

2 SHB 1430 - S AMD 322
3 By Senators Bauer and Rinehart

4 ADOPTED 4/11/95

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 41.40.010 and 1994 c 298 s 2, 1994 c 247 s 5, 1994 c
8 197 s 23, and 1994 c 177 s 8 are each reenacted and amended to read as
9 follows:

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

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

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

16 (3) "State treasurer" means the treasurer of the state of
17 Washington.

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

29 (b) "Employer" for plan II members, means every branch, department,
30 agency, commission, board, and office of the state, and any political
31 subdivision and municipal corporation of the state admitted into the
32 retirement system, including public agencies created pursuant to RCW
33 35.63.070, 36.70.060, and 39.34.030.

34 (5) "Member" means any employee included in the membership of the
35 retirement system, as provided for in RCW 41.40.023. RCW 41.26.045
36 does not prohibit a person otherwise eligible for membership in the

1 retirement system from establishing such membership effective when he
2 or she first entered an eligible position.

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

4 (a) Any person who became a member of the system prior to April 1,
5 1949;

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

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

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

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

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

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

36 (8)(a) "Compensation earnable" for plan I members, means salaries
37 or wages earned during a payroll period for personal services and where
38 the compensation is not all paid in money, maintenance compensation
39 shall be included upon the basis of the schedules established by the

1 member's employer. Compensation that a member receives for being in
2 standby status is also compensation earnable, subject to the conditions
3 of this subsection. A member is in standby status when not being paid
4 for time actually worked and only when both of the following conditions
5 exist: (i) The member is required to be present at, or in the
6 immediate vicinity of, a specified location; and (ii) the employer
7 requires the member to be prepared to report immediately for work, if
8 the need arises, although the need may not arise. Standby compensation
9 is regular salary for the purposes of RCW 41.50.150(2).

10 (A) "Compensation earnable" for plan I members also includes the
11 following actual or imputed payments, which are not paid for personal
12 services:

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

20 (II) If a leave of absence is taken by an individual for the
21 purpose of serving in the state legislature, the salary which would
22 have been received for the position from which the leave of absence was
23 taken, shall be considered as compensation earnable if the employee's
24 contribution is paid by the employee and the employer's contribution is
25 paid by the employer or employee.

26 (III) Assault pay only as authorized by RCW 27.04.100, 72.01.045,
27 and 72.09.240;

28 (IV) Compensation that a member would have received but for a
29 disability occurring in the line of duty only as authorized by RCW
30 41.40.038; and

31 (V) Compensation that a member receives due to participation in the
32 leave sharing program only as authorized by RCW 41.04.650 through
33 41.04.670.

34 (B) "Compensation earnable" does not include:

35 (I) Remuneration for unused sick leave authorized under RCW
36 41.04.340, 28A.400.210, or 28A.310.490;

37 (II) Remuneration for unused annual leave in excess of thirty days
38 as authorized by RCW 43.01.044 and 43.01.041.

1 (b) "Compensation earnable" for plan II members, means salaries or
2 wages earned by a member during a payroll period for personal services,
3 including overtime payments, and shall include wages and salaries
4 deferred under provisions established pursuant to sections 403(b),
5 414(h), and 457 of the United States Internal Revenue Code, but shall
6 exclude nonmoney maintenance compensation and lump sum or other
7 payments for deferred annual sick leave, unused accumulated vacation,
8 unused accumulated annual leave, or any form of severance pay.
9 Compensation that a member receives for being in standby status is also
10 compensation earnable, subject to the conditions of this subsection.
11 A member is in standby status when not being paid for time actually
12 worked and only when both of the following conditions exist: (i) The
13 member is required to be present at, or in the immediate vicinity of,
14 a specified location; and (ii) the employer requires the member to be
15 prepared to report immediately for work, if the need arises, although
16 the need may not arise. Standby compensation is regular salary for the
17 purposes of RCW 41.50.150(2).

18 "Compensation earnable" for plan II members also includes the
19 following actual or imputed payments, which are not paid for personal
20 services:

21 (A) Retroactive payments to an individual by an employer on
22 reinstatement of the employee in a position, or payments by an employer
23 to an individual in lieu of reinstatement in a position which are
24 awarded or granted as the equivalent of the salary or wage which the
25 individual would have earned during a payroll period shall be
26 considered compensation earnable to the extent provided above, and the
27 individual shall receive the equivalent service credit;

28 (B) In any year in which a member serves in the legislature, the
29 member shall have the option of having such member's compensation
30 earnable be the greater of:

31 (I) The compensation earnable the member would have received had
32 such member not served in the legislature; or

33 (II) Such member's actual compensation earnable received for
34 nonlegislative public employment and legislative service combined. Any
35 additional contributions to the retirement system required because
36 compensation earnable under (b)(ii)(B)(II) of this subsection is
37 greater than compensation earnable under (b)(ii)(B)(I) of this
38 subsection shall be paid by the member for both member and employer
39 contributions;

1 (C) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and
2 72.09.240;

3 (D) Compensation that a member would have received but for a
4 disability occurring in the line of duty only as authorized by RCW
5 41.40.038; and

6 (E) Compensation that a member receives due to participation in the
7 leave sharing program only as authorized by RCW 41.04.650 through
8 41.04.670.

