  
2 calendar year prior to the adjustment to the average consumer price  
3 index for the calendar year in which separation from service occurred  
4 but in no event shall the adjustment result in an amount lower than the  
5 original compensation earnable at the date of separation.

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

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

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

21 The deductions from the compensation of members, provided for in  
22 RCW 41.40.330 or 41.40.650, shall be made notwithstanding that the  
23 minimum compensation provided for by law for any member shall be  
24 reduced thereby. Every member shall be deemed to consent and agree to  
25 the deductions made and provided for in this chapter and (~~shall~~)  
26 receipt in full for his or her salary or compensation, and payment less  
27 (~~said~~) the deductions shall be a full and complete discharge and  
28 acquittance of all claims and demands whatsoever for the services

1 rendered by ((such)) the person during the period covered by ((such))  
2 the payment, except as to benefits provided for under this chapter.

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

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

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

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

1 contributions to be completed within ten years from the date the  
2 elective official is accepted by the ~~((board))~~ department.

3 **Sec. 92.** RCW 41.40.380 and 1989 c 360 s 27 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 pension, an annuity, or retirement allowance, any  
7 optional benefit, any other right accrued or accruing to any person  
8 under the provisions of this chapter, the various funds created by this  
9 chapter, and all moneys and investments and income thereof, are hereby  
10 exempt from any state, county, municipal, or other local tax, and shall  
11 not be subject to execution, garnishment, attachment, the operation of  
12 bankruptcy or insolvency laws, or other process of law whatsoever, and  
13 shall be unassignable.

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

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

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

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

15       (2) On and after September 1, 1965, every school district of the  
16 state of Washington shall be an employer under this chapter (~~and~~).

17 Every employee of (~~the~~) each school district who is eligible for  
18 membership under RCW 41.40.120 shall be a member of the retirement  
19 system and participate on the same basis as a person who first becomes  
20 a member through the admission of any employer into the retirement  
21 system on and after April 1, 1949.

22       (3) Each (~~such~~) political subdivision becoming an employer under  
23 the meaning of this chapter shall make contributions to the funds of  
24 the retirement system as provided in RCW 41.40.080, 41.40.361, and  
25 41.40.370 and its employees shall contribute to the employees' savings  
26 fund at the rate established under the provisions of RCW 41.40.330. In  
27 addition to the foregoing requirement, where the political subdivision  
28 becoming an employer (~~hereunder~~) under this section has its own  
29 retirement plan, any of the employee members thereof who may elect to



1 transfer to this retirement system may, if permitted by ~~((said))~~ the  
2 plan, withdraw all or any part of their employees' contributions to the  
3 former plan and transfer ~~((such))~~ the funds to the employees' savings  
4 fund at the time of their transfer of membership. Any portion of the  
5 employees' savings fund not withdrawn shall be transferred by the  
6 employer to the retirement system over a period not to exceed fifteen  
7 years. The length of the transfer period and the method of payment to  
8 be utilized during that period shall be established by agreement  
9 between the ~~((retirement board))~~ department and the political  
10 subdivision. Employers making deferred payments of employee funds  
11 under this section shall transfer an additional amount equal to the  
12 interest that would have been credited to each employee's savings fund  
13 had his or her contributions been transferred to the state retirement  
14 system's employee savings fund on the date the political subdivision  
15 became an employer ~~((hereunder))~~ under this section. Any funds  
16 remaining in the employer's former retirement plan after all  
17 obligations of ~~((such))~~ the plan have been provided for, as evidenced  
18 by appropriate actuarial study, shall be disposed of by the governing  
19 body of the political subdivision in such manner as it deems  
20 appropriate. For the purpose of administering and interpreting this  
21 chapter the ~~((board))~~ department may substitute the names of political  
22 subdivisions of the state for the "state" and employees of the  
23 subdivisions for "state employees" wherever ~~((such))~~ those terms appear  
24 in this chapter. The ~~((board))~~ department may also alter any dates  
25 mentioned in this chapter for the purpose of making the provisions of  
26 the chapter applicable to the entry of any political subdivisions into  
27 the system. Any member transferring employment to another employer  
28 which is covered by the retirement system may continue as a member  
29 without loss of previously earned pension and annuity benefits. The  
30 ~~((board))~~ department shall keep ~~((such))~~ accounts as are necessary to

1 show the contributions of each political subdivision to the benefit  
2 account fund and shall have the power to debit and credit the various  
3 accounts in accordance with the transfer of the members from one  
4 employer to another.

