

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1124**

Chapter 294, Laws of 2007

60th Legislature  
2007 Regular Session

DEPARTMENT OF NATURAL RESOURCES--PUBLIC SAFETY EMPLOYEES'  
RETIREMENT SYSTEM

EFFECTIVE DATE: 07/22/07

Passed by the House February 5, 2007  
Yeas 95 Nays 0

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate April 12, 2007  
Yeas 42 Nays 0

BRAD OWEN

**President of the Senate**

Approved May 2, 2007, 3:16 p.m.

CHRISTINE GREGOIRE

**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1124** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

**Chief Clerk**

FILED

May 3, 2007

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1124**

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Passed Legislature - 2007 Regular Session

**State of Washington                      60th Legislature                      2007 Regular Session**

**By** House Committee on Appropriations (originally sponsored by Representatives VanDeWege, B. Sullivan, O'Brien, Eickmeyer, Lovick, McCoy, Lantz, Simpson, Williams and Dickerson)

READ FIRST TIME 01/30/07.

1            AN ACT Relating to the inclusion of the department of natural  
2 resources' law enforcement officers in the Washington public safety  
3 employees' retirement system by adding the department of natural  
4 resources to the definition of "employer" under chapter 41.37 RCW; and  
5 amending RCW 41.37.010 and 41.40.113.

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

7            **Sec. 1.** RCW 41.37.010 and 2006 c 309 s 2 are each amended to read  
8 as follows:

9            The definitions in this section apply throughout this chapter,  
10 unless the context clearly requires otherwise.

11            (1) "Retirement system" means the Washington public safety  
12 employees' retirement system provided for in this chapter.

13            (2) "Department" means the department of retirement systems created  
14 in chapter 41.50 RCW.

15            (3) "State treasurer" means the treasurer of the state of  
16 Washington.

17            (4) "Employer" means the Washington state department of  
18 corrections, the Washington state parks and recreation commission, the  
19 Washington state gambling commission, the Washington state patrol, the

1 Washington state department of natural resources, and the Washington  
2 state liquor control board; any county corrections department; or any  
3 city corrections department not covered under chapter 41.28 RCW(~~(; or~~  
4 ~~other employers employing statewide elective officials)~~)).

5 (5) "Member" means any employee employed by an employer on a full-  
6 time basis:

7 (a) Who is in a position that requires completion of a certified  
8 criminal justice training course and is authorized by their employer to  
9 arrest, conduct criminal investigations, enforce the criminal laws of  
10 the state of Washington, and carry a firearm as part of the job;

11 (b) Whose primary responsibility is to ensure the custody and  
12 security of incarcerated or probationary individuals as a corrections  
13 officer, probation officer, or jailer;

14 (c) Who is a limited authority Washington peace officer, as defined  
15 in RCW 10.93.020, for an employer; or

16 (d) Whose primary responsibility is to supervise members eligible  
17 under this subsection.

18 (6)(a) "Compensation earnable" for members, means salaries or wages  
19 earned by a member during a payroll period for personal services,  
20 including overtime payments, and shall include wages and salaries  
21 deferred under provisions established pursuant to sections 403(b),  
22 414(h), and 457 of the United States internal revenue code, but shall  
23 exclude nonmoney maintenance compensation and lump sum or other  
24 payments for deferred annual sick leave, unused accumulated vacation,  
25 unused accumulated annual leave, or any form of severance pay.

