

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 1744**

53rd Legislature  
1993 Regular Session

Passed by the House April 20, 1993  
Yeas 97 Nays 0

\_\_\_\_\_  
**Speaker of the  
House of Representatives**

Passed by the Senate April 15, 1993  
Yeas 45 Nays 2

\_\_\_\_\_  
**President of the Senate**

Approved

\_\_\_\_\_  
**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 **ENGROSSED SUBSTITUTE HOUSE BILL 1744** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE HOUSE BILL 1744**

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AS AMENDED BY THE SENATE

Passed Legislature - 1993 Regular Session

**State of Washington                      53rd Legislature                      1993 Regular Session**

**By** House Committee on Appropriations (originally sponsored by Representatives Heavey, G. Cole, Brough and Orr)

Read first time 03/08/93.

1            AN ACT Relating to the law enforcement officers' and fire fighters'  
2 retirement system; amending RCW 41.26.030, 41.26.450, 41.54.010, and  
3 41.56.460; adding a new section to chapter 41.40 RCW; and providing an  
4 effective date.

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

6            **Sec. 1.** RCW 41.26.030 and 1991 sp.s. c 12 s 1 are each amended to  
7 read as follows:

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

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

12           (2)(a) "Employer" for plan I members, means the legislative  
13 authority of any city, town, county, or district or the elected  
14 officials of any municipal corporation that employs any law enforcement  
15 officer and/or fire fighter, any authorized association of such  
16 municipalities, and, except for the purposes of RCW 41.26.150, any  
17 labor guild, association, or organization, which represents the fire  
18 fighters or law enforcement officers of at least seven cities of over  
19 20,000 population and the membership of each local lodge or division of

1 which is composed of at least sixty percent law enforcement officers or  
2 fire fighters as defined in this chapter.

3 (b) "Employer" for plan II members, means the ~~((legislative~~  
4 ~~authority of any city, town, county, or district or the elected~~  
5 ~~officials of any municipal corporation))~~ following entities to the  
6 extent that the entity employs any law enforcement officer and/or fire  
7 fighter:

8 (i) The legislative authority of any city, town, county, or  
9 district;

10 (ii) The elected officials of any municipal corporation; or

11 (iii) The governing body of any other general authority law  
12 enforcement agency.

13 (3) "Law enforcement officer" beginning January 1, 1994, means any  
14 person who is ~~((serving))~~ commissioned and employed by an employer on  
15 a full time, fully compensated basis ~~((as a county sheriff or deputy~~  
16 ~~sheriff, including sheriffs or deputy sheriffs serving under a~~  
17 ~~different title pursuant to a county charter, city police officer, or~~  
18 ~~town marshal or deputy marshal))~~ to enforce the criminal laws of the  
19 state of Washington generally, with the following qualifications:

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

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

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

35 (d) The term "law enforcement officer" also includes the executive  
36 secretary of a labor guild, association or organization (which is an  
37 employer under RCW 41.26.030(2) as now or hereafter amended) if that  
38 individual has five years previous membership in the retirement system

1 established in chapter 41.20 RCW. The provisions of this subsection  
2 (3)(d) shall not apply to plan II members.

3 (4) "Fire fighter" means:

4 (a) Any person who is serving on a full time, fully compensated  
5 basis as a member of a fire department of an employer and who is  
6 serving in a position which requires passing a civil service  
7 examination for fire fighter, and who is actively employed as such;

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

10 (c) Supervisory fire fighter personnel;

11 (d) Any full time executive secretary of an association of fire  
12 protection districts authorized under RCW 52.12.031. The provisions of  
13 this subsection (4)(d) shall not apply to plan II members;

14 (e) The executive secretary of a labor guild, association or  
15 organization (which is an employer under RCW 41.26.030(2) as now or  
16 hereafter amended), if such individual has five years previous  
17 membership in a retirement system established in chapter 41.16 or 41.18  
18 RCW. The provisions of this subsection (4)(e) shall not apply to plan  
19 II members;

20 (f) Any person who is serving on a full time, fully compensated  
21 basis for an employer, as a fire dispatcher, in a department in which,  
22 on March 1, 1970, a dispatcher was required to have passed a civil  
23 service examination for fire fighter; and

24 (g) Any person who on March 1, 1970, was employed on a full time,  
25 fully compensated basis by an employer, and who on May 21, 1971, was  
26 making retirement contributions under the provisions of chapter 41.16  
27 or 41.18 RCW.

