

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 2246**

Chapter 151, Laws of 2024

68th Legislature  
2024 Regular Session

STATE EMPLOYEE VACATION LEAVE ACCRUAL

EFFECTIVE DATE: June 6, 2024

Passed by the House February 12, 2024  
Yeas 97 Nays 0

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LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate March 1, 2024  
Yeas 48 Nays 1

\_\_\_\_\_  
DENNY HECK

**President of the Senate**

Approved March 18, 2024 3:18 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 **HOUSE BILL 2246** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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BERNARD DEAN

**Chief Clerk**

FILED

March 19, 2024

**Secretary of State  
State of Washington**

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HOUSE BILL 2246

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Passed Legislature - 2024 Regular Session

State of Washington

68th Legislature

2024 Regular Session

By Representatives Bateman, Low, Gregerson, Bronoske, Robertson, Reeves, Paul, Reed, and Doglio

Read first time 01/09/24. Referred to Committee on Labor & Workplace Standards.

1 AN ACT Relating to vacation leave accrual for state employees;  
2 amending RCW 43.01.044, 41.40.010, and 43.43.120; and reenacting and  
3 amending RCW 43.01.040.

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

5 **Sec. 1.** RCW 43.01.040 and 2017 c 168 s 1 and 2017 c 167 s 1 are  
6 each reenacted and amended to read as follows:

7 Each subordinate officer and employee of the several offices,  
8 departments, and institutions of the state government shall be  
9 entitled under their contract of employment with the state government  
10 to not less than eight hours of vacation leave with full pay for each  
11 month of employment.

12 Each such subordinate officer and employee shall be entitled  
13 under such contract of employment to not less than eight additional  
14 hours of vacation with full pay each year for satisfactorily  
15 completing the first two, three, and five continuous years of  
16 employment respectively.

17 Such part-time officers or employees of the state government who  
18 are employed on a regular schedule of duration of not less than one  
19 year shall be entitled under their contract of employment to that  
20 fractional part of the vacation leave that the total number of hours

1 of such employment bears to the total number of hours of full-time  
2 employment.

3 Each subordinate officer and employee of the several offices,  
4 departments, and institutions of the state government shall be  
5 entitled under his or her contract of employment with the state  
6 government to accrue unused vacation leave not to exceed (~~two~~  
7 ~~hundred forty~~) 280 hours. However, employees of the Washington state  
8 ferries covered by collective bargaining agreements containing  
9 provisions in effect on June 30, 2017, allowing accrual of unused  
10 vacation leave not to exceed three hundred twenty hours shall be  
11 allowed to continue the higher accrual limit until such time as those  
12 provisions are modified through collective bargaining, or the  
13 bargaining unit changes its exclusive representative or is  
14 decertified. Officers and employees transferring within the several  
15 offices, departments, and institutions of the state government shall  
16 be entitled to transfer such accrued vacation leave to each  
17 succeeding state office, department, or institution. All vacation  
18 leave shall be taken at the time convenient to the employing office,  
19 department, or institution: PROVIDED, That if a subordinate officer's  
20 or employee's request for vacation leave is deferred by reason of the  
21 convenience of the employing office, department, or institution, and  
22 a statement of the necessity therefor is retained by the agency, then  
23 the aforesaid maximum (~~two hundred forty~~) 280 hours of accrued  
24 unused vacation leave shall be extended for each month said leave is  
25 so deferred.

26 **Sec. 2.** RCW 43.01.044 and 2017 c 167 s 2 are each amended to  
27 read as follows:

28 As an alternative, in addition to the provisions of RCW 43.01.040  
29 authorizing the accumulation of vacation leave in excess of (~~two~~  
30 ~~hundred forty~~) 280 hours with the filing of a statement of  
31 necessity, vacation leave in excess of (~~two hundred forty~~) 280  
32 hours may also be accumulated as provided in this section but without  
33 the filing of a statement of necessity. The accumulation of leave  
34 under this alternative method shall be governed by the following  
35 provisions:

36 (1) Each subordinate officer and employee of the several offices,  
37 departments, and institutions of state government may accumulate the  
38 vacation leave hours between the time (~~two hundred forty~~) 280 hours  
39 is accrued and his or her anniversary date of state employment.

