

CERTIFICATION OF ENROLLMENT

ENGROSSED SENATE BILL 5143

Chapter 329, Laws of 2001

(partial veto)

57th Legislature
2001 Regular Session

STATE PATROL RETIREMENT SYSTEM

EFFECTIVE DATE: 7/1/01

Passed by the Senate April 16, 2001
YEAS 47 NAYS 0

BRAD OWEN
President of the Senate

Passed by the House April 10, 2001
YEAS 92 NAYS 0

FRANK CHOPP
**Speaker of the
House of Representatives**

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

Approved May 15, 2001, with the
exception of sections 1 and 2, which
are vetoed.

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the
Senate of the State of Washington, do
hereby certify that the attached is
ENGROSSED SENATE BILL 5143 as passed
by the Senate and the House of
Representatives on the dates hereon
set forth.

TONY M. COOK
Secretary

FILED

May 15, 2001 - 3:19 p.m.

**Secretary of State
State of Washington**

ENGROSSED SENATE BILL 5143

AS AMENDED BY THE HOUSE

Passed Legislature - 2001 Regular Session

State of Washington 57th Legislature 2001 Regular Session

By Senators Long, Honeyford, Carlson, Franklin, Winsley, Fraser and
Haugen; by request of Joint Committee on Pension Policy

Read first time 01/12/2001. Referred to Committee on Ways & Means.

1 AN ACT Relating to the Washington state patrol retirement system
2 retirement and survivor benefits; amending RCW 43.43.040, 43.43.120,
3 43.43.260, 43.43.270, 43.43.274, 43.43.278, and 41.45.060; adding new
4 sections to chapter 43.43 RCW; adding a new section to chapter 41.45
5 RCW; repealing RCW 43.43.272, 43.43.276, and 43.43.300; providing an
6 effective date; and declaring an emergency.

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

8 **Sec. 1. RCW 43.43.040 and 1998 c 194 s 1 are each amended to read*
9 *as follows:*

10 *(1) The chief of the Washington state patrol shall relieve from*
11 *active duty Washington state patrol officers who, while in the*
12 *performance of their official duties, or while on standby or available*
13 *for duty, have been or hereafter may be injured or incapacitated to*
14 *such an extent as to be mentally or physically incapable of active*
15 *service: PROVIDED, That:*

16 *(a) Any officer disabled while performing line duty who is found by*
17 *the chief to be physically incapacitated shall be placed on disability*
18 *leave for a period not to exceed six months from the date of injury or*
19 *the date incapacitated. During this period, the officer shall be*

1 entitled to all pay, benefits, insurance, leave, and retirement
2 contributions awarded to an officer on active status, less any
3 compensation received through the department of labor and industries.
4 No such disability leave shall be approved until an officer has been
5 unavailable for duty for more than forty consecutive work hours. Prior
6 to the end of the six-month period, the chief shall either place the
7 officer on disability status or return the officer to active status.

8 For the purposes of this section, "line duty" is active service
9 which encompasses the traffic law enforcement duties and/or other law
10 enforcement responsibilities of the state patrol. These activities
11 encompass all enforcement practices of the laws, accident and criminal
12 investigations, or actions requiring physical exertion or exposure to
13 hazardous elements.

14 The chief shall define by rule the situations where a disability
15 has occurred during line duty;

16 (b) Benefits under this section for a disability that is incurred
17 while in other employment will be reduced by any amount the officer
18 receives or is entitled to receive from workers' compensation, social
19 security, group insurance, other pension plan, or any other similar
20 source provided by another employer on account of the same disability;

21 (c) An officer injured while engaged in willfully tortious or
22 criminal conduct shall not be entitled to disability benefits under
23 this section; and

24 (d) For members commissioned prior to January 1, 2003, should a
25 disability beneficiary whose disability was not incurred in line of
26 duty, prior to attaining age fifty, engage in a gainful occupation, the
27 chief shall reduce the amount of his retirement allowance to an amount
28 which when added to the compensation earned by him in such occupation
29 shall not exceed the basic salary currently being paid for the rank the
30 retired officer held at the time he was disabled. All such disability
31 beneficiaries under age fifty shall file with the chief every six
32 months a signed and sworn statement of earnings and any person who
33 shall knowingly swear falsely on such statement shall be subject to
34 prosecution for perjury. Should the earning capacity of such
35 beneficiary be further altered, the chief may further alter his
36 disability retirement allowance as indicated above. The failure of any
37 officer to file the required statement of earnings shall be cause for
38 cancellation of retirement benefits.