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

30 (6) "Surviving spouse" means the surviving widow or widower of a  
31 member. "Surviving spouse" shall not include the divorced spouse of a  
32 member except as provided in RCW 41.26.162.

33 (7)(a) "Child" or "children" means an unmarried person who is under  
34 the age of eighteen or mentally or physically handicapped as determined  
35 by the department, except a handicapped person in the full time care of  
36 a state institution, who is:

37 (i) A natural born child;

38 (ii) A stepchild where that relationship was in existence prior to  
39 the date benefits are payable under this chapter;

1 (iii) A posthumous child;

2 (iv) A child legally adopted or made a legal ward of a member prior  
3 to the date benefits are payable under this chapter; or

4 (v) An illegitimate child legitimized prior to the date any  
5 benefits are payable under this chapter.

6 (b) A person shall also be deemed to be a child up to and including  
7 the age of twenty years and eleven months while attending any high  
8 school, college, or vocational or other educational institution  
9 accredited, licensed, or approved by the state, in which it is located,  
10 including the summer vacation months and all other normal and regular  
11 vacation periods at the particular educational institution after which  
12 the child returns to school.

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

19 (9) "Retirement fund" means the "Washington law enforcement  
20 officers' and fire fighters' retirement system fund" as provided for  
21 herein.

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

24 (11)(a) "Beneficiary" for plan I members, means any person in  
25 receipt of a retirement allowance, disability allowance, death benefit,  
26 or any other benefit described herein.

27 (b) "Beneficiary" for plan II members, means any person in receipt  
28 of a retirement allowance or other benefit provided by this chapter  
29 resulting from service rendered to an employer by another person.

30 (12)(a) "Final average salary" for plan I members, means (i) for a  
31 member holding the same position or rank for a minimum of twelve months  
32 preceding the date of retirement, the basic salary attached to such  
33 same position or rank at time of retirement; (ii) for any other member,  
34 including a civil service member who has not served a minimum of twelve  
35 months in the same position or rank preceding the date of retirement,  
36 the average of the greatest basic salaries payable to such member  
37 during any consecutive twenty-four month period within such member's  
38 last ten years of service for which service credit is allowed, computed  
39 by dividing the total basic salaries payable to such member during the

1 selected twenty-four month period by twenty-four; (iii) in the case of  
2 disability of any member, the basic salary payable to such member at  
3 the time of disability retirement; (iv) in the case of a member who  
4 hereafter vests pursuant to RCW 41.26.090, the basic salary payable to  
5 such member at the time of vesting.

6 (b) "Final average salary" for plan II members, means the monthly  
7 average of the member's basic salary for the highest consecutive sixty  
8 service credit 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 plan I members, means the basic monthly  
12 rate of salary or wages, including longevity pay but not including  
13 overtime earnings or special salary or wages, upon which pension or  
14 retirement benefits will be computed and upon which employer  
15 contributions and salary deductions will be based.

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

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

28 (ii) Such member's actual basic salary received for nonlegislative  
29 public employment and legislative service combined. Any additional  
30 contributions to the retirement system required because basic salary  
31 under (b)(i) of this subsection is greater than basic salary under  
32 (b)(ii) of this subsection shall be paid by the member for both member  
33 and employer contributions.

