
SUBSTITUTE SENATE BILL 5590

State of Washington

53rd Legislature

1993 Regular Session

By Senate Committee on Labor & Commerce (originally sponsored by Senators Moore, Newhouse, Talmadge, Spanel, West, Roach, Prentice, Prince, Vognild and Bauer)

Read first time 03/02/93.

1 AN ACT Relating to providing service credit for periods of paid
2 leave; amending RCW 41.40.710, 41.26.520, 41.32.810, and 41.26.030;
3 reenacting and amending RCW 41.32.010 and 41.40.010; adding a new
4 section to chapter 41.40 RCW; adding a new section to chapter 41.26
5 RCW; adding a new section to chapter 41.32 RCW; creating a new section;
6 repealing RCW 41.32.034 and 41.32.355; repealing 1992 c 3 s 4
7 (uncodified); and declaring an emergency.

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

9 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.40 RCW
10 under the subchapter heading "Plan I" to read as follows:

11 (1) A member who is on a paid leave of absence authorized by a
12 member's employer shall continue to receive service credit as provided
13 under the provisions of RCW 41.40.145 through 41.40.363.

14 (2) A member who receives compensation from an employer while on an
15 authorized leave of absence to serve as an elected official of a labor
16 organization, and whose employer is reimbursed by the labor
17 organization for the compensation paid to the member during the period
18 of absence, may also be considered to be on a paid leave of absence.
19 This subsection shall only apply if the member's leave of absence is

1 authorized by a collective bargaining agreement that provides that the
2 member retains seniority rights with the employer during the period of
3 leave. The compensation earnable reported for a member who establishes
4 service credit under this subsection may not be greater than the salary
5 paid to the highest paid job class covered by the collective bargaining
6 agreement.

7 **Sec. 2.** RCW 41.40.710 and 1992 c 119 s 3 are each amended to read
8 as follows:

9 (1) A member who is on a paid leave of absence authorized by a
10 member's employer shall continue to receive service credit as provided
11 for under the provisions of RCW 41.40.610 through 41.40.740.

12 (2) A member who receives compensation from an employer while on an
13 authorized leave of absence to serve as an elected official of a labor
14 organization, and whose employer is reimbursed by the labor
15 organization for the compensation paid to the member during the period
16 of absence, may also be considered to be on a paid leave of absence.
17 This subsection shall only apply if the member's leave of absence is
18 authorized by a collective bargaining agreement that provides that the
19 member retains seniority rights with the employer during the period of
20 leave. The compensation earnable reported for a member who establishes
21 service credit under this subsection may not be greater than the salary
22 paid to the highest paid job class covered by the collective bargaining
23 agreement.

24 (3) Except as specified in subsection (~~(3)~~) (4) of this section,
25 a member shall be eligible to receive a maximum of two years service
26 credit during a member's entire working career for those periods when
27 a member is on an unpaid leave of absence authorized by an employer.
28 Such credit may be obtained only if the member makes both the plan II
29 employer and member contributions plus interest as determined by the
30 department for the period of the authorized leave of absence within
31 five years of resumption of service or prior to retirement whichever
32 comes sooner. The contributions required shall be based on the average
33 of the member's compensation earnable at both the time the authorized
34 leave of absence was granted and the time the member resumed
35 employment.

36 (~~(3)~~) (4) A member who leaves the employ of an employer to enter
37 the armed forces of the United States shall be entitled to retirement
38 system service credit for up to four years of military service.

1 (a) The member qualifies for service credit under this subsection
2 if:

3 (i) Within ninety days of the member's honorable discharge from the
4 United States armed forces, the member applies for reemployment with
5 the employer who employed the member immediately prior to the member
6 entering the United States armed forces; and

7 (ii) The member makes the employee contributions required under RCW
8 41.40.650 plus interest as determined by the department within five
9 years of resumption of service or prior to retirement, whichever comes
10 sooner.

11 (b) Upon receipt of member contributions under (a)(ii) of this
12 subsection, the department shall bill the employer for its contribution
13 required under RCW 41.40.650 for the period of military service, plus
14 interest as determined by the department.

15 (c) The contributions required shall be based on the average of the
16 member's compensation earnable at both the time the member left the
17 employ of the employer to enter the armed forces and the time the
18 member resumed employment.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.26 RCW
20 under the subchapter heading "Plan I" to read as follows:

21 (1) A member who is on a paid leave of absence authorized by a
22 member's employer shall continue to receive service credit as provided
23 under the provisions of RCW 41.26.080 through 41.26.3903.

24 (2) A member who receives compensation from an employer while on an
25 authorized leave of absence to serve as an elected official of a labor
26 organization, and whose employer is reimbursed by the labor
27 organization for the compensation paid to the member during the period
28 of absence, may also be considered to be on a paid leave of absence.
29 This subsection shall only apply if the member's leave of absence is
30 authorized by a collective bargaining agreement that provides that the
31 member retains seniority rights with the employer during the period of
32 leave. The basic salary reported for a member who establishes service
33 credit under this subsection may not be greater than the salary paid to
34 the highest paid job class covered by the collective bargaining
35 agreement.