1 (2) (~~Officers~~) (a) Members commissioned prior to January 1, 2003,
2 on disability status shall receive one-half of their compensation at
3 the existing wage, during the time the disability continues in effect,
4 less any compensation received through the department of labor and
5 industries. They shall be subject to mental or physical examination at
6 any state institution or otherwise under the direction of the chief of
7 the patrol at any time during such relief from duty to ascertain
8 whether or not they are able to resume active duty.

9 (b) Members commissioned on or after January 1, 2003, on disability
10 status as a result of a line duty disability shall receive a line duty
11 disability allowance of one-half of their compensation at the existing
12 wage, during the time the disability continues in effect, less any
13 compensation received through the department of labor and industries,
14 and any retirement allowance under section 2 of this act. They shall
15 be subject to such comprehensive medical examinations as required by
16 the chief of the patrol at any time during such relief from duty. If
17 these medical examinations reveal that a member has recovered from the
18 incapacitating disability and the member is offered reemployment by the
19 chief at a comparable compensation, the member shall cease to be
20 eligible for this line duty disability allowance.

21 *Sec. 1 was vetoed. See message at end of chapter.

22 *NEW SECTION. Sec. 2. (1) A member of the retirement system
23 commissioned on or after January 1, 2003, who becomes totally
24 incapacitated for continued employment by an employer as determined by
25 the department upon recommendation of the department shall be eligible
26 to receive an allowance under RCW 43.43.260. The member shall receive
27 a monthly disability allowance computed as provided for in RCW
28 43.43.260 and shall have this allowance actuarially reduced to reflect
29 the difference in the number of years between age at disability and the
30 attainment of age fifty-five or from when the member could have
31 attained twenty-five years of service, whichever is less.

32 Any member who receives an allowance under the provisions of this
33 section shall be subject to comprehensive medical examinations as
34 required by the department. If these medical examinations reveal that
35 a member has recovered from the incapacitating disability and the
36 member is offered reemployment by the chief at a comparable
37 compensation, the member shall cease to be eligible for the allowance.

1 (2) *If the recipient of a monthly retirement allowance under this*
2 *section dies before the total of the retirement allowance paid to the*
3 *recipient equals the amount of the accumulated contributions at the*
4 *date of retirement, then the balance shall be paid to the member's*
5 *estate, or the person or persons, trust, or organization as the*
6 *recipient has nominated by written designation duly executed and filed*
7 *with the director, or if there is no designated person or persons still*
8 *living at the time of the recipient's death, then to the surviving*
9 *spouse, or if there is no designated person or persons still living at*
10 *the time of his or her death nor a surviving spouse, then to his or her*
11 *legal representative.*

12 *Sec. 2 was vetoed. See message at end of chapter.

13 **Sec. 3.** RCW 43.43.120 and 1999 c 74 s 1 are each amended to read
14 as follows:

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

17 (1) "Retirement system" means the Washington state patrol
18 retirement system.

19 (2) "Retirement fund" means the Washington state patrol retirement
20 fund.

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

23 (4) "Member" means any person included in the membership of the
24 retirement fund.

25 (5) "Employee" means any commissioned employee of the Washington
26 state patrol.

27 (6)(a) "Cadet," for a person who became a member of the retirement
28 system after June 12, 1980, is a person who has passed the Washington
29 state patrol's entry-level oral, written, physical performance, and
30 background examinations and is, thereby, appointed by the chief as a
31 candidate to be a commissioned officer of the Washington state patrol.

32 (b) "Cadet," for a person who became a member of the retirement
33 system before June 12, 1980, is a trooper cadet, patrol cadet, or
34 employee of like classification, employed for the express purpose of
35 receiving the on-the-job training required for attendance at the state
36 patrol academy and for becoming a commissioned trooper. "Like
37 classification" includes: Radio operators or dispatchers; persons
38 providing security for the governor or legislature; patrolmen; drivers'

1 license examiners; weighmasters; vehicle safety inspectors; central
2 wireless operators; and warehousemen.

3 (7) "Beneficiary" means any person in receipt of retirement
4 allowance or any other benefit allowed by this chapter.

5 (8) "Regular interest" means interest compounded annually at such
6 rates as may be determined by the director.

7 (9) "Retirement board" means the board provided for in this
8 chapter.

