

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1102

Chapter 221, Laws of 1997

55th Legislature
1997 Regular Session

PUBLIC EMPLOYEE RETIREMENT BENEFITS--EXCESS COMPENSATION CLARIFIED

EFFECTIVE DATE: 7/27/97

Passed by the House February 28, 1997
Yeas 95 Nays 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

Passed by the Senate April 17, 1997
Yeas 44 Nays 0

IRV NEWHOUSE
President of the Senate

Approved April 26, 1997

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1102** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

FILED

April 26, 1997 - 11:00 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 1102

Passed Legislature - 1997 Regular Session

State of Washington

55th Legislature

1997 Regular Session

By Representatives Lambert, H. Sommers, Cooke, Carlson, Conway, Ogden and Mason; by request of Joint Committee on Pension Policy

Read first time 01/14/97. Referred to Committee on Appropriations.

1 AN ACT Relating to retirement benefits based on the definition of
2 excess compensation; and amending RCW 41.50.150.

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

4 **Sec. 1.** RCW 41.50.150 and 1995 c 244 s 1 are each amended to read
5 as follows:

6 (1) The employer of any employee whose retirement benefits are
7 based in part on excess compensation, as defined in this section,
8 shall, upon receipt of a billing from the department, pay into the
9 appropriate retirement system the present value at the time of the
10 employee's retirement of the total estimated cost of all present and
11 future benefits from the retirement system attributable to the excess
12 compensation. The state actuary shall determine the estimated cost
13 using the same method and procedure as is used in preparing fiscal note
14 costs for the legislature. However, the director may in the director's
15 discretion decline to bill the employer if the amount due is less than
16 fifty dollars. Accounts unsettled within thirty days of the receipt of
17 the billing shall be assessed an interest penalty of one percent of the
18 amount due for each month or fraction thereof beyond the original
19 thirty-day period.

1 (2) "Excess compensation," as used in this section, includes ((any
2 ~~payment that was~~) the following payments, if used in the calculation
3 of the employee's retirement allowance(~~(, except regular salary and~~
4 ~~overtime compensated at up to twice the regular rate of pay. Excess~~
5 ~~compensation includes but is not limited to~~)):

6 (a) A cash out of unused annual leave in excess of two hundred
7 forty hours of such leave. "Cash out" for purposes of this subsection
8 means:

9 (i) Any payment in lieu of an accrual of annual leave; or

10 (ii) Any payment added to salary or wages, concurrent with a
11 reduction of annual leave;

12 (b) A cash out of any other form of leave;

13 (c) A payment for, or in lieu of, any personal expense or
14 transportation allowance to the extent that payment qualifies as
15 reportable compensation in the member's retirement system;

16 (d) The portion of any payment, including overtime payments, that
17 exceeds twice the regular daily or hourly rate of pay; and

18 (e) Any ((~~other~~)) termination or severance payment.

19 (3) This section applies to the retirement systems listed in RCW
20 41.50.030 and to retirements occurring on or after March 15, 1984.
21 Nothing in this section is intended to amend or determine the meaning
22 of any definition in chapter 2.10, 2.12, 41.26, 41.32, 41.40, or 43.43
23 RCW or to determine in any manner what payments are includable in the
24 calculation of a retirement allowance under such chapters.

25 (4) An employer is not relieved of liability under this section
26 because of the death of any person either before or after the billing
27 from the department.

Passed the House February 28, 1997.

Passed the Senate April 17, 1997.

Approved by the Governor April 26, 1997.

Filed in Office of Secretary of State April 26, 1997.