1 (2) All vacation hours accumulated under this section shall be  
2 used by the anniversary date and at a time convenient to the  
3 employing office, department, or institution. If an officer or  
4 employee does not use the excess leave by the anniversary date, then  
5 such leave shall be automatically extinguished and considered to have  
6 never existed.

7 (3) This section shall not result in any increase in a retirement  
8 allowance under any public retirement system in this state.

9 (4) Should the legislature revoke any benefits or rights provided  
10 under this section, no affected officer or employee shall be entitled  
11 thereafter to receive such benefits or exercise such rights as a  
12 matter of contractual right.

13 (5) Vacation leave credit acquired and accumulated under this  
14 section shall never, regardless of circumstances, be deferred by the  
15 employing office, department, or institution by filing a statement of  
16 necessity under the provisions of RCW 43.01.040.

17 (6) Notwithstanding any other provision of this chapter, on or  
18 after July 24, 1983, a statement of necessity for excess leave shall,  
19 ((as-[at])) at a minimum, include the following: (a) The specific  
20 number of hours of excess leave; and (b) the date on which it was  
21 authorized. A copy of any such authorization shall be sent to the  
22 department of retirement systems.

23 **Sec. 3.** RCW 41.40.010 and 2022 c 71 s 8 are each amended to read  
24 as follows:

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

27 (1) "Accumulated contributions" means the sum of all  
28 contributions standing to the credit of a member in the member's  
29 individual account, including any amount paid under RCW 41.50.165(2),  
30 together with the regular interest thereon.

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

34 (3) "Adjustment ratio" means the value of index A divided by  
35 index B.

36 (4) "Annual increase" means, initially, ((fifty-nine)) 59 cents  
37 per month per year of service which amount shall be increased each  
38 July 1st by three percent, rounded to the nearest cent.

1 (5) "Annuity" means payments for life derived from accumulated  
2 contributions of a member. All annuities shall be paid in monthly  
3 installments.

4 (6) (a) "Average final compensation" for plan 1 members, means the  
5 annual average of the greatest compensation earnable by a member  
6 during any consecutive two year period of service credit months for  
7 which service credit is allowed; or if the member has less than two  
8 years of service credit months then the annual average compensation  
9 earnable during the total years of service for which service credit  
10 is allowed.

11 (b) "Average final compensation" for plan 2 and plan 3 members,  
12 means the member's average compensation earnable of the highest  
13 consecutive sixty months of service credit months prior to such  
14 member's retirement, termination, or death. Periods constituting  
15 authorized leaves of absence may not be used in the calculation of  
16 average final compensation except under RCW 41.40.710(2) or (c) of  
17 this subsection.

18 (c) In calculating average final compensation under this  
19 subsection for a member of plan 1, 2, or 3, the department of  
20 retirement systems shall include:

21 (i) Any compensation forgone by the member during the 2009-2011  
22 fiscal biennium as a result of reduced work hours, voluntary leave  
23 without pay, temporary reduction in pay implemented prior to December  
24 11, 2010, or temporary furloughs if the reduced compensation is an  
25 integral part of the employer's expenditure reduction efforts, as  
26 certified by the employer;

27 (ii) Any compensation forgone by a member employed by the state  
28 or a local government during the 2011-2013 fiscal biennium as a  
29 result of reduced work hours, mandatory leave without pay, temporary  
30 layoffs, or reductions to current pay if the reduced compensation is  
31 an integral part of the employer's expenditure reduction efforts, as  
32 certified by the employer. Reductions to current pay shall not  
33 include elimination of previously agreed upon future salary  
34 increases; and

35 (iii) Any compensation forgone by a member during the 2019-2021  
36 and 2021-2023 fiscal biennia as a result of reduced work hours,  
37 mandatory leave without pay, temporary layoffs, furloughs, reductions  
38 to current pay, or other similar measures resulting from the COVID-19  
39 budgetary crisis, if the reduced compensation is an integral part of  
40 the employer's expenditure reduction efforts, as certified by the

1 employer. Reductions to current pay shall not include elimination of  
2 previously agreed upon future salary increases.

3 (7) (a) "Beneficiary" for plan 1 members, means any person in  
4 receipt of a retirement allowance, pension or other benefit provided  
5 by this chapter.

