

**2SHB 2262** - S COMM AMD

By Committee on Early Learning & K-12 Education

ADOPTED 04/09/2007

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds and declares:

4 (1) The national board for professional teaching standards has  
5 established high and rigorous standards for what highly accomplished  
6 teachers should know and be able to do in order to increase student  
7 learning results;

8 (2) The national board certifies teachers who meet these standards  
9 through a rigorous, performance-based assessment process;

10 (3) A certificate awarded by the national board attests that a  
11 teacher has met high and rigorous standards and has demonstrated the  
12 ability to make sound professional judgments about how to best meet  
13 students' learning needs and effectively help students meet challenging  
14 academic standards; and

15 (4) Teachers who attain national board certification should be  
16 acknowledged and rewarded in order to encourage more teachers to pursue  
17 certification for the benefit of Washington students.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.405  
19 RCW to read as follows:

20 (1) Certificated instructional staff who have attained  
21 certification from the national board for professional teaching  
22 standards shall receive a bonus each year in which they maintain the  
23 certification. The bonus shall be calculated as follows: The annual  
24 bonus shall be five thousand dollars in the 2007-08 school year.  
25 Thereafter, the annual bonus shall increase by inflation.

26 (2) Certificated instructional staff who have attained  
27 certification from the national board for professional teaching  
28 standards shall be eligible for bonuses in addition to that provided by

1 subsection (1) of this section if the individual is in an instructional  
2 assignment in a school in which at least seventy percent of the  
3 students qualify for the free and reduced-price lunch program.

4 (3) The amount of the additional bonus under subsection (2) of this  
5 section for those meeting the qualifications of subsection (2) of this  
6 section is five thousand dollars.

7 (4) The bonuses provided under this section are in addition to  
8 compensation received under a district's salary schedule adopted in  
9 accordance with RCW 28A.405.200 and shall not be included in  
10 calculations of a district's average salary and associated salary  
11 limitations under RCW 28A.400.200.

12 (5) The bonuses provided under this section shall be paid in a lump  
13 sum amount and shall not be included in the definition of "earnable  
14 compensation" under RCW 41.32.010(10).

15 **Sec. 3.** RCW 41.32.010 and 2005 c 131 s 8 and 2005 c 23 s 1 are  
16 each reenacted and amended to read as follows:

17 As used in this chapter, unless a different meaning is plainly  
18 required by the context:

19 (1)(a) "Accumulated contributions" for plan 1 members, means the  
20 sum of all regular annuity contributions and, except for the purpose of  
21 withdrawal at the time of retirement, any amount paid under RCW  
22 41.50.165(2) with regular interest thereon.

23 (b) "Accumulated contributions" for plan 2 members, means the sum  
24 of all contributions standing to the credit of a member in the member's  
25 individual account, including any amount paid under RCW 41.50.165(2),  
26 together with the regular interest thereon.

27 (2) "Actuarial equivalent" means a benefit of equal value when  
28 computed upon the basis of such mortality tables and regulations as  
29 shall be adopted by the director and regular interest.

30 (3) "Annuity" means the moneys payable per year during life by  
31 reason of accumulated contributions of a member.

32 (4) "Member reserve" means the fund in which all of the accumulated  
33 contributions of members are held.

34 (5)(a) "Beneficiary" for plan 1 members, means any person in  
35 receipt of a retirement allowance or other benefit provided by this  
36 chapter.

1 (b) "Beneficiary" for plan 2 and plan 3 members, means any person  
2 in receipt of a retirement allowance or other benefit provided by this  
3 chapter resulting from service rendered to an employer by another  
4 person.

5 (6) "Contract" means any agreement for service and compensation  
6 between a member and an employer.

7 (7) "Creditable service" means membership service plus prior  
8 service for which credit is allowable. This subsection shall apply  
9 only to plan 1 members.

10 (8) "Dependent" means receiving one-half or more of support from a  
11 member.

