

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2198

Chapter 93, Laws of 2003

58th Legislature
2003 Regular Session

LEOFF--EXCESS EARNINGS

EFFECTIVE DATE: 4/23/03

Passed by the House April 7, 2003
Yeas 95 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 15, 2003
Yeas 49 Nays 0

BRAD OWEN

President of the Senate

Approved April 23, 2003.

GARY F. LOCKE

Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2198** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER

Chief Clerk

FILED

April 23, 2003 - 4:50 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2198

Passed Legislature - 2003 Regular Session

State of Washington 58th Legislature 2003 Regular Session

By House Committee on Appropriations (originally sponsored by
Representatives Cooper, Delvin and Simpson)

READ FIRST TIME 03/10/03.

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

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

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

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

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

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

1 (3) Increased benefits created as provided for in RCW 41.26.720 are
2 granted on a basis not to exceed the contributions provided for in this
3 section. In addition to the contributions necessary to maintain the
4 minimum benefits, for any increased benefits provided for by the board,
5 the employee contribution shall not exceed fifty percent of the
6 actuarial cost of the benefit. In no instance shall the employee cost
7 exceed ten percent of covered payroll without the consent of a majority
8 of the affected employees. Employer contributions shall not exceed
9 thirty percent of the cost, but in no instance shall the employer
10 contribution exceed six percent of covered payroll. State
11 contributions shall not exceed twenty percent of the cost, but in no
12 instance shall the state contribution exceed four percent of covered
13 payroll. Employer contributions may not be increased above the maximum
14 under this section without the consent of the governing body of the
15 employer. State contributions may not be increased above the maximum
16 provided for in this section without the consent of the legislature.
17 In the event that the cost of maintaining the increased benefits on a
18 sound actuarial basis exceeds the aggregate contributions provided for
19 in this section, the board shall submit to the affected members of the
20 plan the option of paying the increased costs or of having the
21 increased benefits reduced to a level sufficient to be maintained by
22 the aggregate contributions. The reduction of benefits in accordance
23 with this section shall not be deemed a violation of the contractual
24 rights of the members, provided that no reduction may result in
25 benefits being lower than the level of the minimum benefits.

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

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

33 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
34 preservation of the public peace, health, or safety, or support of the
35 state government and its existing public institutions, and takes effect

1 immediately.

Passed by the House April 7, 2003.

Passed by the Senate April 15, 2003.

Approved by the Governor April 23, 2003.

Filed in Office of Secretary of State April 23, 2003.