9 (10) "Insurance commissioner" means the insurance commissioner of
10 the state of Washington.

11 (11) "Lieutenant governor" means the lieutenant governor of the
12 state of Washington.

13 (12) "Service" shall mean services rendered to the state of
14 Washington or any political subdivisions thereof for which compensation
15 has been paid. Full time employment for seventy or more hours in any
16 given calendar month shall constitute one month of service. An
17 employee who is reinstated in accordance with RCW 43.43.110 shall
18 suffer no loss of service for the period reinstated subject to the
19 contribution requirements of this chapter. Only months of service
20 shall be counted in the computation of any retirement allowance or
21 other benefit provided for herein. Years of service shall be
22 determined by dividing the total number of months of service by twelve.
23 Any fraction of a year of service as so determined shall be taken into
24 account in the computation of such retirement allowance or benefit.

25 (13) "Prior service" shall mean all services rendered by a member
26 to the state of Washington, or any of its political subdivisions prior
27 to August 1, 1947, unless such service has been credited in another
28 public retirement or pension system operating in the state of
29 Washington.

30 (14) "Current service" shall mean all service as a member rendered
31 on or after August 1, 1947.

32 (15)(a) "Average final salary," for members commissioned prior to
33 January 1, 2003, shall mean the average monthly salary received by a
34 member during the member's last two years of service or any consecutive
35 two-year period of service, whichever is the greater, as an employee of
36 the Washington state patrol; or if the member has less than two years
37 of service, then the average monthly salary received by the member
38 during the member's total years of service.

1 (b) "Average final salary," for members commissioned on or after
2 January 1, 2003, shall mean the average monthly salary received by a
3 member for the highest consecutive sixty service credit months; or if
4 the member has less than sixty months of service, then the average
5 monthly salary received by the member during the member's total months
6 of service.

7 (16) "Actuarial equivalent" shall mean a benefit of equal value
8 when computed upon the basis of such mortality table as may be adopted
9 and such interest rate as may be determined by the director.

10 (17) Unless the context expressly indicates otherwise, words
11 importing the masculine gender shall be extended to include the
12 feminine gender and words importing the feminine gender shall be
13 extended to include the masculine gender.

14 (18) "Director" means the director of the department of retirement
15 systems.

16 (19) "Department" means the department of retirement systems
17 created in chapter 41.50 RCW.

18 (20) "State actuary" or "actuary" means the person appointed
19 pursuant to RCW 44.44.010(2).

20 (21) "Contributions" means the deduction from the compensation of
21 each member in accordance with the contribution rates established under
22 (~~RCW 43.43.300~~) chapter 41.45 RCW.

23 (22) "Annual increase" means as of July 1, 1999, seventy-seven
24 cents per month per year of service which amount shall be increased
25 each subsequent July 1st by three percent, rounded to the nearest cent.

26 (23)(a) "Salary," for members commissioned prior to July 1, 2001,
27 shall exclude any overtime earnings related to RCW 47.46.040, or any
28 voluntary overtime, earned on or after July 1, 2001.

29 (b) "Salary," for members commissioned on or after July 1, 2001,
30 shall exclude any overtime earnings related to RCW 47.46.040 or any
31 voluntary overtime, lump sum payments for deferred annual sick leave,
32 unused accumulated vacation, unused accumulated annual leave, holiday
33 pay, or any form of severance pay.

34 (24) "Plan 2" means the Washington state patrol retirement system
35 plan 2, providing the benefits and funding provisions covering
36 commissioned employees who first become members of the system on or
37 after January 1, 2003.

1 **Sec. 4.** RCW 43.43.260 and 1994 c 197 s 34 are each amended to read
2 as follows:

3 Upon retirement from service as provided in RCW 43.43.250, a member
4 shall be granted a retirement allowance which shall consist of:

5 (1) A prior service allowance which shall be equal to two percent
6 of the member's average final salary multiplied by the number of years
7 of prior service rendered by the member.

8 (2) A current service allowance which shall be equal to two percent
9 of the member's average final salary multiplied by the number of years
10 of service rendered while a member of the retirement system.