36 **Sec. 4.** RCW 41.26.520 and 1992 c 119 s 1 are each amended to read
37 as follows:

1 (1) A member who is on a paid leave of absence authorized by a
2 member's employer shall continue to receive service credit as provided
3 for under the provisions of RCW 41.26.410 through 41.26.550.

4 (2) A member who receives compensation from an employer while on an
5 authorized leave of absence to serve as an elected official of a labor
6 organization, and whose employer is reimbursed by the labor
7 organization for the compensation paid to the member during the period
8 of absence, may also be considered to be on a paid leave of absence.
9 This subsection shall only apply if the member's leave of absence is
10 authorized by a collective bargaining agreement that provides that the
11 member retains seniority rights with the employer during the period of
12 leave. The basic salary reported for a member who establishes service
13 credit under this subsection may not be greater than the salary paid to
14 the highest paid job class covered by the collective bargaining
15 agreement.

16 (3) Except as specified in subsection (~~((3))~~) (4) of this section,
17 a member shall be eligible to receive a maximum of two years service
18 credit during a member's entire working career for those periods when
19 a member is on an unpaid leave of absence authorized by an employer.
20 Such credit may be obtained only if the member makes the employer,
21 member, and state contributions plus interest as determined by the
22 department for the period of the authorized leave of absence within
23 five years of resumption of service or prior to retirement whichever
24 comes sooner: PROVIDED, That for the purpose of this subsection the
25 contribution shall not include the contribution for the unfunded
26 supplemental present value as required by RCW 41.26.450. The
27 contributions required shall be based on the average of the member's
28 basic salary at both the time the authorized leave of absence was
29 granted and the time the member resumed employment.

30 (~~((3))~~) (4) A member who leaves the employ of an employer to enter
31 the armed forces of the United States shall be entitled to retirement
32 system service credit for up to four years of military service.

33 (a) The member qualifies for service credit under this subsection
34 if:

35 (i) Within ninety days of the member's honorable discharge from the
36 United States armed forces, the member applies for reemployment with
37 the employer who employed the member immediately prior to the member
38 entering the United States armed forces; and

1 (ii) The member makes the employee contributions required under RCW
2 41.26.450 plus interest as determined by the department within five
3 years of resumption of service or prior to retirement, whichever comes
4 sooner.

5 (b) Upon receipt of member contributions under (a)(ii) of this
6 subsection, the department shall bill the employer and the state for
7 their respective contributions required under RCW 41.26.450 for the
8 period of military service, plus interest as determined by the
9 department.

10 (c) The contributions required shall be based on the average of the
11 member's basic salary at both the time the member left the employ of
12 the employer to enter the armed forces and the time the member resumed
13 employment.

14 (~~((4))~~) (5) A member receiving benefits under Title 51 RCW who is
15 not receiving benefits under this chapter shall be deemed to be on
16 unpaid, authorized leave of absence.

17 NEW SECTION. **Sec. 5.** A new section is added to chapter 41.32 RCW
18 under the subchapter heading "Plan I" to read as follows:

19 (1) A member who is on a paid leave of absence authorized by a
20 member's employer shall continue to receive service credit as provided
21 under the provisions of RCW 41.32.240 through 41.32.575.

22 (2) A member who receives compensation from an employer while on an
23 authorized leave of absence to serve as an elected official of a labor
24 organization, and whose employer is reimbursed by the labor
25 organization for the compensation paid to the member during the period
26 of absence, may also be considered to be on a paid leave of absence.
27 This subsection shall only apply if the member's leave of absence is
28 authorized by a collective bargaining agreement that provides that the
29 member retains seniority rights with the employer during the period of
30 leave. The earnable compensation reported for a member who establishes
31 service credit under this subsection may not be greater than the salary
32 paid to the highest paid job class covered by the collective bargaining
33 agreement.

34 **Sec. 6.** RCW 41.32.810 and 1992 c 119 s 2 are each amended to read
35 as follows:

1 (1) A member who is on a paid leave of absence authorized by a
2 member's employer shall continue to receive service credit as provided
3 for under the provisions of RCW 41.32.755 through 41.32.825.

4 (2) A member who receives compensation from an employer while on an
5 authorized leave of absence to serve as an elected official of a labor
6 organization, and whose employer is reimbursed by the labor
7 organization for the compensation paid to the member during the period
8 of absence, may also be considered to be on a paid leave of absence.
9 This subsection shall only apply if the member's leave of absence is
10 authorized by a collective bargaining agreement that provides that the
11 member retains seniority rights with the employer during the period of
12 leave. The earnable compensation reported for a member who establishes
13 service credit under this subsection may not be greater than the salary
14 paid to the highest paid job class covered by the collective bargaining
15 agreement.