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

10 (8) (a) "Compensation earnable" for plan 1 members, means salaries  
11 or wages earned during a payroll period for personal services and  
12 where the compensation is not all paid in money, maintenance  
13 compensation shall be included upon the basis of the schedules  
14 established by the member's employer.

15 (i) "Compensation earnable" for plan 1 members also includes the  
16 following actual or imputed payments, which are not paid for personal  
17 services:

18 (A) Retroactive payments to an individual by an employer on  
19 reinstatement of the employee in a position, or payments by an  
20 employer to an individual in lieu of reinstatement in a position  
21 which are awarded or granted as the equivalent of the salary or wage  
22 which the individual would have earned during a payroll period shall  
23 be considered compensation earnable and the individual shall receive  
24 the equivalent service credit;

25 (B) If a leave of absence is taken by an individual for the  
26 purpose of serving in the state legislature, the salary which would  
27 have been received for the position from which the leave of absence  
28 was taken, shall be considered as compensation earnable if the  
29 employee's contribution is paid by the employee and the employer's  
30 contribution is paid by the employer or employee;

31 (C) Assault pay only as authorized by RCW 27.04.100, 72.01.045,  
32 and 72.09.240;

33 (D) Compensation that a member would have received but for a  
34 disability occurring in the line of duty only as authorized by RCW  
35 41.40.038;

36 (E) Compensation that a member receives due to participation in  
37 the leave sharing program only as authorized by RCW 41.04.650 through  
38 41.04.670; and

39 (F) Compensation that a member receives for being in standby  
40 status. For the purposes of this section, a member is in standby

1 status when not being paid for time actually worked and the employer  
2 requires the member to be prepared to report immediately for work, if  
3 the need arises, although the need may not arise.

4 (ii) "Compensation earnable" does not include:

5 (A) Remuneration for unused sick leave authorized under RCW  
6 41.04.340, 28A.400.210, or 28A.310.490;

7 (B) Remuneration for unused annual leave in excess of 240 hours  
8 (~~as authorized by RCW 43.01.044 and 43.01.041~~).

9 (b) "Compensation earnable" for plan 2 and plan 3 members, means  
10 salaries or wages earned by a member during a payroll period for  
11 personal services, including overtime payments, and shall include  
12 wages and salaries deferred under provisions established pursuant to  
13 sections 403(b), 414(h), and 457 of the United States Internal  
14 Revenue Code, but shall exclude nonmoney maintenance compensation and  
15 lump sum or other payments for deferred annual sick leave, unused  
16 accumulated vacation, unused accumulated annual leave, or any form of  
17 severance pay.

18 "Compensation earnable" for plan 2 and plan 3 members also  
19 includes the following actual or imputed payments, which are not paid  
20 for personal services:

21 (i) Retroactive payments to an individual by an employer on  
22 reinstatement of the employee in a position, or payments by an  
23 employer to an individual in lieu of reinstatement in a position  
24 which are awarded or granted as the equivalent of the salary or wage  
25 which the individual would have earned during a payroll period shall  
26 be considered compensation earnable to the extent provided above, and  
27 the individual shall receive the equivalent service credit;

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

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

33 (B) Such member's actual compensation earnable received for  
34 nonlegislative public employment and legislative service combined.  
35 Any additional contributions to the retirement system required  
36 because compensation earnable under (b)(ii)(A) of this subsection is  
37 greater than compensation earnable under (b)(ii)(B) of this  
38 subsection shall be paid by the member for both member and employer  
39 contributions;

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

3 (iv) Compensation that a member would have received but for a  
4 disability occurring in the line of duty only as authorized by RCW  
5 41.40.038;

6 (v) Compensation that a member receives due to participation in  
7 the leave sharing program only as authorized by RCW 41.04.650 through  
8 41.04.670; and

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

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

16 (10) "Director" means the director of the department.

17 (11) "Eligible position" means:

18 (a) Any position that, as defined by the employer, normally  
19 requires five or more months of service a year for which regular  
20 compensation for at least seventy hours is earned by the occupant  
21 thereof. For purposes of this chapter an employer shall not define  
22 "position" in such a manner that an employee's monthly work for that  
23 employer is divided into more than one position;

24 (b) Any position occupied by an elected official or person  
25 appointed directly by the governor, or appointed by the chief justice  
26 of the supreme court under RCW 2.04.240(2) or 2.06.150(2), for which  
27 compensation is paid.