26 (b) "Compensation earnable" for members also includes the following  
27 actual or imputed payments, which are not paid for personal services:

28 (i) 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, which are awarded or granted  
31 as the equivalent of the salary or wage which the individual would have  
32 earned during a payroll period shall be considered compensation  
33 earnable to the extent provided in this subsection, and the individual  
34 shall receive the equivalent service credit;

35 (ii) In any year in which a member serves in the legislature, the  
36 member shall have the option of having such member's compensation  
37 earnable be the greater of:

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

3 (B) Such member's actual compensation earnable received for  
4 nonlegislative public employment and legislative service combined. Any  
5 additional contributions to the retirement system required because  
6 compensation earnable under (b)(ii)(A) of this subsection is greater  
7 than compensation earnable under (b)(ii)(B) of this subsection shall be  
8 paid by the member for both member and employer contributions;

9 (iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045,  
10 and 72.09.240;

11 (iv) Compensation that a member would have received but for a  
12 disability occurring in the line of duty only as authorized by RCW  
13 41.37.070;

14 (v) Compensation that a member receives due to participation in the  
15 leave sharing program only as authorized by RCW 41.04.650 through  
16 41.04.670; and

17 (vi) Compensation that a member receives for being in standby  
18 status. For the purposes of this section, a member is in standby  
19 status when not being paid for time actually worked and the employer  
20 requires the member to be prepared to report immediately for work, if  
21 the need arises, although the need may not arise.

22 (7) "Service" means periods of employment by a member on or after  
23 July 1, 2006, for one or more employers for which compensation earnable  
24 is paid. Compensation earnable earned for ninety or more hours in any  
25 calendar month shall constitute one service credit month. Compensation  
26 earnable earned for at least seventy hours but less than ninety hours  
27 in any calendar month shall constitute one-half service credit month of  
28 service. Compensation earnable earned for less than seventy hours in  
29 any calendar month shall constitute one-quarter service credit month of  
30 service. Time spent in standby status, whether compensated or not, is  
31 not service.

32 Any fraction of a year of service shall be taken into account in  
33 the computation of such retirement allowance or benefits.

34 (a) Service in any state elective position shall be deemed to be  
35 full-time service.

36 (b) A member shall receive a total of not more than twelve service  
37 credit months of service for such calendar year. If an individual is  
38 employed in an eligible position by one or more employers the

1 individual shall receive no more than one service credit month during  
2 any calendar month in which multiple service for ninety or more hours  
3 is rendered.

4 (8) "Service credit year" means an accumulation of months of  
5 service credit which is equal to one when divided by twelve.

6 (9) "Service credit month" means a month or an accumulation of  
7 months of service credit which is equal to one.

8 (10) "Membership service" means all service rendered as a member.

9 (11) "Beneficiary" means any person in receipt of a retirement  
10 allowance or other benefit provided by this chapter resulting from  
11 service rendered to an employer by another person.

12 (12) "Regular interest" means such rate as the director may  
13 determine.

14 (13) "Accumulated contributions" means the sum of all contributions  
15 standing to the credit of a member in the member's individual account,  
16 including any amount paid under RCW 41.50.165(2), together with the  
17 regular interest thereon.

18 (14) "Average final compensation" means the member's average  
19 compensation earnable of the highest consecutive sixty months of  
20 service credit months prior to such member's retirement, termination,  
21 or death. Periods constituting authorized leaves of absence may not be  
22 used in the calculation of average final compensation except under RCW  
23 41.37.290.

24 (15) "Final compensation" means the annual rate of compensation  
25 earnable by a member at the time of termination of employment.

26 (16) "Annuity" means payments for life derived from accumulated  
27 contributions of a member. All annuities shall be paid in monthly  
28 installments.

29 (17) "Pension" means payments for life derived from contributions  
30 made by the employer. All pensions shall be paid in monthly  
31 installments.

32 (18) "Retirement allowance" means monthly payments to a retiree or  
33 beneficiary as provided in this chapter.

34 (19) "Employee" or "employed" means a person who is providing  
35 services for compensation to an employer, unless the person is free  
36 from the employer's direction and control over the performance of work.  
37 The department shall adopt rules and interpret this subsection  
38 consistent with common law.

1 (20) "Actuarial equivalent" means a benefit of equal value when  
2 computed upon the basis of such mortality and other tables as may be  
3 adopted by the director.

4 (21) "Retirement" means withdrawal from active service with a  
5 retirement allowance as provided by this chapter.

6 (22) "Eligible position" means any permanent, full-time, fully  
7 compensated position included in subsection (5) of this section.