16 (3) Except as specified in subsection (~~((3))~~) (4) of this section,
17 a member shall be eligible to receive a maximum of two years service
18 credit during a member's entire working career for those periods when
19 a member is on an unpaid leave of absence authorized by an employer.
20 Such credit may be obtained only if the member makes both the employer
21 and member contributions plus interest as determined by the department
22 for the period of the authorized leave of absence within five years of
23 resumption of service or prior to retirement whichever comes sooner:
24 PROVIDED, That for the purpose of this subsection the contribution
25 shall not include the contribution for the unfunded supplemental
26 present value as required by RCW 41.32.775. The contributions required
27 shall be based on the average of the member's earnable compensation at
28 both the time the authorized leave of absence was granted and the time
29 the member resumed employment.

30 (~~((3))~~) (4) A member who leaves the employ of an employer to enter
31 the armed forces of the United States shall be entitled to retirement
32 system service credit for up to four years of military service.

33 (a) The member qualifies for service credit under this subsection
34 if:

35 (i) Within ninety days of the member's honorable discharge from the
36 United States armed forces, the member applies for reemployment with
37 the employer who employed the member immediately prior to the member
38 entering the United States armed forces; and

1 (ii) The member makes the employee contributions required under RCW
2 41.32.775 plus interest as determined by the department within five
3 years of resumption of service or prior to retirement, whichever comes
4 sooner.

5 (b) Upon receipt of member contributions under (a)(ii) of this
6 subsection, the department shall bill the employer for its contribution
7 required under RCW 41.32.775 for the period of military service, plus
8 interest as determined by the department.

9 (c) The contributions required shall be based on the average of the
10 member's earnable compensation at both the time the member left the
11 employ of the employer to enter the armed forces and the time the
12 member resumed employment.

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

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

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

19 (2)(a) "Employer" for plan I members, means the legislative
20 authority of any city, town, county, or district or the elected
21 officials of any municipal corporation that employs any law enforcement
22 officer and/or fire fighter, any authorized association of such
23 municipalities, and, except for the purposes of RCW 41.26.150, any
24 labor guild, association, or organization, which represents the fire
25 fighters or law enforcement officers of at least seven cities of over
26 20,000 population and the membership of each local lodge or division of
27 which is composed of at least sixty percent law enforcement officers or
28 fire fighters as defined in this chapter.

29 (b) "Employer" for plan II members, means the legislative authority
30 of any city, town, county, or district or the elected officials of any
31 municipal corporation that employs any law enforcement officer and/or
32 fire fighter.

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

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

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

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

16 (d) The term "law enforcement officer" also includes the executive
17 secretary of a labor guild, association or organization (which is an
18 employer under RCW 41.26.030(2) as now or hereafter amended) if that
19 individual has five years previous membership in the retirement system
20 established in chapter 41.20 RCW. The provisions of this subsection
21 shall not apply to plan II members.

22 (4) "Fire fighter" means:

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

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

29 (c) Supervisory fire fighter personnel;

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

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

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

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

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

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

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

18 (i) A natural born child;

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

21 (iii) A posthumous child;

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

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

26 (b) A person shall also be deemed to be a child up to and including
27 the age of twenty years and eleven months while attending any high
28 school, college, or vocational or other educational institution
29 accredited, licensed, or approved by the state, in which it is located,
30 including the summer vacation months and all other normal and regular
31 vacation periods at the particular educational institution after which
32 the child returns to school.

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

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

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

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

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

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

27 (b) "Final average salary" for plan II members, means the monthly
28 average of the member's basic salary for the highest consecutive sixty
29 service credit months of service prior to such member's retirement,
30 termination, or death. Periods constituting authorized unpaid leaves
31 of absence may not be used in the calculation of final average salary
32 except under RCW 41.26.520(2).

33 (13)(a) "Basic salary" for plan I members, means the basic monthly
34 rate of salary or wages, including longevity pay but not including
35 overtime earnings or special salary or wages, upon which pension or
36 retirement benefits will be computed and upon which employer
37 contributions and salary deductions will be based.

38 (b) "Basic salary" for plan II members, means salaries or wages
39 earned by a member during a payroll period for personal services,

1 including overtime payments, and shall include wages and salaries
2 deferred under provisions established pursuant to sections 403(b),
3 414(h), and 457 of the United States Internal Revenue Code, but shall
4 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 in any year in which a member serves in
7 the legislature the member shall have the option of having such
8 member's basic salary be the greater of:

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

11 (ii) Such member's actual basic salary received for nonlegislative
12 public employment and legislative service combined. Any additional
13 contributions to the retirement system required because basic salary
14 under (b)(i) of this subsection is greater than basic salary under
15 (b)(ii) of this subsection shall be paid by the member for both member
16 and employer contributions.