28 (12) "Employee" or "employed" means a person who is providing  
29 services for compensation to an employer, unless the person is free  
30 from the employer's direction and control over the performance of  
31 work. The department shall adopt rules and interpret this subsection  
32 consistent with common law.

33 (13)(a) "Employer" for plan 1 members, means every branch,  
34 department, agency, commission, board, and office of the state, any  
35 political subdivision or association of political subdivisions of the  
36 state admitted into the retirement system, and legal entities  
37 authorized by RCW 35.63.070 and 36.70.060 or chapter 39.34 RCW; and  
38 the term shall also include any labor guild, association, or  
39 organization the membership of a local lodge or division of which is  
40 comprised of at least forty percent employees of an employer (other

1 than such labor guild, association, or organization) within this  
2 chapter. The term may also include any city of the first class that  
3 has its own retirement system.

4 (b) "Employer" for plan 2 and plan 3 members, means every branch,  
5 department, agency, commission, board, and office of the state, and  
6 any political subdivision and municipal corporation of the state  
7 admitted into the retirement system, including public agencies  
8 created pursuant to RCW 35.63.070, 36.70.060, and 39.34.030; except  
9 that after August 31, 2000, school districts and educational service  
10 districts will no longer be employers for the public employees'  
11 retirement system plan 2.

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

22 (d) "Employer" does not include a comprehensive cancer center  
23 participating in a collaborative arrangement as defined in RCW  
24 28B.10.930 that is operated in conformance with RCW 28B.10.930.

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

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

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

33 (17) "Index B" means the index for the year prior to index A.

34 (18) "Index year" means the earliest calendar year in which the  
35 index is more than (~~sixty~~) 60 percent of index A.

36 (19) "Ineligible position" means any position which does not  
37 conform with the requirements set forth in subsection (11) of this  
38 section.

1 (20) "Leave of absence" means the period of time a member is  
2 authorized by the employer to be absent from service without being  
3 separated from membership.

4 (21) "Member" means any employee included in the membership of  
5 the retirement system, as provided for in RCW 41.40.023. RCW  
6 41.26.045 does not prohibit a person otherwise eligible for  
7 membership in the retirement system from establishing such membership  
8 effective when he or she first entered an eligible position.

9 (22) "Member account" or "member's account" for purposes of plan  
10 3 means the sum of the contributions and earnings on behalf of the  
11 member in the defined contribution portion of plan 3.

12 (23) "Membership service" means:

13 (a) All service rendered, as a member, after October 1, 1947;

14 (b) All service after October 1, 1947, to any employer prior to  
15 the time of its admission into the retirement system for which member  
16 and employer contributions, plus interest as required by RCW  
17 41.50.125, have been paid under RCW 41.40.056 or 41.40.057;

18 (c) Service not to exceed six consecutive months of probationary  
19 service rendered after April 1, 1949, and prior to becoming a member,  
20 in the case of any member, upon payment in full by such member of the  
21 total amount of the employer's contribution to the retirement fund  
22 which would have been required under the law in effect when such  
23 probationary service was rendered if the member had been a member  
24 during such period, except that the amount of the employer's  
25 contribution shall be calculated by the director based on the first  
26 month's compensation earnable as a member;

27 (d) Service not to exceed six consecutive months of probationary  
28 service, rendered after October 1, 1947, and before April 1, 1949,  
29 and prior to becoming a member, in the case of any member, upon  
30 payment in full by such member of five percent of such member's  
31 salary during said period of probationary service, except that the  
32 amount of the employer's contribution shall be calculated by the  
33 director based on the first month's compensation earnable as a  
34 member.

35 (24) "New member" means a person who becomes a member on or after  
36 April 1, 1949, except as otherwise provided in this section.

