<u>SSB 5424</u> - S AMD 475 By Senator Lovick

ADOPTED 01/17/2024

1 On page 11, line 11, after "<u>July 1,</u>" strike "<u>2023</u>" and insert 2 "2024"

3 On page 15, after line 10, insert the following:

4 "Sec. 4. RCW 41.26.030 and 2023 c 77 s 1 are each amended to 5 read as follows:

6 As used in this chapter, unless a different meaning is plainly 7 required by the context:

8 (1) "Accumulated contributions" means the employee's 9 contributions made by a member, including any amount paid under RCW 10 41.50.165(2), plus accrued interest credited thereon.

11 (2) "Actuarial reserve" means a method of financing a pension or 12 retirement plan wherein reserves are accumulated as the liabilities 13 for benefit payments are incurred in order that sufficient funds will 14 be available on the date of retirement of each member to pay the 15 member's future benefits during the period of retirement.

(3) "Actuarial valuation" means a mathematical determination of the financial condition of a retirement plan. It includes the computation of the present monetary value of benefits payable to present members, and the present monetary value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal from service, salary and interest earned on investments.

(4) (a) "Basic salary" for plan 1 members, means the basic monthly rate of salary or wages, including longevity pay but not including overtime earnings or special salary or wages, upon which pension or retirement benefits will be computed and upon which employer contributions and salary deductions will be based.

(b) "Basic salary" for plan 2 members, means salaries or wages
earned by a member during a payroll period for personal services,
including overtime payments, and shall include wages and salaries
deferred under provisions established pursuant to sections 403(b),
414(h), and 457 of the United States Internal Revenue Code, but shall
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exclude lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay. In any year in which a member serves in the legislature the member shall have the option of having such member's basic salary be the greater of:

6 (i) The basic salary the member would have received had such 7 member not served in the legislature; or

8 (ii) Such member's actual basic salary received for 9 nonlegislative public employment and legislative service combined. 10 Any additional contributions to the retirement system required 11 because basic salary under (b)(i) of this subsection is greater than 12 basic salary under (b)(ii) of this subsection shall be paid by the 13 member for both member and employer contributions.

14 (5)(a) "Beneficiary" for plan 1 members, means any person in 15 receipt of a retirement allowance, disability allowance, death 16 benefit, or any other benefit described herein.

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

20 (6) (a) "Child" or "children" means an unmarried person who is 21 under the age of eighteen or mentally or physically disabled as 22 determined by the department, except a person who is disabled and in 23 the full time care of a state institution, who is:

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(i) A natural born child;

(ii) A stepchild where that relationship was in existence priorto the date benefits are payable under this chapter;

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(iii) A posthumous child;

(iv) A child legally adopted or made a legal ward of a member prior to the date benefits are payable under this chapter; or

30 (v) An illegitimate child legitimized prior to the date any 31 benefits are payable under this chapter.

32 (b) A person shall also be deemed to be a child up to and 33 including the age of twenty years and eleven months while attending 34 any high school, college, or vocational or other educational 35 institution accredited, licensed, or approved by the state, in which 36 it is located, including the summer vacation months and all other 37 normal and regular vacation periods at the particular educational 38 institution after which the child returns to school.

39 (7) "Department" means the department of retirement systems 40 created in chapter 41.50 RCW.

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(8) "Director" means the director of the department.

(9) "Disability board" for plan 1 members means either the county
disability board or the city disability board established in RCW
41.26.110.

5 (10) "Disability leave" means the period of six months or any 6 portion thereof during which a member is on leave at an allowance 7 equal to the member's full salary prior to the commencement of 8 disability retirement. The definition contained in this subsection 9 shall apply only to plan 1 members.

10 (11) "Disability retirement" for plan 1 members, means the period 11 following termination of a member's disability leave, during which 12 the member is in receipt of a disability retirement allowance.

13 (12) "Domestic partners" means two adults who have registered as 14 domestic partners under RCW 26.60.020.

(13) "Employee" means any law enforcement officer or firefighteras defined in subsections (17) and (19) of this section.