11 (3)(a) Any member commissioned prior to January 1, 2003, with
12 twenty-five years service in the Washington state patrol may have the
13 member's service in the armed forces credited as a member whether or
14 not the individual left the employ of the Washington state patrol to
15 enter such armed forces: PROVIDED, That in no instance shall military
16 service in excess of five years be credited: AND PROVIDED FURTHER,
17 That in each instance, a member must restore all withdrawn accumulated
18 contributions, which restoration must be completed on the date of the
19 member's retirement, or as provided under RCW 43.43.130, whichever
20 occurs first: AND PROVIDED FURTHER, That this section shall not apply
21 to any individual, not a veteran within the meaning of RCW 41.06.150,
22 as now or hereafter amended: AND PROVIDED FURTHER, That in no instance
23 shall military service be credited to any member who is receiving full
24 military retirement benefits pursuant to Title 10 United States Code,
25 as now or hereafter amended.

26 **(b) A member who leaves the Washington state patrol to enter the**
27 **armed forces of the United States shall be entitled to retirement**
28 **system service credit for up to five years of military service. This**
29 **subsection shall be administered in a manner consistent with the**
30 **requirements of the federal uniformed services employment and**
31 **reemployment rights act.**

32 **(i) The member qualifies for service credit under this subsection**
33 **if:**

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

38 **(B) The member makes the employee contributions required under**
39 **section 11 of this act and RCW 41.45.067 within five years of**

1 resumption of service or prior to retirement, whichever comes sooner;
2 or

3 (C) Prior to retirement and not within ninety days of the member's
4 honorable discharge or five years of resumption of service the member
5 pays the amount required under RCW 41.50.165(2).

6 (ii) Upon receipt of member contributions under (b)(i)(B) of this
7 subsection, the department shall establish the member's service credit
8 and shall bill the employer for its contribution required under RCW
9 41.45.060 for the period of military service, plus interest as
10 determined by the department.

11 (iii) The contributions required under (b)(i)(B) of this subsection
12 shall be based on the compensation the member would have earned if not
13 on leave, or if that cannot be estimated with reasonable certainty, the
14 compensation reported for the member in the year prior to when the
15 member went on military leave.

16 (4) In no event shall the total retirement benefits from
17 subsections (1), (2), and (3) of this section, of any member exceed
18 seventy-five percent of the member's average final salary.

19 (5) ~~((A yearly increase in retirement allowance which shall amount~~
20 ~~to two percent of the retirement allowance computed at the time of~~
21 ~~retirement. This yearly increase shall be added to the retirement~~
22 ~~allowance on July 1st of each calendar year.)) Beginning July 1, 2001,~~

23 and every year thereafter, the department shall determine the following
24 information for each retired member or beneficiary whose retirement
25 allowance has been in effect for at least one year:

26 (a) The original dollar amount of the retirement allowance;

27 (b) The index for the calendar year prior to the effective date of
28 the retirement allowance, to be known as "index A";

29 (c) The index for the calendar year prior to the date of
30 determination, to be known as "index B"; and

31 (d) The ratio obtained when index B is divided by index A.

32 The value of the ratio obtained shall be the annual adjustment to
33 the original retirement allowance and shall be applied beginning with
34 the July payment. In no event, however, shall the annual adjustment:

35 (i) Produce a retirement allowance which is lower than the original
36 retirement allowance;

37 (ii) Exceed three percent in the initial annual adjustment; or

38 (iii) Differ from the previous year's annual adjustment by more
39 than three percent.

1 For the purposes of this section, "index" means, for any calendar
2 year, that year's average consumer price index for the Seattle-Tacoma-
3 Bremerton Washington area for urban wage earners and clerical workers,
4 all items, compiled by the bureau of labor statistics, United States
5 department of labor.

6 The provisions of this section shall apply to all members presently
7 retired and to all members who shall retire in the future.

8 NEW SECTION. Sec. 5. (1) A member commissioned on or after
9 January 1, 2003, upon retirement for service as prescribed in RCW
10 43.43.250 or disability retirement under RCW 43.43.040, shall elect to
11 have the retirement allowance paid pursuant to the following options,
12 calculated so as to be actuarially equivalent to each other.

13 (a) Standard allowance. A member electing this option shall
14 receive a retirement allowance payable throughout the member's life.
15 However, if the retiree dies before the total of the retirement
16 allowance paid to the retiree equals the amount of the retiree's
17 accumulated contributions at the time of retirement, then the balance
18 shall be paid to the member's estate, or such person or persons, trust,
19 or organization as the retiree shall have nominated by written
20 designation duly executed and filed with the department; or if there be
21 no such designated person or persons still living at the time of the
22 retiree's death, then to the surviving spouse; or if there be neither
23 such designated person or persons still living at the time of death nor
24 a surviving spouse, then to the retiree's legal representative.