37 (25) "Original member" of this retirement system means:

38 (a) Any person who became a member of the system prior to April  
39 1, 1949;

1 (b) Any person who becomes a member through the admission of an  
2 employer into the retirement system on and after April 1, 1949, and  
3 prior to April 1, 1951;

4 (c) Any person who first becomes a member by securing employment  
5 with an employer prior to April 1, 1951, provided the member has  
6 rendered at least one or more years of service to any employer prior  
7 to October 1, 1947;

8 (d) Any person who first becomes a member through the admission  
9 of an employer into the retirement system on or after April 1, 1951,  
10 provided, such person has been in the regular employ of the employer  
11 for at least six months of the ((~~twelve~~)) 12-month period preceding  
12 the said admission date;

13 (e) Any member who has restored all contributions that may have  
14 been withdrawn as provided by RCW 41.40.150 and who on the effective  
15 date of the individual's retirement becomes entitled to be credited  
16 with ((~~ten~~)) 10 years or more of membership service except that the  
17 provisions relating to the minimum amount of retirement allowance for  
18 the member upon retirement at age ((~~seventy~~)) 70 as found in RCW  
19 41.40.190(4) shall not apply to the member;

20 (f) Any member who has been a contributor under the system for  
21 two or more years and who has restored all contributions that may  
22 have been withdrawn as provided by RCW 41.40.150 and who on the  
23 effective date of the individual's retirement has rendered five or  
24 more years of service for the state or any political subdivision  
25 prior to the time of the admission of the employer into the system;  
26 except that the provisions relating to the minimum amount of  
27 retirement allowance for the member upon retirement at age  
28 ((~~seventy~~)) 70 as found in RCW 41.40.190(4) shall not apply to the  
29 member.

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

33 (27) "Plan 1" means the public employees' retirement system, plan  
34 1 providing the benefits and funding provisions covering persons who  
35 first became members of the system prior to October 1, 1977.

36 (28) "Plan 2" means the public employees' retirement system, plan  
37 2 providing the benefits and funding provisions covering persons who  
38 first became members of the system on and after October 1, 1977, and  
39 are not included in plan 3.

1 (29) "Plan 3" means the public employees' retirement system, plan  
2 3 providing the benefits and funding provisions covering persons who:

3 (a) First become a member on or after:

4 (i) March 1, 2002, and are employed by a state agency or  
5 institute of higher education and who did not choose to enter plan 2;  
6 or

7 (ii) September 1, 2002, and are employed by other than a state  
8 agency or institute of higher education and who did not choose to  
9 enter plan 2; or

10 (b) Transferred to plan 3 under RCW 41.40.795.

11 (30) "Prior service" means all service of an original member  
12 rendered to any employer prior to October 1, 1947.

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

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

18 (33) "Retirement" means withdrawal from active service with a  
19 retirement allowance as provided by this chapter.

20 (34) "Retirement allowance" means the sum of the annuity and the  
21 pension.

22 (35) "Retirement system" means the public employees' retirement  
23 system provided for in this chapter.

24 (36) "Separation from service" occurs when a person has  
25 terminated all employment with an employer. Separation from service  
26 or employment does not occur, and if claimed by an employer or  
27 employee may be a violation of RCW 41.40.055, when an employee and  
28 employer have a written or oral agreement to resume employment with  
29 the same employer following termination. Mere expressions or  
30 inquiries about postretirement employment by an employer or employee  
31 that do not constitute a commitment to reemploy the employee after  
32 retirement are not an agreement under this subsection.

33 (37)(a) "Service" for plan 1 members, except as provided in RCW  
34 41.40.088, means periods of employment in an eligible position or  
35 positions for one or more employers rendered to any employer for  
36 which compensation is paid, and includes time spent in office as an  
37 elected or appointed official of an employer. Compensation earnable  
38 earned in full time work for (~~seventy~~) 70 hours or more in any  
39 given calendar month shall constitute one service credit month except  
40 as provided in RCW 41.40.088. Compensation earnable earned for less

1 than (~~seventy~~) 70 hours in any calendar month shall constitute one-  
2 quarter service credit month of service except as provided in RCW  
3 41.40.088. Only service credit months and one-quarter service credit  
4 months shall be counted in the computation of any retirement  
5 allowance or other benefit provided for in this chapter. Any fraction  
6 of a year of service shall be taken into account in the computation  
7 of such retirement allowance or benefits. Time spent in standby  
8 status, whether compensated or not, is not service.