17 (14) (a) "Employer" for plan 1 members, means the legislative authority of any city, town, county, district, or regional fire 18 protection service authority or the elected officials of any 19 municipal corporation that employs any law enforcement officer and/or 20 21 firefighter, any authorized association of such municipalities, and, except for the purposes of RCW 41.26.150, any labor quild, 22 association, or organization, which represents the firefighters or 23 law enforcement officers of at least seven cities of over 20,000 24 25 population and the membership of each local lodge or division of 26 which is composed of at least sixty percent law enforcement officers or firefighters as defined in this chapter. 27

(b) "Employer" for plan 2 members, means the following entities to the extent that the entity employs any law enforcement officer and/or firefighter:

(i) The legislative authority of any city, town, county, district, public corporation, or regional fire protection service authority established under RCW 35.21.730 to provide emergency medical services as defined in RCW 18.73.030;

35 (ii) The elected officials of any municipal corporation;

36 (iii) The governing body of any other general authority law 37 enforcement agency;

38 (iv) A four-year institution of higher education having a fully 39 operational fire department as of January 1, 1996; or

1 (v) The department of social and health services or the 2 department of corrections when employing firefighters serving at a 3 prison or civil commitment center on an island.

(c) Except as otherwise specifically provided in this chapter, 4 "employer" does not include a government contractor. For purposes of 5 6 this subsection, a "government contractor" is any entity, including a partnership, limited liability company, for-profit or nonprofit 7 corporation, or person, that provides services pursuant to a contract 8 with an "employer." The determination whether an employer-employee 9 relationship has been established is not based on the relationship 10 between a government contractor and an "employer," but is based 11 12 solely on the relationship between a government contractor's employee and an "employer" under this chapter. 13

(15) (a) "Final average salary" for plan 1 members, means (i) for 14 a member holding the same position or rank for a minimum of twelve 15 16 months preceding the date of retirement, the basic salary attached to 17 such same position or rank at time of retirement; (ii) for any other member, including a civil service member who has not served a minimum 18 of twelve months in the same position or rank preceding the date of 19 retirement, the average of the greatest basic salaries payable to 20 such member during any consecutive twenty-four month period within 21 such member's last ten years of service for which service credit is 22 23 allowed, computed by dividing the total basic salaries payable to such member during the selected twenty-four month period by twenty-24 25 four; (iii) in the case of disability of any member, the basic salary payable to such member at the time of disability retirement; (iv) in 26 the case of a member who hereafter vests pursuant to RCW 41.26.090, 27 the basic salary payable to such member at the time of vesting. 28

(b) "Final average salary" for plan 2 members, means the monthly average of the member's basic salary for the highest consecutive sixty service credit months of service prior to such member's retirement, termination, or death. Periods constituting authorized unpaid leaves of absence may not be used in the calculation of final average salary.

35 (c) In calculating final average salary under (a) or (b) of this 36 subsection, the department of retirement systems shall include:

(i) Any compensation forgone by a member employed by a state
 agency or institution during the 2009-2011 fiscal biennium as a
 result of reduced work hours, mandatory or voluntary leave without
 pay, temporary reduction in pay implemented prior to December 11,
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1 2010, or temporary layoffs if the reduced compensation is an integral 2 part of the employer's expenditure reduction efforts, as certified by 3 the employer;

(ii) Any compensation forgone by a member employed by the state 4 or a local government employer during the 2011-2013 fiscal biennium 5 6 as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced 7 compensation is an integral part of the employer's expenditure 8 reduction efforts, as certified by the employer. Reductions to 9 current pay shall not include elimination of previously agreed upon 10 11 future salary increases; and

12 (iii) Any compensation forgone by a member employed by the state or a local government employer during the 2019-2021 and 2021-2023 13 fiscal biennia as a result of reduced work hours, mandatory leave 14 without pay, temporary layoffs, furloughs, reductions to current pay, 15 16 or other similar measures resulting from the COVID-19 budgetary crisis, if the reduced compensation is an integral part of the 17 employer's expenditure reduction efforts, as certified by the 18 employer. Reductions to current pay shall not include elimination of 19 previously agreed upon future salary increases. 20

(16) "Fire department" includes a fire station operated by the department of social and health services or the department of corrections when employing firefighters serving a prison or civil commitment center on an island.