25 (b) The department shall adopt rules that allow a member to select
26 a retirement option that pays the member a reduced retirement allowance
27 and upon death, such portion of the member's reduced retirement
28 allowance as the department by rule designates shall be continued
29 throughout the life of and paid to a designated person. Such person
30 shall be nominated by the member by written designation duly executed
31 and filed with the department at the time of retirement. The options
32 adopted by the department shall include, but are not limited to, a
33 joint and one hundred percent survivor option and a joint and fifty
34 percent survivor option.

35 (2)(a) A member, if married, must provide the written consent of
36 his or her spouse to the option selected under this section, except as
37 provided in (b) of this subsection. If a member is married and both
38 the member and member's spouse do not give written consent to an option

1 under this section, the department will pay the member a joint and
2 fifty percent survivor benefit and record the member's spouse as the
3 beneficiary. This benefit shall be calculated to be actuarially
4 equivalent to the benefit options available under subsection (1) of
5 this section unless spousal consent is not required as provided in (b)
6 of this subsection.

7 (b) If a copy of a dissolution order designating a survivor
8 beneficiary under RCW 41.50.790 has been filed with the department at
9 least thirty days prior to a member's retirement:

10 (i) The department shall honor the designation as if made by the
11 member under subsection (1) of this section; and

12 (ii) The spousal consent provisions of (a) of this subsection do
13 not apply.

14 (3) No later than January 1, 2003, the department shall adopt rules
15 that allow a member additional actuarially equivalent survivor benefit
16 options, and shall include, but are not limited to:

17 (a)(i) A retired member who retired without designating a survivor
18 beneficiary shall have the opportunity to designate their spouse from
19 a postretirement marriage as a survivor during a one-year period
20 beginning one year after the date of the postretirement marriage
21 provided the retirement allowance payable to the retiree is not subject
22 to periodic payments pursuant to a property division obligation as
23 provided for in RCW 41.50.670.

24 (ii) A member who entered into a postretirement marriage prior to
25 the effective date of the rules adopted pursuant to this subsection and
26 satisfies the conditions of (a)(i) of this subsection shall have one
27 year to designate their spouse as a survivor beneficiary following the
28 adoption of the rules.

29 (b) A retired member who elected to receive a reduced retirement
30 allowance under this section and designated a nonspouse as survivor
31 beneficiary shall have the opportunity to remove the survivor
32 designation and have their future benefit adjusted.

33 (c) The department may make an additional charge, if necessary, to
34 ensure that the benefits provided under this subsection remain
35 actuarially equivalent.

36 **Sec. 6.** RCW 43.43.270 and 1989 c 108 s 1 are each amended to read
37 as follows:

38 For members commissioned prior to January 1, 2003:

1 (1) The normal form of retirement allowance shall be an allowance
2 which shall continue as long as the member lives.

3 (2) If a member should die while in service the member's lawful
4 spouse shall be paid an allowance which shall be equal to fifty percent
5 of the average final salary of the member. If the member should die
6 after retirement the member's lawful spouse shall be paid an allowance
7 which shall be equal to the retirement allowance then payable to the
8 member or fifty percent of the final average salary used in computing
9 the member's retirement allowance, whichever is less. The allowance
10 paid to the lawful spouse shall continue as long as the spouse lives:
11 PROVIDED, That if a surviving spouse who is receiving benefits under
12 this subsection marries another member of this retirement system who
13 subsequently predeceases such spouse, the spouse shall then be entitled
14 to receive the higher of the two survivors' allowances for which
15 eligibility requirements were met, but a surviving spouse shall not
16 receive more than one survivor's allowance from this system at the same
17 time under this subsection. To be eligible for an allowance the lawful
18 surviving spouse of a retired member shall have been married to the
19 member prior to the member's retirement and continuously thereafter
20 until the date of the member's death or shall have been married to the
21 retired member at least two years prior to the member's death.