34 (14)(a) "Service" for plan I members, means all periods of  
35 employment for an employer as a fire fighter or law enforcement  
36 officer, for which compensation is paid, together with periods of  
37 suspension not exceeding thirty days in duration. For the purposes of  
38 this chapter service shall also include service in the armed forces of  
39 the United States as provided in RCW 41.26.190. Credit shall be

1 allowed for all service credit months of service rendered by a member  
2 from and after the member's initial commencement of employment as a  
3 fire fighter or law enforcement officer, during which the member worked  
4 for seventy or more hours, or was on disability leave or disability  
5 retirement. Only service credit months of service shall be counted in  
6 the computation of any retirement allowance or other benefit provided  
7 for in this chapter.

8 (i) For members retiring after May 21, 1971 who were employed under  
9 the coverage of a prior pension act before March 1, 1970, "service"  
10 shall also include (A) such military service not exceeding five years  
11 as was creditable to the member as of March 1, 1970, under the member's  
12 particular prior pension act, and (B) such other periods of service as  
13 were then creditable to a particular member under the provisions of RCW  
14 41.18.165, 41.20.160 or 41.20.170. However, in no event shall credit  
15 be allowed for any service rendered prior to March 1, 1970, where the  
16 member at the time of rendition of such service was employed in a  
17 position covered by a prior pension act, unless such service, at the  
18 time credit is claimed therefor, is also creditable under the  
19 provisions of such prior act.

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

23 (b) "Service" for plan II members, means periods of employment by  
24 a member for one or more employers for which basic salary is earned for  
25 ninety or more hours per calendar month which shall constitute a  
26 service credit month. Periods of employment by a member for one or  
27 more employers for which basic salary is earned for at least seventy  
28 hours but less than ninety hours per calendar month shall constitute  
29 one-half service credit month. Periods of employment by a member for  
30 one or more employers for which basic salary is earned for less than  
31 seventy hours shall constitute a one-quarter service credit month.

32 Members of the retirement system who are elected or appointed to a  
33 state elective position may elect to continue to be members of this  
34 retirement system.

35 Service credit years of service shall be determined by dividing the  
36 total number of service credit months of service by twelve. Any  
37 fraction of a service credit year of service as so determined shall be  
38 taken into account in the computation of such retirement allowance or  
39 benefits.

1 If a member receives basic salary from two or more employers during  
2 any calendar month, the individual shall receive one service credit  
3 month's service credit during any calendar month in which multiple  
4 service for ninety or more hours is rendered; or one-half service  
5 credit month's service credit during any calendar month in which  
6 multiple service for at least seventy hours but less than ninety hours  
7 is rendered; or one-quarter service credit month during any calendar  
8 month in which multiple service for less than seventy hours is  
9 rendered.

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

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

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

24 (18) "Disability board" for plan I members means either the county  
25 disability board or the city disability board established in RCW  
26 41.26.110.

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  
31 only to plan I members.

32 (20) "Disability retirement" for plan I members, means the period  
33 following termination of a member's disability leave, during which the  
34 member is in receipt of a disability retirement allowance.

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

37 (22) "Medical services" for plan I members, shall include the  
38 following as minimum services to be provided. Reasonable charges for  
39 these services shall be paid in accordance with RCW 41.26.150.