8 (23) "Ineligible position" means any position which does not  
9 conform with the requirements set forth in subsection (22) of this  
10 section.

11 (24) "Leave of absence" means the period of time a member is  
12 authorized by the employer to be absent from service without being  
13 separated from membership.

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

17 (26) "Director" means the director of the department.

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

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

23 (29) "Plan" means the Washington public safety employees'  
24 retirement system plan 2.

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

29 (31) "Index A" means the index for the year prior to the  
30 determination of a postretirement adjustment.

31 (32) "Index B" means the index for the year prior to index A.

32 (33) "Adjustment ratio" means the value of index A divided by index  
33 B.

34 (34) "Separation from service" occurs when a person has terminated  
35 all employment with an employer.

36 **Sec. 2.** RCW 41.40.113 and 2004 c 242 s 5 are each amended to read  
37 as follows:

1 (1) An employee who was a member of the public employees'  
2 retirement system plan 2 or plan 3 before July 1, 2006, and on July 1,  
3 2006, is employed by an employer as defined in RCW 41.37.010(4) and is  
4 an employee in a job class included in RCW 41.37.010(5), has the  
5 following options during the election period:

6 (a) Remain a member of the public employees' retirement system; or

7 (b) Become a member of the public safety employees' retirement  
8 system plan 2. All members will be dual members as provided in chapter  
9 41.54 RCW, and public employees' retirement system service credit may  
10 not be transferred to the public safety employees' retirement system  
11 plan 2.

12 (2) The "election period" is the period between July 1, 2006, and  
13 September 30, 2006.

14 (3) During the election period, employees remain members of the  
15 public employees' retirement system plan 2 or plan 3 until they elect  
16 to join the public safety employees' retirement system. Members who  
17 elect to join the public safety employees' retirement system as  
18 described in subsection (1) of this section will have their membership  
19 begin prospectively from the date of their election.

20 (4) If after September 30, 2006, the member has not made an  
21 election to join the public safety employees' retirement system he or  
22 she will remain in the public employees' retirement system plan 2 or  
23 plan 3.

24 (5) An employee who was a member of the public employees'  
25 retirement system plan 1 on or before July 1, 2006, and on or after  
26 July 1, 2006, is employed by an employer as defined in RCW 41.37.010(4)  
27 as an employee in a job class included in RCW 41.37.010(5), shall  
28 remain a member of the public employees' retirement system plan 1.

29 (6) All new employees hired on or after July 1, 2006, who become  
30 employed by an employer as defined in RCW 41.37.010(4) as an employee  
31 in a job class included in RCW 41.37.010(5) will become members of the  
32 public safety employees' retirement system.

33 (7) An employee of the department of natural resources who was a  
34 member of the public employees' retirement system plan 2 or plan 3  
35 before July 1, 2007, and on July 1, 2007, is performing the duties as  
36 defined in RCW 41.37.010(5), has the following options during the  
37 election period defined in subsection (8) of this section:

38 (a) Remain in the public employees' retirement system; or

1       (b) Become a member of the public safety employees' retirement  
2 system plan 2 and be a dual member as provided in chapter 41.54 RCW,  
3 and public employees' retirement system service credit may not be  
4 transferred to the public safety employees' retirement system.

5       (8) The "election period" is the period between July 1, 2007, and  
6 September 30, 2007.

7       (9) During the election period, department of natural resources  
8 employees remain members of the public employees' retirement system  
9 plan 2 or plan 3 until they elect to join the public safety employees'  
10 retirement system. Members who elect to join the public safety  
11 employees' retirement system as described in subsection (7) of this  
12 section will have their membership begin prospectively from the date of  
13 their election.

14       (10) If after September 30, 2007, an employee has not made an  
15 election to join the public safety employees' retirement system, he or  
16 she will remain in the public employees' retirement system plan 2 or  
17 plan 3.

Passed by the House February 5, 2007.

Passed by the Senate April 12, 2007.

Approved by the Governor May 2, 2007.

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