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(17) "Firefighter" means:

(a) Any person who is serving on a full time, fully compensated
basis as a member of a fire department of an employer and who is
serving in a position which requires passing a civil service
examination for firefighter, and who is actively employed as such;

30 (b) Anyone who is actively employed as a full time firefighter 31 where the fire department does not have a civil service examination;

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(c) Supervisory firefighter personnel;

(d) Any full time executive secretary of an association of fire
protection districts authorized under RCW 52.12.031. The provisions
of this subsection (17) (d) shall not apply to plan 2 members;

36 (e) The executive secretary of a labor guild, association or 37 organization (which is an employer under subsection (14) of this 38 section), if such individual has five years previous membership in a 39 retirement system established in chapter 41.16 or 41.18 RCW. The

1 provisions of this subsection (17)(e) shall not apply to plan 2
2 members;

3 (f) Any person who is serving on a full time, fully compensated 4 basis for an employer, as a fire dispatcher, in a department in 5 which, on March 1, 1970, a dispatcher was required to have passed a 6 civil service examination for firefighter;

7 (g) Any person who on March 1, 1970, was employed on a full time, 8 fully compensated basis by an employer, and who on May 21, 1971, was 9 making retirement contributions under the provisions of chapter 41.16 10 or 41.18 RCW; and

(h) Any person who is employed on a full-time, fully compensated basis by an employer as an emergency medical technician that meets the requirements of RCW 18.71.200 or 18.73.030(13), and whose duties include providing emergency medical services as defined in RCW 18.73.030.

16 (18) "General authority law enforcement agency" means any agency, 17 department, or division of a municipal corporation, political subdivision, or other unit of local government of this state, the 18 government of a federally recognized tribe, and any agency, 19 department, or division of state government, having as its primary 20 21 function the detection and apprehension of persons committing infractions or violating the traffic or criminal laws in general, but 22 not including the Washington state patrol. Such an agency, 23 department, or division is distinguished from a limited authority law 24 25 enforcement agency having as one of its functions the apprehension or detection of persons committing infractions or violating the traffic 26 or criminal laws relating to limited subject areas, including but not 27 28 limited to, the state departments of natural resources and social and health services, the state gambling commission, the state lottery 29 commission, the state parks and recreation commission, the state 30 31 utilities and transportation commission, the state liquor and 32 cannabis board, and the state department of corrections. A general 33 authority law enforcement agency under this chapter does not include a government contractor. 34

(19) "Law enforcement officer" beginning January 1, 1994, means any person who is commissioned and employed by an employer on a full time, fully compensated basis to enforce the criminal laws of the state of Washington generally, with the following qualifications:

1 (a) No person who is serving in a position that is basically 2 clerical or secretarial in nature, and who is not commissioned shall 3 be considered a law enforcement officer;

4 (b) Only those deputy sheriffs, including those serving under a 5 different title pursuant to county charter, who have successfully 6 completed a civil service examination for deputy sheriff or the 7 equivalent position, where a different title is used, and those 8 persons serving in unclassified positions authorized by RCW 41.14.070 9 except a private secretary will be considered law enforcement 10 officers;

11 (c) Only such full time commissioned law enforcement personnel as 12 have been appointed to offices, positions, or ranks in the police 13 department which have been specifically created or otherwise 14 expressly provided for and designated by city charter provision or by 15 ordinance enacted by the legislative body of the city shall be 16 considered city police officers;

(d) The term "law enforcement officer" also includes the executive secretary of a labor guild, association or organization (which is an employer under subsection (14) of this section) if that individual has five years previous membership in the retirement system established in chapter 41.20 RCW. The provisions of this subsection (19) (d) shall not apply to plan 2 members;

(e) The term "law enforcement officer" also includes a person 23 employed on or after January 1, 1993, as a public safety officer or 24 25 director of public safety, so long as the job duties substantially involve only either police or fire duties, or both, and no other 26 duties in a city or town with a population of less than ten thousand. 27 28 The provisions of this subsection (19) (e) shall not apply to any public safety officer or director of public safety who is receiving a 29 retirement allowance under this chapter as of May 12, 1993; ((and)) 30

(f) The term "law enforcement officer" also includes a person who is employed on or after January 1, 2024, on a full-time basis by the government of a federally recognized tribe within the state of Washington that meets the terms and conditions of RCW 41.26.565, is employed in a police department maintained by that tribe, and who is currently certified as a general authority peace officer under chapter 43.101 RCW; and

38 (g) Beginning July 1, 2024, the term "law enforcement officer" 39 also includes any person who is commissioned and employed by an 40 employer on a fully compensated basis to enforce the criminal laws of

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1 the state of Washington generally, on a less than full-time basis,

2 with the qualifications in (a) through (e) of this subsection.