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

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

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

26 Any person aggrieved by any decision of the ~~((retirement board))~~  
27 department affecting his or her legal rights, duties, or privileges  
28 must before he or she appeals to the courts, file with the director  
29 ~~((of the retirement system))~~ by mail or personally within sixty days

1 from the day ~~((such))~~ the decision was communicated to ~~((such))~~ the  
2 person, a notice for a hearing before the ~~((retirement board))~~  
3 director's designee. The notice of hearing shall set forth in full  
4 detail the grounds upon which ~~((such))~~ the person considers ~~((such))~~  
5 the decision unjust or unlawful and shall include every issue to be  
6 considered by the ~~((retirement board))~~ department, and it must contain  
7 a detailed statement of facts upon which ~~((such))~~ the person relies in  
8 support ~~((thereof))~~ of the appeal. ~~((Such))~~ These persons shall be  
9 deemed to have waived all objections or irregularities concerning the  
10 matter on which ~~((such))~~ the appeal is taken, other than those  
11 specifically set forth in the notice of hearing or appearing in the  
12 records of the retirement system.

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

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

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

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

25 (a) Shall receive service credit for each month of the period from  
26 September through August of the following year if he or she is employed  
27 in an eligible position, earns compensation earnable for six hundred  
28 thirty hours or more during that period, and is employed during nine

1 months of that period, except that a member may not receive credit for  
2 any period prior to the member's employment in an eligible position;

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

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

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

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

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

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

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

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

1 (1) On or after June 10, 1982, the director may pay a member  
2 eligible to receive a retirement allowance or the member's beneficiary,  
3 ~~((as defined in RCW 41.04.040(3),))~~ subject to the provisions of  
4 subsection (4) of this section, a lump sum payment in lieu of a monthly  
5 benefit if the initial monthly benefit computed in accordance with RCW  
6 41.40.620 would be less than fifty dollars. The lump sum payment shall  
7 be the greater of the actuarial equivalent of ~~((such))~~ the monthly  
8 benefits or an amount equal to the individual's accumulated  
9 contributions plus accrued interest.

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

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

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

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

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

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

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

22 (2) The retirement for disability of a judge, who is a member of  
23 the retirement system, by the supreme court under Article IV, section  
24 31 of the Constitution of the state of Washington ~~((House Joint  
25 Resolution No. 37, approved by the voters November 4, 1980))~~  
26 (Amendment 71), with the concurrence of the ~~((retirement board))~~  
27 department, shall be considered a retirement under subsection (1) of  
28 this section.

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

12 (b) If a recipient of a monthly retirement allowance under this  
13 section died before April 27, 1989, and before the total of the  
14 retirement allowance paid to the recipient equaled the amount of his or  
15 her accumulated contributions at the date of retirement, then the  
16 department shall pay the balance of the accumulated contributions to  
17 the member's surviving spouse or, if there is no surviving spouse, then  
18 in equal shares to the member's children. If there is no surviving  
19 spouse or children, the department shall retain the contributions.

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

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

25 A member shall be eligible to receive a maximum of two years  
26 service credit during a member's entire working career for those  
27 periods when a member is on an unpaid leave of absence authorized by an  
28 employer. Such credit may be obtained only if the member makes both  
29 the plan II employer and member contributions plus interest as

1 determined by the department for the period of the authorized leave of  
2 absence within five years of resumption of service or prior to  
3 retirement whichever comes sooner(~~(: PROVIDED, That for the purpose of~~  
4 ~~this subsection [section] the contribution shall not include the~~  
5 ~~contribution for the unfunded supplemental present value as required by~~  
6 ~~RCW 41.40.650)~~). The contributions required shall be based on the  
7 average of the member's compensation earnable at both the time the  
8 authorized leave of absence was granted and the time the member resumed  
9 employment.

