

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1804**

Chapter 312, Laws of 2023

68th Legislature  
2023 Regular Session

PUBLIC EMPLOYEES' BENEFITS BOARD—RETIRED OR DISABLED EMPLOYEES OF  
POLITICAL SUBDIVISIONS

EFFECTIVE DATE: May 4, 2023

Passed by the House April 14, 2023  
Yeas 96 Nays 0

LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate April 10, 2023  
Yeas 49 Nays 0

DENNY HECK

**President of the Senate**

Approved May 4, 2023 3:45 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1804** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

May 5, 2023

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1804**

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AS AMENDED BY THE SENATE

Passed Legislature - 2023 Regular Session

**State of Washington**                      **68th Legislature**                      **2023 Regular Session**

**By** House Appropriations (originally sponsored by Representative Steele)

READ FIRST TIME 02/24/23.

1            AN ACT Relating to eligibility for participation in the public  
2 employees' benefits board for retired or disabled employees of  
3 counties, municipalities, and other political subdivisions; amending  
4 RCW 41.05.080; adding new sections to chapter 41.05 RCW; and  
5 declaring an emergency.

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

7            **Sec. 1.** RCW 41.05.080 and 2018 c 260 s 15 are each amended to  
8 read as follows:

9            (1) Under the qualifications, terms, conditions, and benefits set  
10 by the public employees' benefits board:

11            (a) (i) Retired or disabled state employees, retired or disabled  
12 school employees, retired or disabled employees of ~~((county,~~  
13 ~~municipal, or other political subdivisions, or retired or disabled~~  
14 ~~employees of tribal governments))~~ employer groups covered by this  
15 chapter may continue their participation in insurance plans and  
16 contracts after retirement or disablement.

17            (ii) The retired or disabled employees of employer groups whose  
18 contractual agreement with the authority terminates may continue  
19 their participation in insurance plans and contracts after the  
20 contractual agreement is terminated. The retired or disabled  
21 employees of employer groups whose contractual agreement with the

1 authority terminates are not eligible for any subsidy provided under  
2 RCW 41.05.085;

3 (b) Separated employees may continue their participation in  
4 insurance plans and contracts if participation is selected  
5 immediately upon separation from employment;

6 (c) Surviving spouses, surviving state registered domestic  
7 partners, and dependent children of emergency service personnel  
8 killed in the line of duty may participate in insurance plans and  
9 contracts.

10 (2) Rates charged surviving spouses and surviving state  
11 registered domestic partners of emergency service personnel killed in  
12 the line of duty, retired or disabled employees, separated employees,  
13 spouses, or dependent children who are not eligible for parts A and B  
14 of medicare shall be based on the experience of the community-rated  
15 risk pool established under RCW 41.05.022.

16 (3) Rates charged to surviving spouses and surviving state  
17 registered domestic partners of emergency service personnel killed in  
18 the line of duty, retired or disabled employees, separated employees,  
19 spouses, or children who are eligible for parts A and B of medicare  
20 shall be calculated from a separate experience risk pool comprised  
21 only of individuals eligible for parts A and B of medicare; however,  
22 the premiums charged to medicare-eligible retirees and disabled  
23 employees shall be reduced by the amount of the subsidy provided  
24 under RCW 41.05.085, except as provided in subsection (1)(a)(ii) of  
25 this section.

26 (4) Surviving spouses, surviving state registered domestic  
27 partners, and dependent children of emergency service personnel  
28 killed in the line of duty and retired or disabled and separated  
29 employees shall be responsible for payment of premium rates developed  
30 by the authority which shall include the cost to the authority of  
31 providing insurance coverage including any amounts necessary for  
32 reserves and administration in accordance with this chapter. These  
33 self pay rates will be established based on a separate rate for the  
34 employee, the spouse, state registered domestic partners, and the  
35 children.

36 (5) The term "retired state employees" for the purpose of this  
37 section shall include but not be limited to members of the  
38 legislature whether voluntarily or involuntarily leaving state  
39 office.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 41.05  
2    RCW to read as follows:

3        (1) Employer groups that enter into a contractual agreement with  
4    the authority after the effective date of this section and whose  
5    contractual agreement with the authority is subsequently terminated,  
6    shall make a one-time payment as calculated in subsection (2) of this  
7    section to the authority for each of the employer group's retired or  
8    disabled employees who continue their participation in insurance  
9    plans and contracts under RCW 41.05.080(1)(a)(ii).

10       (2) For each of the employer group's retired or disabled  
11    employees who will be continuing their participation, the authority  
12    shall determine the one-time payment amount by calculating the  
13    difference in cost between the rate charged to retired or disabled  
14    employees under RCW 41.05.080(2) and the actuarially determined value  
15    of the medical benefits for retired and disabled employees who are  
16    not eligible for parts A and B of medicare, and then multiplying that  
17    difference by the number of months until the retired or disabled  
18    employee would become eligible for medicare.

19       (3) Employer groups shall not be entitled to any refund of the  
20    amount paid to the authority under this section.

21       NEW SECTION.    **Sec. 3.**    A new section is added to chapter 41.05  
22    RCW to read as follows:

23       Any retired or disabled employee whose participation in insurance  
24    plans or contracts under RCW 41.05.080(1)(a)(i) ended due to the  
25    termination of the contractual agreement between the authority and an  
26    employer group on or before January 1, 2023, must be allowed to  
27    return and participate in insurance plans and contracts as described  
28    in RCW 41.05.080(1)(a)(ii) so long as the retired or disabled  
29    employee notifies the health care authority in writing by December  
30    31, 2023, after which participation will begin on the first day of  
31    the month following the date the authority receives the retired or  
32    disabled employee's written notice.

33       NEW SECTION.    **Sec. 4.**    This act is necessary for the immediate  
34    preservation of the public peace, health, or safety, or support of  
35    the state government and its existing public institutions, and takes  
36    effect immediately.

          Passed by the House April 14, 2023.  
          Passed by the Senate April 10, 2023.

Approved by the Governor May 4, 2023.  
Filed in Office of Secretary of State May 5, 2023.

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