22 (3) If a member should die, either while in service or after
23 retirement, the member's surviving unmarried children under the age of
24 eighteen years shall be provided for in the following manner:

25 (a) If there is a surviving spouse, each child shall be entitled to
26 a benefit equal to five percent of the final average salary of the
27 member or retired member. The combined benefits to the surviving
28 spouse and all children shall not exceed sixty percent of the final
29 average salary of the member or retired member; and

30 (b) If there is no surviving spouse or the spouse should die, the
31 child or children shall be entitled to a benefit equal to thirty
32 percent of the final average salary of the member or retired member for
33 one child and an additional ten percent for each additional child. The
34 combined benefits to the children under this subsection shall not
35 exceed sixty percent of the final average salary of the member or
36 retired member. Payments under this subsection shall be prorated
37 equally among the children, if more than one.

38 (4) If a member should die in the line of duty while employed by
39 the Washington state patrol, the member's surviving children under the

1 age of twenty years and eleven months if attending any high school,
2 college, university, or vocational or other educational institution
3 accredited or approved by the state of Washington shall be provided for
4 in the following manner:

5 (a) If there is a surviving spouse, each child shall be entitled to
6 a benefit equal to five percent of the final average salary of the
7 member. The combined benefits to the surviving spouse and all children
8 shall not exceed sixty percent of the final average salary of the
9 member;

10 (b) If there is no surviving spouse or the spouse should die, the
11 unmarried child or children shall be entitled to receive a benefit
12 equal to thirty percent of the final average salary of the member or
13 retired member for one child and an additional ten percent for each
14 additional child. The combined benefits to the children under this
15 subsection shall not exceed sixty percent of the final average salary.
16 Payments under this subsection shall be prorated equally among the
17 children, if more than one; and

18 (c) If a beneficiary under this subsection reaches the age of
19 twenty-one years during the middle of a term of enrollment the benefit
20 shall continue until the end of that term.

21 (5) The provisions of this section shall apply to members who have
22 been retired on disability as provided in RCW 43.43.040 if the officer
23 was a member of the Washington state patrol retirement system at the
24 time of such disability retirement.

25 NEW SECTION. **Sec. 7.** (1) For members commissioned on or after
26 January 1, 2003, except as provided in RCW 11.07.010, if a member or a
27 vested member who has not completed at least ten years of service dies,
28 the amount of the accumulated contributions standing to such member's
29 credit in the retirement system at the time of such member's death,
30 less any amount identified as owing to an obligee upon withdrawal of
31 accumulated contributions pursuant to a court order filed under RCW
32 41.50.670, shall be paid to the member's estate, or such person or
33 persons, trust, or organization as the member shall have nominated by
34 written designation duly executed and filed with the department. If
35 there be no such designated person or persons still living at the time
36 of the member's death, such member's accumulated contributions standing
37 to such member's credit in the retirement system, less any amount
38 identified as owing to an obligee upon withdrawal of accumulated

1 contributions pursuant to a court order filed under RCW 41.50.670,
2 shall be paid to the member's estate, or such person or persons, trust,
3 or organization as the member shall have nominated by written
4 designation duly executed and filed with the department. If there be
5 no such designated person or persons still living at the time of the
6 member's death, such member's accumulated contributions standing to
7 such member's credit in the retirement system, less any amount
8 identified as owing to an obligee upon withdrawal of accumulated
9 contributions pursuant to a court order filed under RCW 41.50.670,
10 shall be paid to the member's surviving spouse as if in fact such
11 spouse had been nominated by written designation, or if there be no
12 such surviving spouse, then to such member's legal representatives.

13 (2) If a member who is eligible for retirement or a member who has
14 completed at least ten years of service dies, the surviving spouse or
15 eligible child or children shall elect to receive either:

16 (a) A retirement allowance computed as provided for in RCW
17 43.43.260, actuarially reduced by the amount of any lump sum benefit
18 identified as owing to an obligee upon withdrawal of accumulated
19 contributions pursuant to a court order filed under RCW 41.50.670 and
20 actuarially adjusted to reflect a joint and one hundred percent
21 survivor option under RCW 43.43.278 and if the member was not eligible
22 for normal retirement at the date of death a further reduction from age
23 fifty-five or when the member could have attained twenty-five years of
24 service, whichever is less; if a surviving spouse who is receiving a
25 retirement allowance dies leaving a child or children of the member
26 under the age of majority, then such child or children shall continue
27 to receive an allowance in an amount equal to that which was being
28 received by the surviving spouse, share and share alike, until such
29 child or children reach the age of majority; if there is no surviving
30 spouse eligible to receive an allowance at the time of the member's
31 death, such member's child or children under the age of majority shall
32 receive an allowance share and share alike calculated under this
33 section making the assumption that the ages of the spouse and member
34 were equal at the time of the member's death; or

35 (b)(i) The member's accumulated contributions, less any amount
36 identified as owing to an obligee upon withdrawal of accumulated
37 contributions pursuant to a court order filed under RCW 41.50.670; or

38 (ii) If the member dies, one hundred fifty percent of the member's
39 accumulated contributions, less any amount identified as owing to an

1 obligee upon withdrawal of accumulated contributions pursuant to a
2 court order filed under RCW 41.50.670. Any accumulated contributions
3 attributable to restorations made under RCW 41.50.165(2) shall be
4 refunded at one hundred percent.