9 (i) Service by a state employee officially assigned by the state  
10 on a temporary basis to assist another public agency, shall be  
11 considered as service as a state employee: PROVIDED, That service to  
12 any other public agency shall not be considered service as a state  
13 employee if such service has been used to establish benefits in any  
14 other public retirement system.

15 (ii) An individual shall receive no more than a total of  
16 (~~twelve~~) 12 service credit months of service during any calendar  
17 year. If an individual is employed in an eligible position by one or  
18 more employers the individual shall receive no more than one service  
19 credit month during any calendar month in which multiple service for  
20 seventy or more hours is rendered.

21 (iii) A school district employee may count up to (~~forty-five~~)  
22 45 days of sick leave as creditable service solely for the purpose of  
23 determining eligibility to retire under RCW 41.40.180 as authorized  
24 by RCW 28A.400.300. For purposes of plan 1 "forty-five days" as used  
25 in RCW 28A.400.300 is equal to two service credit months. Use of less  
26 than (~~forty-five~~) 45 days of sick leave is creditable as allowed  
27 under this subsection as follows:

28 (A) Less than (~~twenty-two~~) 22 days equals one-quarter service  
29 credit month;

30 (B) (~~Twenty-two~~) 22 days equals one service credit month;

31 (C) More than (~~twenty-two~~) 22 days but less than (~~forty-five~~)  
32 45 days equals one and one-quarter service credit month.

33 (iv) Reduction efforts such as furloughs, reduced work hours,  
34 mandatory leave without pay, temporary layoffs, or other similar  
35 situations as contemplated by subsection (6)(c)(iii) of this section  
36 do not result in a reduction in service credit that otherwise would  
37 have been earned for that month of work, and the member shall receive  
38 the full service credit for the hours that were scheduled to be  
39 worked before the reduction.

1 (b) "Service" for plan 2 and plan 3 members, means periods of  
2 employment by a member in an eligible position or positions for one  
3 or more employers for which compensation earnable is paid.  
4 Compensation earnable earned for (~~ninety~~) 90 or more hours in any  
5 calendar month shall constitute one service credit month except as  
6 provided in RCW 41.40.088. Compensation earnable earned for at least  
7 (~~seventy~~) 70 hours but less than (~~ninety~~) 90 hours in any  
8 calendar month shall constitute one-half service credit month of  
9 service. Compensation earnable earned for less than (~~seventy~~) 70  
10 hours in any calendar month shall constitute one-quarter service  
11 credit month of service. Time spent in standby status, whether  
12 compensated or not, is not service.

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

15 (i) Service in any state elective position shall be deemed to be  
16 full time service, except that persons serving in state elective  
17 positions who are members of the Washington school employees'  
18 retirement system, teachers' retirement system, public safety  
19 employees' retirement system, or law enforcement officers' and  
20 firefighters' retirement system at the time of election or  
21 appointment to such position may elect to continue membership in the  
22 Washington school employees' retirement system, teachers' retirement  
23 system, public safety employees' retirement system, or law  
24 enforcement officers' and firefighters' retirement system.

25 (ii) A member shall receive a total of not more than (~~twelve~~)  
26 12 service credit months of service for such calendar year. If an  
27 individual is employed in an eligible position by one or more  
28 employers the individual shall receive no more than one service  
29 credit month during any calendar month in which multiple service for  
30 ninety or more hours is rendered.

31 (iii) Up to (~~forty-five~~) 45 days of sick leave may be  
32 creditable as service solely for the purpose of determining  
33 eligibility to retire under RCW 41.40.180 as authorized by RCW  
34 28A.400.300. For purposes of plan 2 and plan 3 "forty-five days" as  
35 used in RCW 28A.400.300 is equal to two service credit months. Use of  
36 less than (~~forty-five~~) 45 days of sick leave is creditable as  
37 allowed under this subsection as follows:

38 (A) Less than (~~eleven~~) 11 days equals one-quarter service  
39 credit month;

1 (B) (~~Eleven~~) 11 or more days but less than (~~twenty-two~~) 22  
2 days equals one-half service credit month;

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

4 (D) More than (~~twenty-two~~) 22 days but less than (~~thirty-~~  
5 ~~three~~) 33 days equals one and one-quarter service credit month;

6 (E) (~~Thirty-three~~) 33 or more days but less than (~~forty-five~~)  
7 45 days equals one and one-half service credit month.