12 (9) "Disability allowance" means monthly payments during  
13 disability. This subsection shall apply only to plan 1 members.

14 (10)(a) "Earnable compensation" for plan 1 members, means:

15 (i) All salaries and wages paid by an employer to an employee  
16 member of the retirement system for personal services rendered during  
17 a fiscal year. In all cases where compensation includes maintenance  
18 the employer shall fix the value of that part of the compensation not  
19 paid in money.

20 (ii) For an employee member of the retirement system teaching in an  
21 extended school year program, two consecutive extended school years, as  
22 defined by the employer school district, may be used as the annual  
23 period for determining earnable compensation in lieu of the two fiscal  
24 years.

25 (iii) "Earnable compensation" for plan 1 members also includes the  
26 following actual or imputed payments, which are not paid for personal  
27 services:

28 (A) Retroactive payments to an individual by an employer on  
29 reinstatement of the employee in a position, or payments by an employer  
30 to an individual in lieu of reinstatement in a position which are  
31 awarded or granted as the equivalent of the salary or wages which the  
32 individual would have earned during a payroll period shall be  
33 considered earnable compensation and the individual shall receive the  
34 equivalent service credit.

35 (B) If a leave of absence, without pay, is taken by a member for  
36 the purpose of serving as a member of the state legislature, and such  
37 member has served in the legislature five or more years, the salary  
38 which would have been received for the position from which the leave of

1 absence was taken shall be considered as compensation earnable if the  
2 employee's contribution thereon is paid by the employee. In addition,  
3 where a member has been a member of the state legislature for five or  
4 more years, earnable compensation for the member's two highest  
5 compensated consecutive years of service shall include a sum not to  
6 exceed thirty-six hundred dollars for each of such two consecutive  
7 years, regardless of whether or not legislative service was rendered  
8 during those two years.

9 (iv) For members employed less than full time under written  
10 contract with a school district, or community college district, in an  
11 instructional position, for which the member receives service credit of  
12 less than one year in all of the years used to determine the earnable  
13 compensation used for computing benefits due under RCW 41.32.497,  
14 41.32.498, and 41.32.520, the member may elect to have earnable  
15 compensation defined as provided in RCW 41.32.345. For the purposes of  
16 this subsection, the term "instructional position" means a position in  
17 which more than seventy-five percent of the member's time is spent as  
18 a classroom instructor (including office hours), a librarian, a  
19 psychologist, a social worker, a nurse, a physical therapist, an  
20 occupational therapist, a speech language pathologist or audiologist,  
21 or a counselor. Earnable compensation shall be so defined only for the  
22 purpose of the calculation of retirement benefits and only as necessary  
23 to insure that members who receive fractional service credit under RCW  
24 41.32.270 receive benefits proportional to those received by members  
25 who have received full-time service credit.

26 (v) "Earnable compensation" does not include:

27 (A) Remuneration for unused sick leave authorized under RCW  
28 41.04.340, 28A.400.210, or 28A.310.490;

29 (B) Remuneration for unused annual leave in excess of thirty days  
30 as authorized by RCW 43.01.044 and 43.01.041;

31 (C) Bonuses for certification from the national board for  
32 professional teaching standards authorized under section 2 of this act.

33 (b) "Earnable compensation" for plan 2 and plan 3 members, means  
34 salaries or wages earned by a member during a payroll period for  
35 personal services, including overtime payments, and shall include wages  
36 and salaries deferred under provisions established pursuant to sections  
37 403(b), 414(h), and 457 of the United States Internal Revenue Code, but  
38 shall exclude lump sum payments for deferred annual sick leave, unused

1 accumulated vacation, unused accumulated annual leave, bonuses for  
2 certification from the national board for professional teaching  
3 standards authorized under section 2 of this act, or any form of  
4 severance pay.

