

SENATE BILL 5091

State of Washington                      58th Legislature                      2003 Regular Session

By Senators Carlson, Fraser, Shin and Spanel; by request of Joint Committee on Pension Policy

Read first time 01/15/2003. Referred to Committee on Ways & Means.

1            AN ACT Relating to public employees', teachers', and school  
2 employees' retirement systems plan 3 member contribution rates; and  
3 amending RCW 41.34.040.

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

5            **Sec. 1.** RCW 41.34.040 and 2000 c 247 s 403 are each amended to  
6 read as follows:

7            (1) A member shall contribute from his or her compensation  
8 according to one of the following rate structures in addition to the  
9 mandatory minimum five percent:

<u>Option A</u>	<u>Contribution Rate</u>
All Ages	(( <del>5.0%</del> )) <u>0.0%</u> fixed
<u>Option B</u>	
Up to Age 35	(( <del>5.0%</del> )) <u>0.0%</u>
Age 35 to 44	(( <del>6.0%</del> )) <u>1.0%</u>
Age 45 and above	(( <del>7.5%</del> )) <u>2.5%</u>
<u>Option C</u>	
Up to Age 35	(( <del>6.0%</del> )) <u>1.0%</u>
Age 35 to 44	(( <del>7.5%</del> )) <u>2.5%</u>
Age 45 and above	(( <del>8.5%</del> )) <u>3.5%</u>

1	<u>Option D</u>	
2	<u>All Ages</u>	<u>2.0%</u>
3	<u>Option E</u>	
4	<u>All Ages</u>	<u>5.0%</u>
5	<u>Option F</u>	
6	<u>All Ages</u>	<u>10.0%</u>

7

8 (2) The board shall have the right to offer contribution rate  
9 options in addition to those listed in subsection (1) of this section,  
10 provided that no significant additional administrative costs are  
11 created. All options offered by the board shall conform to the  
12 requirements stated in subsections (3) and ~~((4))~~ (5) of this section.

13 (3)(a) For members of the teachers' retirement system entering plan  
14 3 under RCW 41.32.835 or members of the school employees' retirement  
15 system entering plan 3 under RCW 41.35.610, within ninety days of  
16 becoming a member he or she has an ~~((irrevocable))~~ option to choose one  
17 of the above contribution rate structures. If the member does not  
18 select an option within the ninety-day period, he or she shall be  
19 assigned option A. ~~((Such assignment shall be irrevocable.))~~

20 (b) For members of the public employees' retirement system entering  
21 plan 3 under RCW 41.40.785, within the ninety days described in RCW  
22 41.40.785 an employee who irrevocably chooses plan 3 shall select one  
23 of the above contribution rate structures. If the member does not  
24 select an option within the ninety-day period, he or she shall be  
25 assigned option A. ~~((Such assignment shall be irrevocable.))~~

26 (c) For members of the teachers' retirement system transferring to  
27 plan 3 under RCW 41.32.817, members of the school employees' retirement  
28 system transferring to plan 3 under RCW 41.35.510, or members of the  
29 public employees' retirement system transferring to plan 3 under RCW  
30 41.40.795, upon election to plan 3 he or she must ~~((irrevocably))~~  
31 choose one of the above contribution rate structures.

32 (d) Within ninety days of the date that an employee changes  
33 employers, he or she has an ~~((irrevocable))~~ option to choose one of the  
34 above contribution rate structures. If the member does not select an  
35 option within this ninety-day period, he or she shall be assigned  
36 option A. ~~((Such assignment shall be irrevocable.))~~

37 (4) Each year, members may change their contribution rate option by  
38 notifying their employer in writing during the month of January.

1       (5) Contributions shall begin the first day of the pay cycle in  
2       which the rate option is made, or the first day of the pay cycle in  
3       which the end of the ninety-day period occurs.

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