5 (3) If a member who is eligible for retirement or a member who has
6 completed at least ten years of service dies, and is not survived by a
7 spouse or an eligible child, then the accumulated contributions
8 standing to the member's credit, less any amount identified as owing to
9 an obligee upon withdrawal of accumulated contributions pursuant to a
10 court order filed under RCW 41.50.670, shall be paid:

11 (a) To an estate, a person or persons, trust, or organization as
12 the member shall have nominated by written designation duly executed
13 and filed with the department; or

14 (b) If there is no such designated person or persons still living
15 at the time of the member's death, then to the member's legal
16 representatives.

17 **Sec. 8.** RCW 43.43.274 and 1999 c 74 s 3 are each amended to read
18 as follows:

19 Effective (~~(July 1, 1997)~~) January 1, 2003, the minimum retirement
20 allowance under RCW 43.43.260 and 43.43.270(2) in effect on January 1,
21 2002, shall (~~(not be less than twenty dollars per month for each year~~
22 ~~of service. Effective July 1, 1999, and annually thereafter, the~~
23 ~~retirement allowance provided under this section shall be adjusted by~~
24 ~~the annual increase amount. If the member has elected to receive a~~
25 ~~reduced retirement allowance under RCW 43.43.280(2), the minimum~~
26 ~~retirement allowance under this section shall be reduced accordingly))~~
27 be increased by three percent. Each January 1st thereafter, the
28 minimum retirement allowance of the preceding year shall be increased
29 by three percent.

30 **Sec. 9.** RCW 43.43.278 and 2000 c 186 s 9 are each amended to read
31 as follows:

32 By July 1, 2000, the department of retirement systems shall adopt
33 rules that allow a member to select an actuarially equivalent
34 retirement option that pays the member a reduced retirement allowance
35 and upon death shall be continued throughout the life of a lawful
36 surviving spouse. The continuing allowance to the lawful surviving
37 spouse shall be subject to the yearly increase provided by RCW

1 43.43.260(5) (~~in lieu of the annual increase provided in RCW~~
2 ~~43.43.272~~). The allowance to the lawful surviving spouse under this
3 section, and the allowance for an eligible child or children under RCW
4 43.43.270, shall not be subject to the limit for combined benefits
5 under RCW 43.43.270.

6 **Sec. 10.** RCW 41.45.060 and 2000 2nd sp.s. c 1 s 905 are each
7 amended to read as follows:

8 (1) The state actuary shall provide actuarial valuation results
9 based on the assumptions adopted under RCW 41.45.030.

10 (2) Not later than September 30, 1998, and every two years
11 thereafter, consistent with the assumptions adopted under RCW
12 41.45.030, the council shall adopt and may make changes to:

13 (a) A basic state contribution rate for the law enforcement
14 officers' and fire fighters' retirement system;

15 (b) Basic employer contribution rates for the public employees'
16 retirement system, the teachers' retirement system, and the Washington
17 state patrol retirement system to be used in the ensuing biennial
18 period; and

19 (c) A basic employer contribution rate for the school employees'
20 retirement system for funding the public employees' retirement system
21 plan 1.

22 For the 1999-2001 fiscal biennium, the rates adopted by the council
23 shall be effective for the period designated in section 902, chapter 1,
24 Laws of 2000 2nd sp. sess. and RCW 41.45.0602.

