S-4547.1

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**SUBSTITUTE SENATE BILL 6264**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Dammeier, Conway, Bailey, Rivers, Hasegawa, O'Ban, Frockt, Schoesler, Darneille, Liias, and Rolfes; by request of LEOFF Plan 2 Retirement Board)

AN ACT Relating to allowing certain Washington state patrol retirement system and law enforcement officers' and firefighters' members to purchase annuities; adding a new section to chapter 43.43 RCW; and adding new sections to chapter 41.26 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 43.43 RCW to read as follows, but because of its temporary nature is not codified:

(1) A retiree whose retirement was effective before July 24, 2015, may purchase an annuity under subsection (2) of this section between January 1, 2017, and June 1, 2017.

(2) Retirees who meet the requirements of subsection (1) of this section may purchase an optional actuarially equivalent life annuity benefit from the Washington state patrol retirement fund established in RCW 43.43.130. A minimum payment of twenty-five thousand dollars is required.

(a) Subject to rules adopted by the department, a member purchasing an annuity under this section must pay all of the cost with an eligible rollover, direct rollover, or trustee-to-trustee transfer from an eligible retirement plan.

(b) The department shall adopt rules to ensure that all eligible rollovers and transfers comply with the requirements of the internal revenue code and regulations adopted by the internal revenue service. The rules adopted by the department may condition the acceptance of a rollover or transfer from another plan on the receipt of information necessary to enable the department to determine the eligibility of any transferred funds for tax-free rollover treatment or other treatment under federal income tax law.

(c) "Eligible retirement plan" means a tax qualified plan offered by a governmental employer.

NEW SECTION. **Sec.**  A new section is added to chapter 41.26 RCW under the subchapter heading "plan 1" to read as follows:

(1) At the time of retirement, plan 1 members may purchase an optional actuarially equivalent life annuity benefit from the Washington law enforcement officers' and firefighters' retirement system plan 1 retirement fund established in RCW 41.50.075. A minimum payment of twenty-five thousand dollars is required.

(2) Subject to rules adopted by the department, a member purchasing an annuity under this section must pay all of the cost with an eligible rollover, direct rollover, or trustee-to-trustee transfer from an eligible retirement plan.

(a) The department shall adopt rules to ensure that all eligible rollovers and transfers comply with the requirements of the internal revenue code and regulations adopted by the internal revenue service. The rules adopted by the department may condition the acceptance of a rollover or transfer from another plan on the receipt of information necessary to enable the department to determine the eligibility of any transferred funds for tax-free rollover treatment or other treatment under federal income tax law.

(b) "Eligible retirement plan" means a tax qualified plan offered by a governmental employer.

(3) Plan 1 members whose retirement was effective prior to the effective date of this section may purchase an annuity under this section between January 1, 2017, and June 1, 2017.

NEW SECTION. **Sec.**  A new section is added to chapter 41.26 RCW under the subchapter heading "plan 2" to read as follows, but because of its temporary nature is not codified:

(1) A plan 2 retiree whose retirement was effective before June 1, 2014, may purchase an annuity under this section between January 1, 2017, and June 1, 2017.

(2) Plan 2 retirees who meet the requirements of subsection (1) of this section may purchase an optional actuarially equivalent life annuity benefit from the Washington law enforcement officers' and firefighters' retirement system plan 2 retirement fund established in RCW 41.50.075. A minimum payment of twenty-five thousand dollars is required.

(a) Subject to rules adopted by the department, a retiree purchasing an annuity under this section must pay all of the cost with an eligible rollover, direct rollover, or trustee-to-trustee transfer from an eligible retirement plan.

(b) The department shall adopt rules to ensure that all eligible rollovers and transfers comply with the requirements of the internal revenue code and regulations adopted by the internal revenue service. The rules adopted by the department may condition the acceptance of a rollover or transfer from another plan on the receipt of information necessary to enable the department to determine the eligibility of any transferred funds for tax-free rollover treatment or other treatment under federal income tax law.

(c) "Eligible retirement plan" means a tax qualified plan offered by a governmental employer.

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