9 (9)(a) "Service" for plan I members, except as provided in RCW
10 41.40.088, means periods of employment in an eligible position or
11 positions for one or more employers rendered to any employer for which
12 compensation is paid, and includes time spent in office as an elected
13 or appointed official of an employer. Compensation earnable earned in
14 full time work for seventy hours or more in any given calendar month
15 shall constitute one service credit month except as provided in RCW
16 41.40.088. Compensation earnable earned for less than seventy hours in
17 any calendar month shall constitute one-quarter service credit month of
18 service except as provided in RCW 41.40.088. Only service credit
19 months and one-quarter service credit months shall be counted in the
20 computation of any retirement allowance or other benefit provided for
21 in this chapter. Any fraction of a year of service shall be taken into
22 account in the computation of such retirement allowance or benefits.
23 Time spent in standby status, whether compensated or not, is not
24 service.

25 (i) Service by a state employee officially assigned by the state on
26 a temporary basis to assist another public agency, shall be considered
27 as service as a state employee: PROVIDED, That service to any other
28 public agency shall not be considered service as a state employee if
29 such service has been used to establish benefits in any other public
30 retirement system.

31 (ii) An individual shall receive no more than a total of twelve
32 service credit months of service during any calendar year. If an
33 individual is employed in an eligible position by one or more employers
34 the individual shall receive no more than one service credit month
35 during any calendar month in which multiple service for seventy or more
36 hours is rendered.

37 (iii) A school district employee may count up to forty-five days of
38 sick leave as creditable service solely for the purpose of determining
39 eligibility to retire under RCW 41.40.180 as authorized by RCW

1 28A.400.300. For purposes of plan I "forty-five days" as used in RCW
2 28A.400.300 is equal to two service credit months. Use of less than
3 forty-five days of sick leave is creditable as allowed under this
4 subsection as follows:

5 (A) Less than twenty-two days equals one-quarter service credit
6 month;

7 (B) Twenty-two days equals one service credit month;

8 (C) More than twenty-two days but less than forty-five days equals
9 one and one-quarter service credit month.

10 (b) "Service" for plan II members, means periods of employment by
11 a member in an eligible position or positions for one or more employers
12 for which compensation earnable is paid. Compensation earnable earned
13 for ninety or more hours in any calendar month shall constitute one
14 service credit month except as provided in RCW 41.40.088. Compensation
15 earnable earned for at least seventy hours but less than ninety hours
16 in any calendar month shall constitute one-half service credit month of
17 service. Compensation earnable earned for less than seventy hours in
18 any calendar month shall constitute one-quarter service credit month of
19 service. Time spent in standby status, whether compensated or not, is
20 not service.

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

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

30 (ii) A member shall receive a total of not more than twelve service
31 credit months of service for such calendar year. If an individual is
32 employed in an eligible position by one or more employers the
33 individual shall receive no more than one service credit month during
34 any calendar month in which multiple service for ninety or more hours
35 is rendered.

36 (iii) Up to forty-five days of sick leave may be creditable as
37 service solely for the purpose of determining eligibility to retire
38 under RCW 41.40.180 as authorized by RCW 28A.400.300. For purposes of
39 plan II "forty-five days" as used in RCW 28A.400.300 is equal to two

1 service credit months. Use of less than forty-five days of sick leave
2 is creditable as allowed under this subsection as follows:

3 (A) Less than eleven days equals one-quarter service credit month;

4 (B) Eleven or more days but less than twenty-two days equals one-
5 half service credit month;

6 (C) Twenty-two days equals one service credit month;

7 (D) More than twenty-two days but less than thirty-three days
8 equals one and one-quarter service credit month;

9 (E) Thirty-three or more days but less than forty-five days equals
10 one and one-half service credit month.

