
HOUSE BILL 2198

State of Washington 58th Legislature 2003 Regular Session

By Representatives Cooper, Delvin and Simpson

Read first time 03/04/2003. Referred to Committee on Appropriations.

1 AN ACT Relating to removing the allocation of excess earnings from
2 section 6 of Initiative Measure No. 790; and amending RCW 41.26.725.

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

4 **Sec. 1.** RCW 41.26.725 and 2003 c 2 s 6 (Initiative Measure No.
5 790) are each amended to read as follows:

6 (1) The board of trustees shall establish contributions as set
7 forth in this section. The cost of the minimum benefits as defined in
8 this plan shall be funded on the following ratio:

9 Employee contributions	50%
10 Employer contributions	30%
11 State contributions	20%

12 (2) The minimum benefits shall constitute a contractual obligation
13 of the state and the contributing employers and may not be reduced
14 below the levels in effect on July 1, 2003. The state and the
15 contributing employers shall maintain the minimum benefits on a sound
16 actuarial basis in accordance with the actuarial standards adopted by
17 the board.

18 (3) Increased benefits created as provided for in RCW 41.26.720 are
19 granted on a basis not to exceed the contributions provided for in this

1 section. In addition to the contributions necessary to maintain the
2 minimum benefits, for any increased benefits provided for by the board,
3 the employee contribution shall not exceed fifty percent of the
4 actuarial cost of the benefit. In no instance shall the employee cost
5 exceed ten percent of covered payroll without the consent of a majority
6 of the affected employees. Employer contributions shall not exceed
7 thirty percent of the cost, but in no instance shall the employer
8 contribution exceed six percent of covered payroll. State
9 contributions shall not exceed twenty percent of the cost, but in no
10 instance shall the state contribution exceed four percent of covered
11 payroll. Employer contributions may not be increased above the maximum
12 under this section without the consent of the governing body of the
13 employer. State contributions may not be increased above the maximum
14 provided for in this section without the consent of the legislature.
15 In the event that the cost of maintaining the increased benefits on a
16 sound actuarial basis exceeds the aggregate contributions provided for
17 in this section, the board shall submit to the affected members of the
18 plan the option of paying the increased costs or of having the
19 increased benefits reduced to a level sufficient to be maintained by
20 the aggregate contributions. The reduction of benefits in accordance
21 with this section shall not be deemed a violation of the contractual
22 rights of the members, provided that no reduction may result in
23 benefits being lower than the level of the minimum benefits.

24 (4) The board shall manage the trust in a manner that maintains
25 reasonable contributions and administrative costs. Providing
26 additional benefits to members and beneficiaries is the board's
27 priority.

28 ~~((5) All earnings of the trust in excess of the actuarially
29 assumed rate of investment return shall be used exclusively for
30 additional benefits for members and beneficiaries.))~~

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