5 "Earnable compensation" for plan 2 and plan 3 members also includes  
6 the following actual or imputed payments which, except in the case of  
7 (b)(ii)(B) of this subsection, are not paid for personal services:

8 (i) Retroactive payments to an individual by an employer on  
9 reinstatement of the employee in a position or payments by an employer  
10 to an individual in lieu of reinstatement in a position which are  
11 awarded or granted as the equivalent of the salary or wages which the  
12 individual would have earned during a payroll period shall be  
13 considered earnable compensation, to the extent provided above, and the  
14 individual shall receive the equivalent service credit.

15 (ii) In any year in which a member serves in the legislature the  
16 member shall have the option of having such member's earnable  
17 compensation be the greater of:

18 (A) The earnable compensation the member would have received had  
19 such member not served in the legislature; or

20 (B) Such member's actual earnable compensation received for  
21 teaching and legislative service combined. Any additional  
22 contributions to the retirement system required because compensation  
23 earnable under (b)(ii)(A) of this subsection is greater than  
24 compensation earnable under (b)(ii)(B) of this subsection shall be paid  
25 by the member for both member and employer contributions.

26 (11) "Employer" means the state of Washington, the school district,  
27 or any agency of the state of Washington by which the member is paid.

28 (12) "Fiscal year" means a year which begins July 1st and ends June  
29 30th of the following year.

30 (13) "Former state fund" means the state retirement fund in  
31 operation for teachers under chapter 187, Laws of 1923, as amended.

32 (14) "Local fund" means any of the local retirement funds for  
33 teachers operated in any school district in accordance with the  
34 provisions of chapter 163, Laws of 1917 as amended.

35 (15) "Member" means any teacher included in the membership of the  
36 retirement system who has not been removed from membership under RCW  
37 41.32.878 or 41.32.768. Also, any other employee of the public schools

1 who, on July 1, 1947, had not elected to be exempt from membership and  
2 who, prior to that date, had by an authorized payroll deduction,  
3 contributed to the member reserve.

4 (16) "Membership service" means service rendered subsequent to the  
5 first day of eligibility of a person to membership in the retirement  
6 system: PROVIDED, That where a member is employed by two or more  
7 employers the individual shall receive no more than one service credit  
8 month during any calendar month in which multiple service is rendered.  
9 The provisions of this subsection shall apply only to plan 1 members.

10 (17) "Pension" means the moneys payable per year during life from  
11 the pension reserve.

12 (18) "Pension reserve" is a fund in which shall be accumulated an  
13 actuarial reserve adequate to meet present and future pension  
14 liabilities of the system and from which all pension obligations are to  
15 be paid.

16 (19) "Prior service" means service rendered prior to the first date  
17 of eligibility to membership in the retirement system for which credit  
18 is allowable. The provisions of this subsection shall apply only to  
19 plan 1 members.

20 (20) "Prior service contributions" means contributions made by a  
21 member to secure credit for prior service. The provisions of this  
22 subsection shall apply only to plan 1 members.

23 (21) "Public school" means any institution or activity operated by  
24 the state of Washington or any instrumentality or political subdivision  
25 thereof employing teachers, except the University of Washington and  
26 Washington State University.

27 (22) "Regular contributions" means the amounts required to be  
28 deducted from the compensation of a member and credited to the member's  
29 individual account in the member reserve. This subsection shall apply  
30 only to plan 1 members.

31 (23) "Regular interest" means such rate as the director may  
32 determine.

33 (24)(a) "Retirement allowance" for plan 1 members, means monthly  
34 payments based on the sum of annuity and pension, or any optional  
35 benefits payable in lieu thereof.

36 (b) "Retirement allowance" for plan 2 and plan 3 members, means  
37 monthly payments to a retiree or beneficiary as provided in this  
38 chapter.

1 (25) "Retirement system" means the Washington state teachers'  
2 retirement system.

3 (26)(a) "Service" for plan 1 members means the time during which a  
4 member has been employed by an employer for compensation.

5 (i) If a member is employed by two or more employers the individual  
6 shall receive no more than one service credit month during any calendar  
7 month in which multiple service is rendered.