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

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

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

17 (13) "Membership service" means:

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

19 (b) All service after October 1, 1947, to any employer prior to the
20 time of its admission into the retirement system(~~(:—PROVIDED, That an~~
21 ~~amount equal to the employer and employee contributions which would~~
22 ~~have been paid to the retirement system on account of such service~~
23 ~~shall have been paid to the retirement system with interest (as~~
24 ~~computed by the department) on the employee's portion prior to~~
25 ~~retirement of such person, by the employee or his or her employer,~~
26 ~~except as qualified by RCW 41.40.023: PROVIDED FURTHER, That employer~~
27 ~~contributions plus employee contributions with interest submitted by~~
28 ~~the employee under this subsection shall be placed in the employee's~~
29 ~~individual account in the employees' savings fund and be treated as any~~
30 ~~other contribution made by the employee, with the exception that the~~
31 ~~contributions submitted by the employee in payment of the employer's~~
32 ~~obligation, together with the interest the director may apply to the~~
33 ~~employer's contribution, shall be excluded from the calculation of the~~
34 ~~member's annuity in the event the member selects a benefit with an~~
35 ~~annuity option)) for which member and employer contributions, plus
36 interest as required by RCW 41.50.125, have been paid under section 2
37 or 3 of this act;~~

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

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

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

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

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

21 (15) "Regular interest" means such rate as the director may
22 determine.

23 (16) "Accumulated contributions" means the sum of all contributions
24 standing to the credit of a member in the member's individual account,
25 including any amount paid under RCW 41.50.165(2), together with the
26 regular interest thereon.

27 (17)(a) "Average final compensation" for plan I members, means the
28 annual average of the greatest compensation earnable by a member during
29 any consecutive two year period of service credit months for which
30 service credit is allowed; or if the member has less than two years of
31 service credit months then the annual average compensation earnable
32 during the total years of service for which service credit is allowed.

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

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

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

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

9 (21) "Retirement allowance" means the sum of the annuity and the
10 pension.

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

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

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

18 (25) "Eligible position" means:

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

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

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

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

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

36 (29) "Retiree" means any person in receipt of a retirement
37 allowance or other benefit provided by this chapter resulting from
38 service rendered to an employer while a member. A person is in receipt
39 of a retirement allowance as defined in subsection (21) of this section

1 or other benefit as provided by this chapter when the department mails,
2 causes to be mailed, or otherwise transmits the retirement allowance
3 warrant.

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

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

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

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

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

16 (35) "Index" means, for any calendar year, that year's annual
17 average consumer price index, Seattle, Washington area, for urban wage
18 earners and clerical workers, all items, compiled by the bureau of
19 labor statistics, United States department of labor.

20 (36) "Index A" means the index for the year prior to the
21 determination of a postretirement adjustment.

22 (37) "Index B" means the index for the year prior to index A.

23 (38) "Index year" means the earliest calendar year in which the
24 index is more than sixty percent of index A.

25 (39) "Adjustment ratio" means the value of index A divided by index
26 B.

27 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.40 RCW
28 under the subchapter heading "PROVISIONS APPLICABLE TO PLAN I AND PLAN
29 II" to read as follows:

30 Except as qualified by RCW 41.40.023, for employers that were
31 admitted into the retirement system before the effective date of this
32 act, membership service may be established for the employer's former
33 employees who are active members of the system if the member or
34 member's former employer pays an amount equal to the employer and
35 member contributions which would have been paid to the retirement
36 system on account of such service to the retirement system. Payment
37 shall be made prior to the retirement of such member.

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

9 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.40 RCW
10 under the subchapter heading "PROVISIONS APPLICABLE TO PLAN I AND PLAN
11 II" to read as follows:

12 (1) This section applies to the establishment of membership service
13 with employers admitted to the retirement system after the effective
14 date of this act.

15 (2) For current employees, membership service may be established
16 for periods of employment with an employer prior to the employer's
17 admission into the retirement system by making the payments required by
18 this section.

19 The employer must select one of the options in this subsection and
20 apply it uniformly, except as provided in subsection (3) of this
21 section. The required payment shall include the total member and
22 employer contributions that would have been required from the date of
23 each current member's hire.

24 (a) Option A: The employer makes all the required payments within
25 fifteen years from the date of the employer's admission.

26 (b) Option B: The employer makes a portion of the required
27 payments and the member pays the balance. The employer shall not be
28 required to make its payments until the member has made his or her
29 payments. Each member shall have the option to purchase the membership
30 service.

31 (c) Option C: The member makes all of the required payments. Each
32 member shall have the option to purchase the membership service.

33 All payments under options B and C of this subsection must be
34 completed within five years from the date of the employer's admission,
35 or prior to the retirement of the member, whichever occurs sooner. A
36 member may not receive membership service credit under option B or C of
37 this subsection until all required payments have been made.

1 (3) An employer shall not be required to purchase membership
2 service under option A or B for periods of employment for which the
3 employer made contributions to a qualified retirement plan as defined
4 by 26 U.S.C. Sec. 401(a), if the contributions plus interest accrued
5 cannot be transferred to the retirement system. If the employer does
6 not purchase the membership credit under this subsection, the member
7 may purchase the membership service under subsection (2)(c) of this
8 section.

9 (4) A former employee who is an active member of the system and is
10 not covered by subsection (2) of this section may establish membership
11 service by making the required payments under subsection (2)(c) of this
12 section prior to the retirement of the member.