3 (20) "Medical services" for plan 1 members, shall include the 4 following as minimum services to be provided. Reasonable charges for 5 these services shall be paid in accordance with RCW 41.26.150.

6 (a) Hospital expenses: These are the charges made by a hospital, 7 in its own behalf, for

8 (i) Board and room not to exceed semiprivate room rate unless 9 private room is required by the attending physician due to the 10 condition of the patient.

11 (ii) Necessary hospital services, other than board and room, 12 furnished by the hospital.

(b) Other medical expenses: The following charges are considered "other medical expenses," provided that they have not been considered as "hospital expenses."

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(i) The fees of the following:

17 (A) A physician or surgeon licensed under the provisions of 18 chapter 18.71 RCW;

19 (B) An osteopathic physician and surgeon licensed under the 20 provisions of chapter 18.57 RCW;

21 (C) A chiropractor licensed under the provisions of chapter 18.25 22 RCW.

(ii) The charges of a registered graduate nurse other than a nurse who ordinarily resides in the member's home, or is a member of the family of either the member or the member's spouse.

26 (iii) The charges for the following medical services and 27 supplies:

28 (A) Drugs and medicines upon a physician's prescription;

29 (B) Diagnostic X-ray and laboratory examinations;

30 (C) X-ray, radium, and radioactive isotopes therapy;

31 (D) Anesthesia and oxygen;

32 (E) Rental of iron lung and other durable medical and surgical 33 equipment;

34 (F) Artificial limbs and eyes, and casts, splints, and trusses;

35 (G) Professional ambulance service when used to transport the 36 member to or from a hospital when injured by an accident or stricken 37 by a disease;

38 (H) Dental charges incurred by a member who sustains an 39 accidental injury to his or her teeth and who commences treatment by 40 a legally licensed dentist within ninety days after the accident;

(I) Nursing home confinement or hospital extended care facility;

(J) Physical therapy by a registered physical therapist;

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3 (K) Blood transfusions, including the cost of blood and blood 4 plasma not replaced by voluntary donors;

5 (L) An optometrist licensed under the provisions of chapter 18.536 RCW.

7 (21) "Member" means any firefighter, law enforcement officer, or 8 other person as would apply under subsection (17) or (19) of this 9 section whose membership is transferred to the Washington law 10 enforcement officers' and firefighters' retirement system on or after 11 March 1, 1970, and every law enforcement officer and firefighter who 12 is employed in that capacity on or after such date.

13 (22) "Plan 1" means the law enforcement officers' and 14 firefighters' retirement system, plan 1 providing the benefits and 15 funding provisions covering persons who first became members of the 16 system prior to October 1, 1977.

17 (23) "Plan 2" means the law enforcement officers' and 18 firefighters' retirement system, plan 2 providing the benefits and 19 funding provisions covering persons who first became members of the 20 system on and after October 1, 1977.

(24) "Position" means the employment held at any particular time,which may or may not be the same as civil service rank.

23 (25) "Regular interest" means such rate as the director may 24 determine.

(26) "Retiree" for persons who establish membership in the retirement system on or after October 1, 1977, means any member in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by such member.

30 (27) "Retirement fund" means the "Washington law enforcement 31 officers' and firefighters' retirement system fund" as provided for 32 herein.

33 (28) "Retirement system" means the "Washington law enforcement 34 officers' and firefighters' retirement system" provided herein.

35 (29)(a) "Service" for plan 1 members, means all periods of 36 employment for an employer as a firefighter or law enforcement 37 officer, for which compensation is paid, together with periods of 38 suspension not exceeding thirty days in duration. For the purposes of 39 this chapter service shall also include service in the armed forces 40 of the United States as provided in RCW 41.26.190. Credit shall be 40 Code Rev/MFW:jlb 9 S-3950.1/24 1 allowed for all service credit months of service rendered by a member 2 from and after the member's initial commencement of employment as a 3 firefighter or law enforcement officer, during which the member 4 worked for seventy or more hours, or was on disability leave or 5 disability retirement. Only service credit months of service shall be 6 counted in the computation of any retirement allowance or other 7 benefit provided for in this chapter.