8 (ii) As authorized by RCW 28A.400.300, up to forty-five days of  
9 sick leave may be creditable as service solely for the purpose of  
10 determining eligibility to retire under RCW 41.32.470.

11 (iii) As authorized in RCW 41.32.065, service earned in an out-of-  
12 state retirement system that covers teachers in public schools may be  
13 applied solely for the purpose of determining eligibility to retire  
14 under RCW 41.32.470.

15 (b) "Service" for plan 2 and plan 3 members, means periods of  
16 employment by a member for one or more employers for which earnable  
17 compensation is earned subject to the following conditions:

18 (i) A member employed in an eligible position or as a substitute  
19 shall receive one service credit month for each month of September  
20 through August of the following year if he or she earns earnable  
21 compensation for eight hundred ten or more hours during that period and  
22 is employed during nine of those months, except that a member may not  
23 receive credit for any period prior to the member's employment in an  
24 eligible position except as provided in RCW 41.32.812 and 41.50.132;

25 (ii) If a member is employed either in an eligible position or as  
26 a substitute teacher for nine months of the twelve month period between  
27 September through August of the following year but earns earnable  
28 compensation for less than eight hundred ten hours but for at least six  
29 hundred thirty hours, he or she will receive one-half of a service  
30 credit month for each month of the twelve month period;

31 (iii) All other members in an eligible position or as a substitute  
32 teacher shall receive service credit as follows:

33 (A) A service credit month is earned in those calendar months where  
34 earnable compensation is earned for ninety or more hours;

35 (B) A half-service credit month is earned in those calendar months  
36 where earnable compensation is earned for at least seventy hours but  
37 less than ninety hours; and

1 (C) A quarter-service credit month is earned in those calendar  
2 months where earnable compensation is earned for less than seventy  
3 hours.

4 (iv) Any person who is a member of the teachers' retirement system  
5 and who is elected or appointed to a state elective position may  
6 continue to be a member of the retirement system and continue to  
7 receive a service credit month for each of the months in a state  
8 elective position by making the required member contributions.

9 (v) When an individual is employed by two or more employers the  
10 individual shall only receive one month's service credit during any  
11 calendar month in which multiple service for ninety or more hours is  
12 rendered.

13 (vi) As authorized by RCW 28A.400.300, up to forty-five days of  
14 sick leave may be creditable as service solely for the purpose of  
15 determining eligibility to retire under RCW 41.32.470. For purposes of  
16 plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal  
17 to two service credit months. Use of less than forty-five days of sick  
18 leave is creditable as allowed under this subsection as follows:

19 (A) Less than eleven days equals one-quarter service credit month;

20 (B) Eleven or more days but less than twenty-two days equals one-  
21 half service credit month;

22 (C) Twenty-two days equals one service credit month;

23 (D) More than twenty-two days but less than thirty-three days  
24 equals one and one-quarter service credit month;

25 (E) Thirty-three or more days but less than forty-five days equals  
26 one and one-half service credit month.

27 (vii) As authorized in RCW 41.32.065, service earned in an out-of-  
28 state retirement system that covers teachers in public schools may be  
29 applied solely for the purpose of determining eligibility to retire  
30 under RCW 41.32.470.

31 (viii) The department shall adopt rules implementing this  
32 subsection.

33 (27) "Service credit year" means an accumulation of months of  
34 service credit which is equal to one when divided by twelve.

35 (28) "Service credit month" means a full service credit month or an  
36 accumulation of partial service credit months that are equal to one.

37 (29) "Teacher" means any person qualified to teach who is engaged  
38 by a public school in an instructional, administrative, or supervisory



1 capacity. The term includes state, educational service district, and  
2 school district superintendents and their assistants and all employees  
3 certificated by the superintendent of public instruction; and in  
4 addition thereto any full time school doctor who is employed by a  
5 public school and renders service of an instructional or educational  
6 nature.