25 (3) The employer and state contribution rates adopted by the
26 council shall be the level percentages of pay that are needed:

27 (a) To fully amortize the total costs of the public employees'
28 retirement system plan 1, the teachers' retirement system plan 1, and
29 the law enforcement officers' and fire fighters' retirement system plan
30 1(~~(, and the unfunded liability of the Washington state patrol~~
31 ~~retirement system)~~) not later than June 30, 2024, except as provided in
32 subsection (5) of this section;

33 (b) To also continue to fully fund the public employees' retirement
34 system plans 2 and 3, the teachers' retirement system plans 2 and 3,
35 the school employees' retirement system plans 2 and 3, and the law
36 enforcement officers' and fire fighters' retirement system plan 2 in
37 accordance with RCW 41.45.061, 41.45.067, and this section; and

1 (c) For the law enforcement officers' and fire fighters' system
2 plan 2 the rate charged to employers, except as provided in RCW
3 41.26.450, shall be thirty percent of the cost of the retirement system
4 and the rate charged to the state shall be twenty percent of the cost
5 of the retirement system.

6 (4) The aggregate actuarial cost method shall be used to calculate
7 a combined plan 2 and 3 employer contribution rate and a Washington
8 state patrol retirement system contribution rate.

9 (5) An amount equal to the amount of extraordinary investment gains
10 as defined in RCW 41.31.020 shall be used to shorten the amortization
11 period for the public employees' retirement system plan 1 and the
12 teachers' retirement system plan 1.

13 (6) The council shall immediately notify the directors of the
14 office of financial management and department of retirement systems of
15 the state and employer contribution rates adopted.

16 (7) The director of the department of retirement systems shall
17 collect those rates adopted by the council.

18 NEW SECTION. **Sec. 11.** Beginning July 1, 2001, the required
19 contribution rate for members of the Washington state patrol retirement
20 system shall be two percent or equal to the employer rate adopted under
21 RCW 41.45.060 and 41.45.070 for the Washington state patrol retirement
22 system, whichever is greater.

23 NEW SECTION. **Sec. 12.** The following acts or parts of acts are
24 each repealed:

25 (1) RCW 43.43.272 (Surviving spouse allowance--Annual adjustment)
26 and 1999 c 74 s 2;

27 (2) RCW 43.43.276 (Retirement and beneficiary allowances--Post-
28 retirement adjustment--Minimum adjustment) and 1983 1st ex.s. c 56 s 5;
29 and

30 (3) RCW 43.43.300 (Contributions by members--State contributions
31 remain in fund if member leaves patrol) and 2000 c 17 s 1 & 1965 c 8 s
32 43.43.300.

33 NEW SECTION. **Sec. 13.** (1) Sections 2, 5, and 7 of this act are
34 each added to chapter 43.43 RCW.

35 (2) Section 11 of this act is added to chapter 41.45 RCW.

1 NEW SECTION. **Sec. 14.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 July 1, 2001.

 Passed the Senate April 16, 2001.

 Passed the House April 10, 2001.

 Approved by the Governor May 15, 2001, with the exception of
 certain items that were vetoed.

 Filed in Office of Secretary of State May 15, 2001.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to sections 1 and
3 2, Engrossed Senate Bill No. 5143 entitled:

4 "AN ACT Relating to the Washington state patrol retirement system
5 retirement and survivor benefits;"

6 Engrossed Senate Bill No. 5143 restructures the Washington State
7 Patrol retirement plan. It increases cost-of-living adjustments,
8 reduces contribution rates and makes several other worthwhile changes.

9 Sections 1 and 2 of the bill would have created a new "Plan II"
10 that would have greatly reduced non-duty disability benefits for newly
11 hired Washington State Patrol officers. While I understand the
12 legislature's desire for uniformity among public pension systems, I
13 think these changes require further consideration.

14 While similar benefit provisions exist for other state employees
15 who are members of Plan II retirement systems, those employees are also
16 eligible for disability coverage through the social security system.
17 State Patrol officers are not covered by social security, and the new
18 provisions proposed in this bill would have left them and their
19 families vulnerable. All State Patrol officers should be assured of
20 benefits that are at least equal to those of other state employees.

21 People who serve the state deserve fair and equitable protection
22 against loss of their ability to work. This gap could be addressed in
23 a number of ways, and I am willing to consider alternative approaches
24 to meeting this need. I would be happy to work with the legislature in
25 developing a revised plan.

26 In the meantime, however, drastically reducing the disability
27 coverage for the newest members of the Washington State Patrol without
28 due consideration of how it will be replaced is too great a risk.

29 For these reasons, I have vetoed sections 1 and 2 of Engrossed
30 Senate Bill No. 5143.

31 With the exception of sections 1 and 2, Engrossed Senate Bill No.
32 5143 is approved."