1 (a) Hospital expenses: These are the charges made by a hospital,  
2 in its own behalf, for  
3 (i) Board and room not to exceed semiprivate room rate unless  
4 private room is required by the attending physician due to the  
5 condition of the patient.  
6 (ii) Necessary hospital services, other than board and room,  
7 furnished by the hospital.  
8 (b) Other medical expenses: The following charges are considered  
9 "other medical expenses", provided that they have not been considered  
10 as "hospital expenses".  
11 (i) The fees of the following:  
12 (A) A physician or surgeon licensed under the provisions of chapter  
13 18.71 RCW;  
14 (B) An osteopath licensed under the provisions of chapter 18.57  
15 RCW;  
16 (C) A chiropractor licensed under the provisions of chapter 18.25  
17 RCW.  
18 (ii) The charges of a registered graduate nurse other than a nurse  
19 who ordinarily resides in the member's home, or is a member of the  
20 family of either the member or the member's spouse.  
21 (iii) The charges for the following medical services and supplies:  
22 (A) Drugs and medicines upon a physician's prescription;  
23 (B) Diagnostic x-ray and laboratory examinations;  
24 (C) X-ray, radium, and radioactive isotopes therapy;  
25 (D) Anesthesia and oxygen;  
26 (E) Rental of iron lung and other durable medical and surgical  
27 equipment;  
28 (F) Artificial limbs and eyes, and casts, splints, and trusses;  
29 (G) Professional ambulance service when used to transport the  
30 member to or from a hospital when injured by an accident or stricken by  
31 a disease;  
32 (H) Dental charges incurred by a member who sustains an accidental  
33 injury to his or her teeth and who commences treatment by a legally  
34 licensed dentist within ninety days after the accident;  
35 (I) Nursing home confinement or hospital extended care facility;  
36 (J) Physical therapy by a registered physical therapist;  
37 (K) Blood transfusions, including the cost of blood and blood  
38 plasma not replaced by voluntary donors;

1 (L) An optometrist licensed under the provisions of chapter 18.53  
2 RCW.

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

5 (24) "Retiree" for persons who establish membership in the  
6 retirement system on or after October 1, 1977, means any member in  
7 receipt of a retirement allowance or other benefit provided by this  
8 chapter resulting from service rendered to an employer by such member.

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

10 (26) "State actuary" or "actuary" means the person appointed  
11 pursuant to RCW 44.44.010(2).

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

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

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

23 (30) "Service credit year" means an accumulation of months of  
24 service credit which is equal to one when divided by twelve.

25 (31) "Service credit month" means a full service credit month or an  
26 accumulation of partial service credit months that are equal to one.

27 (32) "General authority law enforcement agency" means any agency,  
28 department, or division of a municipal corporation, political  
29 subdivision, or other unit of local government of this state, and any  
30 agency, department, or division of state government, having as its  
31 primary function the detection and apprehension of persons committing  
32 infractions or violating the traffic or criminal laws in general, but  
33 not including the Washington state patrol. Such an agency, department,  
34 or division is distinguished from a limited authority law enforcement  
35 agency having as one of its functions the apprehension or detection of  
36 persons committing infractions or violating the traffic or criminal  
37 laws relating to limited subject areas, including but not limited to,  
38 the state departments of natural resources, fisheries, wildlife, and  
39 social and health services, the state gambling commission, the state

1 lottery commission, the state parks and recreation commission, the  
2 state utilities and transportation commission, the state liquor control  
3 board, and the state department of corrections.

4       **Sec. 2.** RCW 41.26.450 and 1989 c 273 s 14 are each amended to read  
5 as follows:

6       The required contribution rates to the plan II system for members,  
7 employers, and the state of Washington shall be established by the  
8 director from time to time as may be necessary upon the advice of the  
9 state actuary. The state actuary shall use the aggregate actuarial  
10 cost method to calculate contribution rates.

11       The member, the employer and the state shall each contribute the  
12 following shares of the cost of the retirement system:

13       Member	50%
14       Employer	30%
15       State	20%

16       However, port districts established under Title 53 RCW and  
17 institutions of higher education as defined in RCW 28B.10.016 shall  
18 contribute both the employer and state shares of the cost of the  
19 retirement system for any of their employees who are law enforcement  
20 officers.

21       Effective January 1, 1987, however, no member or employer  
22 contributions are required for any calendar month in which the member  
23 is not granted service credit.

24       Any adjustments in contribution rates required from time to time  
25 for future costs shall likewise be shared proportionally by the  
26 members, employers, and the state.