17 (14)(a) "Service" for plan I members, means all periods of
18 employment for an employer as a fire fighter or law enforcement
19 officer, for which compensation is paid, together with periods of
20 suspension not exceeding thirty days in duration. For the purposes of
21 this chapter service shall also include service in the armed forces of
22 the United States as provided in RCW 41.26.190. Credit shall be
23 allowed for all service credit months of service rendered by a member
24 from and after the member's initial commencement of employment as a
25 fire fighter or law enforcement officer, during which the member worked
26 for seventy or more hours, or was on disability leave or disability
27 retirement. Only service credit months of service shall be counted in
28 the computation of any retirement allowance or other benefit provided
29 for in this chapter.

30 (i) For members retiring after May 21, 1971 who were employed under
31 the coverage of a prior pension act before March 1, 1970, "service"
32 shall also include (A) such military service not exceeding five years
33 as was creditable to the member as of March 1, 1970, under the member's
34 particular prior pension act, and (B) such other periods of service as
35 were then creditable to a particular member under the provisions of RCW
36 41.18.165, 41.20.160 or 41.20.170. However, in no event shall credit
37 be allowed for any service rendered prior to March 1, 1970, where the
38 member at the time of rendition of such service was employed in a
39 position covered by a prior pension act, unless such service, at the

1 time credit is claimed therefor, is also creditable under the
2 provisions of such prior act.

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

6 (b) "Service" for plan II members, means periods of employment by
7 a member for one or more employers for which basic salary is earned for
8 ninety or more hours per calendar month which shall constitute a
9 service credit month. Periods of employment by a member for one or
10 more employers for which basic salary is earned for at least seventy
11 hours but less than ninety hours per calendar month shall constitute
12 one-half service credit month. Periods of employment by a member for
13 one or more employers for which basic salary is earned for less than
14 seventy hours shall constitute a one-quarter service credit month.

15 Members of the retirement system who are elected or appointed to a
16 state elective position may elect to continue to be members of this
17 retirement system.

18 Service credit years of service shall be determined by dividing the
19 total number of service credit months of service by twelve. Any
20 fraction of a service credit year of service as so determined shall be
21 taken into account in the computation of such retirement allowance or
22 benefits.

23 If a member receives basic salary from two or more employers during
24 any calendar month, the individual shall receive one service credit
25 month's service credit during any calendar month in which multiple
26 service for ninety or more hours is rendered; or one-half service
27 credit month's service credit during any calendar month in which
28 multiple service for at least seventy hours but less than ninety hours
29 is rendered; or one-quarter service credit month during any calendar
30 month in which multiple service for less than seventy hours is
31 rendered.

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

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

1 (17) "Actuarial valuation" means a mathematical determination of
2 the financial condition of a retirement plan. It includes the
3 computation of the present monetary value of benefits payable to
4 present members, and the present monetary value of future employer and
5 employee contributions, giving effect to mortality among active and
6 retired members and also to the rates of disability, retirement,
7 withdrawal from service, salary and interest earned on investments.

8 (18) "Disability board" for plan I members means either the county
9 disability board or the city disability board established in RCW
10 41.26.110.

11 (19) "Disability leave" means the period of six months or any
12 portion thereof during which a member is on leave at an allowance equal
13 to the member's full salary prior to the commencement of disability
14 retirement. The definition contained in this subsection shall apply
15 only to plan I members.

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

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

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

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

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

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

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

34 (i) The fees of the following:

35 (A) A physician or surgeon licensed under the provisions of chapter
36 18.71 RCW;

37 (B) An osteopath licensed under the provisions of chapter 18.57
38 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 injured by an accident or stricken by
16 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
30 receipt of a retirement allowance or other benefit provided by this
31 chapter resulting from service rendered to an employer by such member.

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

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

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

38 (28) "Plan I" means the law enforcement officers' and fire
39 fighters' retirement system, plan I providing the benefits and funding

1 provisions covering persons who first became members of the system
2 prior to October 1, 1977.

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

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

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

11 **Sec. 8.** RCW 41.32.010 and 1992 c 212 s 1 and 1992 c 3 s 3 are each
12 reenacted and amended to read as follows:

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

15 (1)(a) "Accumulated contributions" for plan I members, means the
16 sum of all regular annuity contributions with regular interest thereon.

17 (b) "Accumulated contributions" for plan II members, means the sum
18 of all contributions standing to the credit of a member in the member's
19 individual account together with the regular interest thereon.

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

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

25 (4) "Member reserve" means the fund in which all of the accumulated
26 contributions of members are held.

27 (5)(a) "Beneficiary" for plan I members, means any person in
28 receipt of a retirement allowance or other benefit provided by this
29 chapter.