13 (5) All payments made by the member under this section shall be
14 placed in the member's individual account in the members' savings fund.

15 **Sec. 4.** RCW 41.40.062 and 1991 c 35 s 93 are each amended to read
16 as follows:

17 (1) The members and appointive and elective officials of any
18 political subdivision or association of political subdivisions of the
19 state may become members of the retirement system by the approval of
20 the local legislative authority.

21 (2) On and after September 1, 1965, every school district of the
22 state of Washington shall be an employer under this chapter. Every
23 member of each school district who is eligible for membership under RCW
24 41.40.023 shall be a member of the retirement system and participate on
25 the same basis as a person who first becomes a member through the
26 admission of any employer into the retirement system on and after April
27 1, 1949.

28 ~~((3) Each political subdivision becoming an employer under the~~
29 ~~meaning of this chapter shall make contributions to the funds of the~~
30 ~~retirement system as provided in RCW 41.50.250, 41.40.045, and~~
31 ~~41.40.048 and its employees shall contribute to the employees' savings~~
32 ~~fund at the rate established under the provisions of RCW 41.40.330. In~~
33 ~~addition to the foregoing requirement, where the political subdivision~~
34 ~~becoming an employer under this section has its own retirement plan,~~
35 ~~any of the employee members thereof who may elect to transfer to this~~
36 ~~retirement system may, if permitted by the plan, withdraw all or any~~
37 ~~part of their employees' contributions to the former plan and transfer~~
38 ~~the funds to the employees' savings fund at the time of their transfer~~

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

30 (4) Employees of a political subdivision, maintaining its own
31 retirement system, who have been transferred to a health district
32 formed pursuant to chapter 70.46 RCW, but who have been allowed to
33 remain members of the political subdivision's retirement system may be
34 transferred as a group to the Washington public employees' retirement
35 system. This transfer may be made by the action of the legislative
36 authority of the political subdivision maintaining its own retirement
37 system. This transfer shall include employer's and member's funds in
38 the transferring municipalities' retirement system.

1 ~~(5) Employees of a political subdivision, maintaining its own~~
2 ~~retirement system, heretofore transferred to a joint airport operation~~
3 ~~of two municipalities pursuant to chapter 14.08 RCW, may be transferred~~
4 ~~as a group to the Washington public employees' retirement system. This~~
5 ~~transfer may be made by the action of the legislative authority of the~~
6 ~~political subdivision maintaining its own retirement system. This~~
7 ~~transfer shall include employer's and member's funds in the~~
8 ~~transferring municipalities' retirement system.))~~

9 **Sec. 5.** RCW 41.40.160 and 1991 c 35 s 77 are each amended to read
10 as follows:

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

15 (2) Employees of a public utility or other private enterprise all
16 or any portion of which has been heretofore or may be hereafter
17 acquired by a public agency as a matter of public convenience and
18 necessity, where it is in the public interest to retain the trained
19 personnel of such enterprise, all service to that enterprise shall,
20 upon the acquiring public agency becoming an employer as defined in RCW
21 41.40.010(4) be credited on the same basis as if rendered to the said
22 employer: PROVIDED, That this shall apply only to those employees who
23 were in the service of the enterprise at or prior to the time of
24 acquisition by the public agency and who remain in the service of the
25 acquiring agency until they attain membership in the state employees'
26 retirement system; and to those employees who were in the service of
27 the enterprise at the time of acquisition by the public agency and
28 subsequently attain membership through employment with any
29 participating agency: PROVIDED FURTHER, In the event that the
30 acquiring agency is an employer at the time of the acquisition,
31 employer's contributions in connection with members achieving service
32 credit hereunder shall be made on the same basis as set forth in RCW
33 41.40.045 and 41.40.048 for an employer admitted after April 1, 1949,
34 and before the effective date of this act, and on the same basis as set
35 forth in section 3 of this act for an employer admitted after the
36 effective date of this act.

1 NEW SECTION. **Sec. 6.** RCW 41.40.045 and 1989 c 273 s 22, 1986 c
2 268 s 4, 1973 1st ex.s. c 190 s 13, 1972 ex.s. c 151 s 14, 1971 ex.s.
3 c 271 s 11, 1963 c 174 s 15, 1961 c 291 s 11, & 1957 c 231 s 4 are each
4 repealed."

5 **SHB 1430** - S AMD 322
6 By Senators Bauer and Rinehart

7
ADOPTED 4/11/95

8 On page 1, line 2 of the title, after "contributions;" strike the
9 remainder of the title and insert "amending RCW 41.40.062 and
10 41.40.160; reenacting and amending RCW 41.40.010; adding new sections
11 to chapter 41.40 RCW; and repealing RCW 41.40.045."

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