(i) For members retiring after May 21, 1971 who were employed 8 under the coverage of a prior pension act before March 1, 1970, 9 "service" shall also include (A) such military service not exceeding 10 five years as was creditable to the member as of March 1, 1970, under 11 12 the member's particular prior pension act, and (B) such other periods of service as were then creditable to a particular member under the 13 provisions of RCW 41.18.165, 41.20.160, or 41.20.170. However, in no 14 event shall credit be allowed for any service rendered prior to March 15 1, 1970, where the member at the time of rendition of such service 16 17 was employed in a position covered by a prior pension act, unless such service, at the time credit is claimed therefor, is also 18 creditable under the provisions of such prior act. 19

(ii) A member who is employed by two employers at the same time shall only be credited with service to one such employer for any month during which the member rendered such dual service.

(iii) Reduction efforts such as furloughs, reduced work hours, mandatory leave without pay, temporary layoffs, or other similar situations as contemplated by subsection (15) (c) (iii) of this section do not result in a reduction in service credit that otherwise would have been earned for that month of work, and the member shall receive the full service credit for the hours that were scheduled to be worked before the reduction.

(b) (i) "Service" for plan 2 members, means periods of employment 30 31 by a member for one or more employers for which basic salary is earned for ninety or more hours per calendar month which shall 32 constitute a service credit month. Periods of employment by a member 33 for one or more employers for which basic salary is earned for at 34 least seventy hours but less than ninety hours per calendar month 35 shall constitute one-half service credit month. Periods of employment 36 by a member for one or more employers for which basic salary is 37 earned for less than seventy hours shall constitute a one-quarter 38 39 service credit month.

1 (ii) Members of the retirement system who are elected or 2 appointed to a state elective position may elect to continue to be 3 members of this retirement system.

4 (iii) Service credit years of service shall be determined by 5 dividing the total number of service credit months of service by 6 twelve. Any fraction of a service credit year of service as so 7 determined shall be taken into account in the computation of such 8 retirement allowance or benefits.

(iv) If a member receives basic salary from two or more employers 9 during any calendar month, the individual shall receive one service 10 credit month's service credit during any calendar month in which 11 multiple service for ninety or more hours is rendered; or one-half 12 service credit month's service credit during any calendar month in 13 14 which multiple service for at least seventy hours but less than ninety hours is rendered; or one-quarter service credit month during 15 16 any calendar month in which multiple service for less than seventy 17 hours is rendered.

(v) Reduction efforts such as furloughs, reduced work hours, mandatory leave without pay, temporary layoffs, or other similar situations as contemplated by subsection (15)(c)(iii) of this section do not result in a reduction in service credit that otherwise would have been earned for that month of work, and the member shall receive the full service credit for the hours that were scheduled to be worked before the reduction.

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

(31) "Service credit year" means an accumulation of months ofservice credit which is equal to one when divided by twelve.

30 (32) "State actuary" or "actuary" means the person appointed 31 pursuant to RCW 44.44.010(2).

32 (33) "State elective position" means any position held by any 33 person elected or appointed to statewide office or elected or 34 appointed as a member of the legislature.

35 (34) "Surviving spouse" means the surviving widow or widower of a 36 member. "Surviving spouse" shall not include the divorced spouse of a 37 member except as provided in RCW 41.26.162.

<u>NEW SECTION.</u> Sec. 5. Section 3 of this act expires July 1,
 2025.

3 <u>NEW SECTION.</u> Sec. 6. Section 4 of this act takes effect July 1, 4 2025."

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By Senator Lovick

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5 On page 1, line 2 of the title, after "officers;" strike the 6 remainder of the title and insert "amending RCW 41.26.030 and 7 41.26.030; reenacting and amending RCW 10.93.020; adding a new 8 section to chapter 49.28 RCW; providing an effective date; and 9 providing an expiration date."

<u>EFFECT:</u> Changes the effective date of the change to the definition of "law enforcement officer" in the Law Enforcement Officers' and Firefighters' Retirement System statute from July 1, 2023, to July 1, 2024.

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