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

33 (6) "Contract" means any agreement for service and compensation
34 between a member and an employer.

35 (7) "Creditable service" means membership service plus prior
36 service for which credit is allowable. This subsection shall apply
37 only to plan I members.

1 (8) "Dependent" means receiving one-half or more of support from a
2 member.

3 (9) "Disability allowance" means monthly payments during
4 disability. This subsection shall apply only to plan I members.

5 (10)(a) "Earnable compensation" for plan I members, means:

6 (i) All salaries and wages paid by an employer to an employee
7 member of the retirement system for personal services rendered during
8 a fiscal year. In all cases where compensation includes maintenance
9 the employer shall fix the value of that part of the compensation not
10 paid in money.

11 (A) Retroactive payments to an individual by an employer on
12 reinstatement of the employee in a position, or payments by an employer
13 to an individual in lieu of reinstatement in a position which are
14 awarded or granted as the equivalent of the salary or wages which the
15 individual would have earned during a payroll period shall be
16 considered earnable compensation and the individual shall receive the
17 equivalent service credit.

18 (B) If a leave of absence, without pay, is taken by a member for
19 the purpose of serving as a member of the state legislature, and such
20 member has served in the legislature five or more years, the salary
21 which would have been received for the position from which the leave of
22 absence was taken shall be considered as compensation earnable if the
23 employee's contribution thereon is paid by the employee. In addition,
24 where a member has been a member of the state legislature for five or
25 more years, earnable compensation for the member's two highest
26 compensated consecutive years of service shall include a sum not to
27 exceed thirty-six hundred dollars for each of such two consecutive
28 years, regardless of whether or not legislative service was rendered
29 during those two years.

30 (ii) For members employed less than full time under written
31 contract with a school district, or community college district, in an
32 instructional position, for which the member receives service credit of
33 less than one year in all of the years used to determine the earnable
34 compensation used for computing benefits due under RCW 41.32.497,
35 41.32.498, and 41.32.520, the member may elect to have earnable
36 compensation defined as provided in RCW 41.32.345. For the purposes of
37 this subsection, the term "instructional position" means a position in
38 which more than seventy-five percent of the member's time is spent as
39 a classroom instructor (including office hours), a librarian, or a

1 counselor. Earnable compensation shall be so defined only for the
2 purpose of the calculation of retirement benefits and only as necessary
3 to insure that members who receive fractional service credit under RCW
4 41.32.270 receive benefits proportional to those received by members
5 who have received full-time service credit.

6 ~~((iii) For members who receive service credit pursuant to RCW
7 41.32.034 or 41.32.355 for a period of authorized leave from a school
8 district, the earnable compensation allowable for calculation of the
9 member's average final compensation shall be the salary the member
10 would have been paid by the district for the position the member
11 occupied immediately prior to taking leave, as established in the
12 district's collective bargaining agreement for nonsupervisory
13 certificated employees.~~

14 ~~(iv) For members who receive service credit pursuant to RCW
15 41.32.034 or 41.32.355 for a period of authorized leave from a
16 community or technical college district, the earnable compensation
17 allowable for calculation of average final compensation for periods of
18 service authorized under this chapter shall be the average of the
19 member's compensation earnable at both the time the authorized leave of
20 absence was granted and the time the member resumed employment.))~~

21 (b) "Earnable compensation" for plan II members, means salaries or
22 wages earned by a member during a payroll period for personal services,
23 including overtime payments, and shall include wages and salaries
24 deferred under provisions established pursuant to sections 403(b),
25 414(h), and 457 of the United States Internal Revenue Code, but shall
26 exclude lump sum payments for deferred annual sick leave, unused
27 accumulated vacation, unused accumulated annual leave, or any form of
28 severance pay.

29 (i) Retroactive payments to an individual by an employer on
30 reinstatement of the employee in a position or payments by an employer
31 to an individual in lieu of reinstatement in a position which are
32 awarded or granted as the equivalent of the salary or wages which the
33 individual would have earned during a payroll period shall be
34 considered earnable compensation, to the extent provided above, and the
35 individual shall receive the equivalent service credit.

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

1 (A) The earnable compensation the member would have received had
2 such member not served in the legislature; or

3 (B) Such member's actual earnable compensation received for
4 teaching and legislative service combined. Any additional
5 contributions to the retirement system required because compensation
6 earnable under (b)(ii)(A) of this subsection is greater than
7 compensation earnable under (b)(ii)(B) of this subsection shall be paid
8 by the member for both member and employer contributions.

9 (11) "Employer" means the state of Washington, the school district,
10 or any agency of the state of Washington by which the member is paid.

11 (12) "Fiscal year" means a year which begins July 1st and ends June
12 30th of the following year.

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

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

18 (15) "Member" means any teacher included in the membership of the
19 retirement system. Also, any other employee of the public schools who,
20 on July 1, 1947, had not elected to be exempt from membership and who,
21 prior to that date, had by an authorized payroll deduction, contributed
22 to the member reserve.