7 (30) "Average final compensation" for plan 2 and plan 3 members,  
8 means the member's average earnable compensation of the highest  
9 consecutive sixty service credit months prior to such member's  
10 retirement, termination, or death. Periods constituting authorized  
11 leaves of absence may not be used in the calculation of average final  
12 compensation except under RCW 41.32.810(2).

13 (31) "Retiree" means any person who has begun accruing a retirement  
14 allowance or other benefit provided by this chapter resulting from  
15 service rendered to an employer while a member.

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

18 (33) "Director" means the director of the department.

19 (34) "State elective position" means any position held by any  
20 person elected or appointed to statewide office or elected or appointed  
21 as a member of the legislature.

22 (35) "State actuary" or "actuary" means the person appointed  
23 pursuant to RCW 44.44.010(2).

24 (36) "Substitute teacher" means:

25 (a) A teacher who is hired by an employer to work as a temporary  
26 teacher, except for teachers who are annual contract employees of an  
27 employer and are guaranteed a minimum number of hours; or

28 (b) Teachers who either (i) work in ineligible positions for more  
29 than one employer or (ii) work in an ineligible position or positions  
30 together with an eligible position.

31 (37)(a) "Eligible position" for plan 2 members from June 7, 1990,  
32 through September 1, 1991, means a position which normally requires two  
33 or more uninterrupted months of creditable service during September  
34 through August of the following year.

35 (b) "Eligible position" for plan 2 and plan 3 on and after  
36 September 1, 1991, means a position that, as defined by the employer,  
37 normally requires five or more months of at least seventy hours of

1 earnable compensation during September through August of the following  
2 year.

3 (c) For purposes of this chapter an employer shall not define  
4 "position" in such a manner that an employee's monthly work for that  
5 employer is divided into more than one position.

6 (d) The elected position of the superintendent of public  
7 instruction is an eligible position.

8 (38) "Plan 1" means the teachers' retirement system, plan 1  
9 providing the benefits and funding provisions covering persons who  
10 first became members of the system prior to October 1, 1977.

11 (39) "Plan 2" means the teachers' retirement system, plan 2  
12 providing the benefits and funding provisions covering persons who  
13 first became members of the system on and after October 1, 1977, and  
14 prior to July 1, 1996.

15 (40) "Plan 3" means the teachers' retirement system, plan 3  
16 providing the benefits and funding provisions covering persons who  
17 first become members of the system on and after July 1, 1996, or who  
18 transfer under RCW 41.32.817.

19 (41) "Index" means, for any calendar year, that year's annual  
20 average consumer price index, Seattle, Washington area, for urban wage  
21 earners and clerical workers, all items compiled by the bureau of labor  
22 statistics, United States department of labor.

23 (42) "Index A" means the index for the year prior to the  
24 determination of a postretirement adjustment.

25 (43) "Index B" means the index for the year prior to index A.

26 (44) "Index year" means the earliest calendar year in which the  
27 index is more than sixty percent of index A.

28 (45) "Adjustment ratio" means the value of index A divided by index  
29 B.

30 (46) "Annual increase" means, initially, fifty-nine cents per month  
31 per year of service which amount shall be increased each July 1st by  
32 three percent, rounded to the nearest cent.

33 (47) "Member account" or "member's account" for purposes of plan 3  
34 means the sum of the contributions and earnings on behalf of the member  
35 in the defined contribution portion of plan 3.

36 (48) "Separation from service or employment" occurs when a person  
37 has terminated all employment with an employer.

1 (49) "Employed" or "employee" means a person who is providing  
2 services for compensation to an employer, unless the person is free  
3 from the employer's direction and control over the performance of work.  
4 The department shall adopt rules and interpret this subsection  
5 consistent with common law."

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By Committee on Early Learning & K-12 Education

**ADOPTED 04/09/2007**

6 On page 1, line 2 of the title, after "standards;" strike the  
7 remainder of the title and insert "reenacting and amending RCW  
8 41.32.010; adding a new section to chapter 28A.405 RCW; and creating a  
9 new section."

--- END ---