27       Any increase in the contribution rate required as the result of a  
28 failure of the state or of an employer to make any contribution  
29 required by this section shall be borne in full by the state or by that  
30 employer not making the contribution.

31       The director shall notify all employers of any pending adjustment  
32 in the required contribution rate and such increase shall be announced  
33 at least thirty days prior to the effective date of the change.

34       Members' contributions required by this section shall be deducted  
35 from the members basic salary each payroll period. The members  
36 contribution and the employers contribution shall be remitted directly  
37 to the department within fifteen days following the end of the calendar

1 month during which the payroll period ends. The state's contribution  
2 required by this section shall be transferred to the plan II fund from  
3 the total contributions transferred by the state treasurer under RCW  
4 41.45.060 and 41.45.070.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.40 RCW  
6 under the subchapter heading "Provisions applicable to plan I and plan  
7 II" to read as follows:

8 (1) An employee who was a member on or before January 1, 1994, and,  
9 on January 1, 1994, is employed by a port district or an institution of  
10 higher education as a law enforcement officer as defined in RCW  
11 41.26.030, has the following options:

12 (a) The employee may remain a member of the retirement system,  
13 notwithstanding the definition of law enforcement officer under RCW  
14 41.26.030; or

15 (b) The member may make an irrevocable choice, filed in writing  
16 with the department no later than January 1, 1995, to transfer to the  
17 law enforcement officers' and fire fighters' retirement system plan II  
18 as defined in RCW 41.26.030. An employee transferring membership under  
19 this subsection (1)(b) shall be a dual member as provided in RCW  
20 41.54.010.

21 (2)(a) If the department determines that transfers of service  
22 credit and accumulated contributions between the state's retirement  
23 systems are permitted by federal law without the employee or the  
24 retirement system fund incurring adverse income tax liability as a  
25 result of the transfer, an employee who transferred membership under  
26 subsection (1)(b) of this section may choose to transfer service credit  
27 as a law enforcement officer previously earned under the retirement  
28 system, to the law enforcement officers' and fire fighters' retirement  
29 system plan II, by making an irrevocable choice filed in writing with  
30 the department within one year of the department's announcement of the  
31 ability to make such a transfer.

32 (b) Any law enforcement officer choosing to transfer under this  
33 subsection shall have transferred from the retirement system to the law  
34 enforcement officers' and fire fighters' retirement system plan II:  
35 (i) All the employee's applicable accumulated contributions and  
36 employer contributions attributed to such employee; and (ii) all  
37 applicable months of service, as defined in RCW 41.26.030(14)(b),  
38 credited to the employee under this chapter, as though such service was

1 rendered as a member of the law enforcement officers' and fire  
2 fighters' retirement system.

3 (c) For the applicable period of service, the employee shall pay  
4 the difference between the contributions such employee paid to the  
5 retirement system, and the contributions which would have been paid by  
6 the employee had the employee been a member of the law enforcement  
7 officers' and fire fighters' retirement system, plus interest as  
8 determined by the director.

9 (d) For the applicable period of service, the employer shall pay  
10 the difference between the employer contributions paid to the  
11 retirement system, and the combined employer and state contributions  
12 which would have been payable to the law enforcement officers' and fire  
13 fighters' retirement system, plus interest as determined by the  
14 director. The amount of interest determined by the director to be paid  
15 by the employer shall be sufficient to ensure that the contribution  
16 level of current members of the law enforcement officers' and fire  
17 fighters' retirement system will not increase due to this transfer.  
18 For the purpose of this subsection (2)(d), the state contribution shall  
19 not include the contribution related to the amortization of the costs  
20 of the law enforcement officers' and fire fighters' retirement system  
21 plan I as required by chapter 41.45 RCW.

22 (e) An individual who transfers service credit and contributions  
23 under this subsection shall be permanently excluded from the retirement  
24 system for all service as a law enforcement officer.