23 (16) "Membership service" means service rendered subsequent to the
24 first day of eligibility of a person to membership in the retirement
25 system: PROVIDED, That where a member is employed by two or more
26 employers the individual shall receive no more than one service credit
27 month during any calendar month in which multiple service is rendered.
28 The provisions of this subsection shall apply only to plan I members.

29 (17) "Pension" means the moneys payable per year during life from
30 the pension reserve.

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

35 (19) "Prior service" means service rendered prior to the first date
36 of eligibility to membership in the retirement system for which credit
37 is allowable. The provisions of this subsection shall apply only to
38 plan I members.

1 (20) "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 plan I members.

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

8 (22) "Regular contributions" means the amounts required to be
9 deducted from the compensation of a member and credited to the member's
10 individual account in the member reserve. This subsection shall apply
11 only to plan I members.

12 (23) "Regular interest" means such rate as the director may
13 determine.

14 (24)(a) "Retirement allowance" for plan I members, means monthly
15 payments based on the sum of annuity and pension, or any optional
16 benefits payable in lieu thereof.

17 (b) "Retirement allowance" for plan II members, means monthly
18 payments to a retiree or beneficiary as provided in this chapter.

19 (25) "Retirement system" means the Washington state teachers'
20 retirement system.

21 (26)(a) "Service" means the time during which a member has been
22 employed by an employer for compensation: PROVIDED, That where a
23 member is employed by two or more employers the individual shall
24 receive no more than one service credit month during any calendar month
25 in which multiple service is rendered.

26 (b) "Service" for plan II members, means periods of employment by
27 a member for one or more employers for which earnable compensation is
28 earned subject to the following conditions:

29 (i) A member employed in an eligible position or as a substitute
30 shall receive one service credit month for each month of September
31 through August of the following year if he or she earns earnable
32 compensation for eight hundred ten or more hours during that period and
33 is employed during nine of those months, except that a member may not
34 receive credit for any period prior to the member's employment in an
35 eligible position except as provided in RCW 41.32.812 and 41.50.132;

36 (ii) If a member is employed either in an eligible position or as
37 a substitute teacher for nine months of the twelve month period between
38 September through August of the following year but earns earnable
39 compensation for less than eight hundred ten hours but for at least six

1 hundred thirty hours, he or she will receive one-half of a service
2 credit month for each month of the twelve month period;

3 (iii) All other members in an eligible position or as a substitute
4 teacher shall receive service credit as follows:

5 (A) A service credit month is earned in those calendar months where
6 earnable compensation is earned for ninety or more hours;

7 (B) A half-service credit month is earned in those calendar months
8 where earnable compensation is earned for at least seventy hours but
9 less than ninety hours; and

10 (C) A quarter-service credit month is earned in those calendar
11 months where earnable compensation is earned for less than seventy
12 hours.

13 Any person who is a member of the teachers' retirement system and
14 who is elected or appointed to a state elective position may continue
15 to be a member of the retirement system and continue to receive a
16 service credit month for each of the months in a state elective
17 position by making the required member contributions.

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

22 The department shall adopt rules implementing this subsection.

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

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

27 (29) "Teacher" means any person qualified to teach who is engaged
28 by a public school in an instructional, administrative, or supervisory
29 capacity. The term includes state, educational service district, and
30 school district superintendents and their assistants and all employees
31 certificated by the superintendent of public instruction; and in
32 addition thereto any full time school doctor who is employed by a
33 public school and renders service of an instructional or educational
34 nature.

35 (30) "Average final compensation" for plan II members, means the
36 member's average earnable compensation of the highest consecutive sixty
37 service credit months prior to such member's retirement, termination,
38 or death. Periods constituting authorized leaves of absence may not be

1 used in the calculation of average final compensation except under RCW
2 41.32.810(2).

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

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

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

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

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

14 (36) "Substitute teacher" means:

15 (a) A teacher who is hired by an employer to work as a temporary
16 teacher, except for teachers who are annual contract employees of an
17 employer and are guaranteed a minimum number of hours; or

18 (b) Teachers who either (i) work in ineligible positions for more
19 than one employer or (ii) work in an ineligible position or positions
20 together with an eligible position.

21 (37)(a) "Eligible position" for plan II members from June 7, 1990,
22 through September 1, 1991, means a position which normally requires two
23 or more uninterrupted months of creditable service during September
24 through August of the following year.

25 (b) "Eligible position" for plan II on and after September 1, 1991,
26 means a position that, as defined by the employer, normally requires
27 five or more months of at least seventy hours of earnable compensation
28 during September through August of the following year.

29 (c) For purposes of this chapter an employer shall not define
30 "position" in such a manner that an employee's monthly work for that
31 employer is divided into more than one position.