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

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

15 The provisions of the following sections of this subchapter shall  
16 apply only to members of plan I: RCW 41.26.080; 41.26.090; 41.26.100;  
17 41.26.110; 41.26.115; 41.26.120; 41.26.125; 41.26.130; 41.26.135;  
18 41.26.140; 41.26.150; 41.26.160; 41.26.170; 41.26.180; 41.26.190;  
19 41.26.200; 41.26.240; 41.26.250; 41.26.260; 41.26.270; 41.26.900;  
20 41.26.910; and 41.26.920.

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

24 The provisions of the following sections of this subchapter shall  
25 apply only to members of plan II: RCW 41.26.400; 41.26.410; 41.26.420;  
26 41.26.425; 41.26.430; 41.26.440; 41.26.450; 41.26.460; 41.26.470;  
27 41.26.480; 41.26.490; 41.26.500; 41.26.510; 41.26.520; 41.26.530;  
28 41.26.540; 41.26.550; 41.26.901; and 41.26.921.



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

4        The provisions of the following sections of this subchapter shall  
5 apply only to members of plan I: RCW 41.32.240; 41.32.260; 41.32.270;  
6 41.32.300; 41.32.330; 41.32.340; 41.32.350; 41.32.360; 41.32.366;  
7 41.32.380; 41.32.390; 41.32.470; 41.32.480; 41.32.485; 41.32.487;  
8 41.32.488; 41.32.4931; 41.32.4945; 41.32.497; 41.32.498; 41.32.499;  
9 41.32.500; 41.32.510; 41.32.520; 41.32.522; 41.32.523; 41.32.530;  
10 41.32.540; 41.32.550; 41.32.570; and 41.32.575.

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

14       The provisions of the following sections of this subchapter shall  
15 apply only to members of plan II: RCW 41.32.755; 41.32.760; 41.32.762;  
16 41.32.765; 41.32.770; 41.32.775; 41.32.780; 41.32.785; 41.32.790;  
17 41.32.795; 41.32.800; 41.32.805; 41.32.810; 41.32.815; 41.32.820; and  
18 41.32.825.

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

22       The provisions of the following sections of this subchapter shall  
23 apply only to members of plan I: RCW 41.40.150; 41.40.160; 41.40.170;  
24 41.40.180; 41.40.185; 41.40.188; 41.40.190; 41.40.193; 41.40.195;  
25 41.40.198; 41.40.1981; 41.40.200; 41.40.210; 41.40.220; 41.40.230;  
26 41.40.235; 41.40.250; 41.40.260; 41.40.270; 41.40.280; 41.40.300;  
27 41.40.310; 41.40.320; 41.40.325; 41.40.330; and 41.40.363.

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

4        The provisions of the following sections of this subchapter shall  
5 apply only to members of plan II: RCW 41.40.610; 41.40.620; 41.40.625;  
6 41.40.630; 41.40.640; 41.40.650; 41.40.660; 41.40.670; 41.40.680;  
7 41.40.690; 41.40.700; 41.40.710; 41.40.720; 41.40.730; 41.40.740;  
8 41.40.900; and 41.40.920.

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

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

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

1 system, contributions by them and their employers shall be required  
2 from their first day of employment.

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

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

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

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

1 public employees' retirement system plan I, and the plan II fund shall  
2 consist of all moneys paid to finance the benefits provided to members  
3 of the public employees' retirement system plan II.

4 NEW SECTION. **Sec. 109.** A new section is added to chapter 41.50  
5 RCW to read as follows:

6 The state treasurer is the custodian of, and accountant for, all  
7 funds and holdings of the retirement systems listed in RCW 41.50.030.

Passed the House February 20, 1991.

Passed the Senate April 10, 1991.

Approved by the Governor April 22, 1991.

Filed in Office of Secretary of State April 22, 1991.