25 **Sec. 4.** RCW 41.54.010 and 1990 c 192 s 1 are each amended to read  
26 as follows:

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

29 (1) "Base salary" means salaries or wages earned by a member of a  
30 system during a payroll period for personal services and includes wages  
31 and salaries deferred under provisions of the United States internal  
32 revenue code, but shall exclude overtime payments, nonmoney maintenance  
33 compensation, and lump sum payments for deferred annual sick leave,  
34 unused accumulated vacation, unused accumulated annual leave, any form  
35 of severance pay, any bonus for voluntary retirement, any other form of  
36 leave, or any similar lump sum payment.

37 (2) "Department" means the department of retirement systems.

1 (3) "Director" means the director of the department of retirement  
2 systems.

3 (4)(a) "Dual member" means a person who (~~((a))~~) (i) is or becomes  
4 a member of a system on or after July 1, 1988, (~~((b))~~) (ii) has been a  
5 member of one or more other systems, and (~~((c))~~) (iii) has never been  
6 retired for service from a retirement system and is not receiving a  
7 disability retirement or disability leave benefit from any retirement  
8 system listed in RCW 41.50.030 or subsection (6) of this section.

9 (b) "Dual member" also includes a person who meets the conditions  
10 in subsection (4)(a)(ii) and (iii) of this section, and pursuant to  
11 section 3 of this act, becomes a member of the law enforcement  
12 officers' and fire fighters' retirement system plan II, as defined in  
13 RCW 41.26.030.

14 (5) "Service" means the same as it may be defined in each  
15 respective system. For the purposes of RCW 41.54.030, military service  
16 granted under RCW 41.40.170(3) or 43.43.260 may only be based on  
17 service accrued under chapter 41.40 or 43.43 RCW, respectively.

18 (6) "System" means the retirement systems established under  
19 chapters 41.32, 41.40, 41.44, and 43.43 RCW and the city employee  
20 retirement systems for Seattle, Tacoma, and Spokane. The inclusion of  
21 an individual first class city system is subject to the procedure set  
22 forth in RCW 41.54.061.

23 **Sec. 5.** RCW 41.56.460 and 1988 c 110 s 1 are each amended to read  
24 as follows:

25 (1) In making its determination, the panel shall be mindful of the  
26 legislative purpose enumerated in RCW 41.56.430 and as additional  
27 standards or guidelines to aid it in reaching a decision, it shall take  
28 into consideration the following factors:

29 (a) The constitutional and statutory authority of the employer;

30 (b) Stipulations of the parties;

31 (c)(i) For employees listed in RCW 41.56.030(7)(a) and 41.56.495,  
32 comparison of the wages, hours and conditions of employment of  
33 personnel involved in the proceedings with the wages, hours, and  
34 conditions of employment of like personnel of like employers of similar  
35 size on the west coast of the United States;

36 (ii) For employees listed in RCW 41.56.030(7)(b), comparison of the  
37 wages, hours, and conditions of employment of personnel involved in the  
38 proceedings with the wages, hours, and conditions of employment of like

1 personnel of public fire departments of similar size on the west coast  
2 of the United States. However, when an adequate number of comparable  
3 employers exists within the state of Washington, other west coast  
4 employers shall not be considered;

5 (d) The average consumer prices for goods and services, commonly  
6 known as the cost of living;

7 (e) Changes in any of the foregoing circumstances during the  
8 pendency of the proceedings; and

9 (f) Such other factors, not confined to the foregoing, which are  
10 normally or traditionally taken into consideration in the determination  
11 of wages, hours and conditions of employment.

12 (2) Nothing in subsection (1)(c) of this section shall be construed  
13 to authorize the panel to require the employer to pay, directly or  
14 indirectly, the increased employee contributions resulting from chapter  
15 . . . , Laws of 1993 (this act) as required under chapter 41.26 RCW.

16 NEW SECTION. Sec. 6. This act shall take effect January 1, 1994.

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