32 (d) The elected position of the superintendent of public
33 instruction is an eligible position.

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

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

1 (~~(40) "Education association" means an association organized to~~
2 ~~carry out collective bargaining activities, the majority of whose~~
3 ~~members are employees covered by chapter 41.59 RCW or academic~~
4 ~~employees covered by chapter 28B.52 RCW.))~~

5 **Sec. 9.** RCW 41.40.010 and 1991 c 343 s 6 and 1991 c 35 s 70 are
6 each reenacted and amended to read as follows:

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

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

11 (2) "Department" means the department of retirement systems created
12 in chapter 41.50 RCW.

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

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

26 (b) "Employer" for plan II members, means every branch, department,
27 agency, commission, board, and office of the state, and any political
28 subdivision and municipal corporation of the state admitted into the
29 retirement system, including public agencies created pursuant to RCW
30 35.63.070, 36.70.060, and 39.34.030.

31 (5) "Member" means any employee included in the membership of the
32 retirement system, as provided for in RCW 41.40.023.

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

34 (a) Any person who became a member of the system prior to April 1,
35 1949;

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

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

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

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

17 (f) Any member who has been a contributor under the system for two
18 or more years and who has restored all contributions that may have been
19 withdrawn as provided by RCW 41.40.150 and who on the effective date of
20 the individual's retirement has rendered five or more years of service
21 for the state or any political subdivision prior to the time of the
22 admission of the employer into the system; except that the provisions
23 relating to the minimum amount of retirement allowance for the member
24 upon retirement at age seventy as found in RCW 41.40.190(4) shall not
25 apply to the member.

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

28 (8)(a) "Compensation earnable" for plan I members, means salaries
29 or wages earned during a payroll period for personal services and where
30 the compensation is not all paid in money, maintenance compensation
31 shall be included upon the basis of the schedules established by the
32 member's employer: PROVIDED, That retroactive payments to an
33 individual by an employer on reinstatement of the employee in a
34 position, or payments by an employer to an individual in lieu of
35 reinstatement in a position which are awarded or granted as the
36 equivalent of the salary or wage which the individual would have earned
37 during a payroll period shall be considered compensation earnable and
38 the individual shall receive the equivalent service credit: PROVIDED
39 FURTHER, That if a leave of absence is taken by an individual for the

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

6 (b) "Compensation earnable" for plan II members, means salaries or
7 wages earned by a member during a payroll period for personal services,
8 including overtime payments, and shall include wages and salaries
9 deferred under provisions established pursuant to sections 403(b),
10 414(h), and 457 of the United States Internal Revenue Code, but shall
11 exclude nonmoney maintenance compensation and lump sum payments for
12 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
31 subsection shall be paid by the member for both member and employer
32 contributions.

33 (9)(a) "Service" for plan I members, except as provided in RCW
34 41.40.088, means periods of employment in an eligible position or
35 positions for one or more employers rendered to any employer for which
36 compensation is paid, and includes time spent in office as an elected
37 or appointed official of an employer. Compensation earnable earned in
38 full time work for seventy hours or more in any given calendar month
39 shall constitute one service credit month except as provided in RCW

1 41.40.088. Compensation earnable earned for less than seventy hours in
2 any calendar month shall constitute one-quarter service credit month of
3 service except as provided in RCW 41.40.088. Only service credit
4 months and one-quarter service credit months shall be counted in the
5 computation of any retirement allowance or other benefit provided for
6 in this chapter. Any fraction of a year of service shall be taken into
7 account in the computation of such retirement allowance or benefits.

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

20 (b) "Service" for plan II members, means periods of employment by
21 a member in an eligible position or positions for one or more employers
22 for which compensation earnable is paid. Compensation earnable earned
23 for ninety or more hours in any calendar month shall constitute one
24 service credit month except as provided in RCW 41.40.088. Compensation
25 earnable earned for at least seventy hours but less than ninety hours
26 in any calendar month shall constitute one-half service credit month of
27 service. Compensation earnable earned for less than seventy hours in
28 any calendar month shall constitute one-quarter service credit month of
29 service.

30 Any fraction of a year of service shall be taken into account in
31 the computation of such retirement allowance or benefits.

32 Service in any state elective position shall be deemed to be full
33 time service, except that persons serving in state elective positions
34 who are members of the teachers' retirement system or law enforcement
35 officers' and fire fighters' retirement system at the time of election
36 or appointment to such position may elect to continue membership in the
37 teachers' retirement system or law enforcement officers' and fire
38 fighters' retirement system.

1 A member shall receive a total of not more than twelve service
2 credit months of service for such calendar year: PROVIDED, That when
3 an individual is employed in an eligible position by one or more
4 employers the individual shall receive no more than one service credit
5 month during any calendar month in which multiple service for ninety or
6 more hours is rendered.

7 (10) "Service credit year" means an accumulation of months of
8 service credit which is equal to one when divided by twelve.

9 (11) "Service credit month" means a month or an accumulation of
10 months of service credit which is equal to one.

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

13 (13) "Membership service" means:

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

15 (b) All service after October 1, 1947, to any employer prior to the
16 time of its admission into the retirement system: PROVIDED, That an
17 amount equal to the employer and employee contributions which would
18 have been paid to the retirement system on account of such service
19 shall have been paid to the retirement system with interest (as
20 computed by the department) on the employee's portion prior to
21 retirement of such person, by the employee or his employer, except as
22 qualified by RCW 41.40.023: PROVIDED FURTHER, That employer
23 contributions plus employee contributions with interest submitted by
24 the employee under this subsection shall be placed in the employee's
25 individual account in the employees' savings fund and be treated as any
26 other contribution made by the employee, with the exception that the
27 contributions submitted by the employee in payment of the employer's
28 obligation, together with the interest the director may apply to the
29 employer's contribution, shall be excluded from the calculation of the
30 member's annuity in the event the member selects a benefit with an
31 annuity option;

32 (c) Service not to exceed six consecutive months of probationary
33 service rendered after April 1, 1949, and prior to becoming a member,
34 in the case of any member, upon payment in full by such member of the
35 total amount of the employer's contribution to the retirement fund
36 which would have been required under the law in effect when such
37 probationary service was rendered if the member had been a member
38 during such period, except that the amount of the employer's

1 contribution shall be calculated by the director based on the first
2 month's compensation earnable as a member;

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

10 (14)(a) "Beneficiary" for plan I members, means any person in
11 receipt of a retirement allowance, pension or other benefit provided by
12 this chapter.

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

16 (15) "Regular interest" means such rate as the director may
17 determine.

18 (16) "Accumulated contributions" means the sum of all contributions
19 standing to the credit of a member in the member's individual account
20 together with the regular interest thereon.

21 (17)(a) "Average final compensation" for plan I members, means the
22 annual average of the greatest compensation earnable by a member during
23 any consecutive two year period of service credit months for which
24 service credit is allowed; or if the member has less than two years of
25 service credit months then the annual average compensation earnable
26 during the total years of service for which service credit is allowed.

27 (b) "Average final compensation" for plan II members, means the
28 member's average compensation earnable of the highest consecutive sixty
29 months of service credit months prior to such member's retirement,
30 termination, or death. Periods constituting authorized leaves of
31 absence may not be used in the calculation of average final
32 compensation except under RCW 41.40.710(2).

33 (18) "Final compensation" means the annual rate of compensation
34 earnable by a member at the time of termination of employment.

35 (19) "Annuity" means payments for life derived from accumulated
36 contributions of a member. All annuities shall be paid in monthly
37 installments.

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

4 (21) "Retirement allowance" means the sum of the annuity and the
5 pension.

6 (22) "Employee" means any person who may become eligible for
7 membership under this chapter, as set forth in RCW 41.40.023.

8 (23) "Actuarial equivalent" means a benefit of equal value when
9 computed upon the basis of such mortality and other tables as may be
10 adopted by the director.

11 (24) "Retirement" means withdrawal from active service with a
12 retirement allowance as provided by this chapter.

13 (25) "Eligible position" means:

14 (a) Any position that, as defined by the employer, normally
15 requires five or more months of service a year for which regular
16 compensation for at least seventy hours is earned by the occupant
17 thereof. For purposes of this chapter an employer shall not define
18 "position" in such a manner that an employee's monthly work for that
19 employer is divided into more than one position;

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

22 (26) "Ineligible position" means any position which does not
23 conform with the requirements set forth in subsection (25) of this
24 section.

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

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

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

34 (30) "Director" means the director of the department.

35 (31) "State elective position" means any position held by any
36 person elected or appointed to state-wide office or elected or
37 appointed as a member of the legislature.

38 (32) "State actuary" or "actuary" means the person appointed
39 pursuant to RCW 44.44.010(2).

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

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

7 NEW SECTION. **Sec. 10.** This act applies on a retroactive basis to
8 members for whom compensation and hours were reported under the
9 circumstances described in sections 1 through 6 of this act. This act
10 may also be applied on a retroactive basis to January 1, 1992, to
11 members for whom compensation and hours would have been reported except
12 for chapter 3, Laws of 1992, or explicit instructions from the
13 department of retirement systems.

14 NEW SECTION. **Sec. 11.** The following acts or parts of acts are
15 each repealed:

- 16 (1) RCW 41.32.034 and 1992 c 3 s 1;
17 (2) RCW 41.32.355 and 1992 c 3 s 2; and
18 (3) 1992 c 3 s 4 (uncodified).

19 NEW SECTION. **Sec. 12.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of the
21 state government and its existing public institutions, and shall take
22 effect immediately.

--- END ---