8 (iv) Reduction efforts such as furloughs, reduced work hours,  
9 mandatory leave without pay, temporary layoffs, or other similar  
10 situations as contemplated by subsection (6)(c)(iii) of this section  
11 do not result in a reduction in service credit that otherwise would  
12 have been earned for that month of work, and the member shall receive  
13 the full service credit for the hours that were scheduled to be  
14 worked before the reduction.

15 (38) "Service credit month" means a month or an accumulation of  
16 months of service credit which is equal to one.

17 (39) "Service credit year" means an accumulation of months of  
18 service credit which is equal to one when divided by twelve.

19 (40) "State actuary" or "actuary" means the person appointed  
20 pursuant to RCW 44.44.010(2).

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

24 (42) "State treasurer" means the treasurer of the state of  
25 Washington.

26 (43) "Totally incapacitated for duty" means total inability to  
27 perform the duties of a member's employment or office or any other  
28 work for which the member is qualified by training or experience.

29 **Sec. 4.** RCW 43.43.120 and 2021 c 12 s 8 are each amended to read  
30 as follows:

31 As used in this section and RCW 43.43.130 through 43.43.320,  
32 unless a different meaning is plainly required by the context:

33 (1) "Actuarial equivalent" shall mean a benefit of equal value  
34 when computed upon the basis of such mortality table as may be  
35 adopted and such interest rate as may be determined by the director.

36 (2) "Annual increase" means as of July 1, 1999, seventy-seven  
37 cents per month per year of service which amount shall be increased  
38 each subsequent July 1st by three percent, rounded to the nearest  
39 cent.

1 (3) (a) "Average final salary," for members commissioned prior to  
2 January 1, 2003, shall mean the average monthly salary received by a  
3 member during the member's last two years of service or any  
4 consecutive two-year period of service, whichever is the greater, as  
5 an employee of the Washington state patrol; or if the member has less  
6 than two years of service, then the average monthly salary received  
7 by the member during the member's total years of service.

8 (b) "Average final salary," for members commissioned on or after  
9 January 1, 2003, shall mean the average monthly salary received by a  
10 member for the highest consecutive sixty service credit months; or if  
11 the member has less than sixty months of service, then the average  
12 monthly salary received by the member during the member's total  
13 months of service.

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

16 (i) Any compensation forgone by the member during the 2009-2011  
17 fiscal biennium as a result of reduced work hours, mandatory or  
18 voluntary leave without pay, temporary reduction in pay implemented  
19 prior to December 11, 2010, or temporary layoffs if the reduced  
20 compensation is an integral part of the employer's expenditure  
21 reduction efforts, as certified by the chief;

22 (ii) Any compensation forgone by a member during the 2011-2013  
23 fiscal biennium as a result of reduced work hours, mandatory leave  
24 without pay, temporary layoffs, or reductions to current pay if the  
25 reduced compensation is an integral part of the employer's  
26 expenditure reduction efforts, as certified by the chief. Reductions  
27 to current pay shall not include elimination of previously agreed  
28 upon future salary reductions; and

29 (iii) Any compensation forgone by a member during the 2019-2021  
30 and 2021-2023 fiscal biennia as a result of reduced work hours,  
31 mandatory leave without pay, temporary layoffs, furloughs, reductions  
32 to current pay, or other similar measures resulting from the COVID-19  
33 budgetary crisis, if the reduced compensation is an integral part of  
34 the employer's expenditure reduction efforts, as certified by the  
35 chief. Reductions to current pay shall not include elimination of  
36 previously agreed upon future salary increases.

37 (4) "Beneficiary" means any person in receipt of retirement  
38 allowance or any other benefit allowed by this chapter.

39 (5) (a) "Cadet," for a person who became a member of the  
40 retirement system after June 12, 1980, is a person who has passed the

1 Washington state patrol's entry-level oral, written, physical  
2 performance, and background examinations and is, thereby, appointed  
3 by the chief as a candidate to be a commissioned officer of the  
4 Washington state patrol.

5 (b) "Cadet," for a person who became a member of the retirement  
6 system before June 12, 1980, is a trooper cadet, patrol cadet, or  
7 employee of like classification, employed for the express purpose of  
8 receiving the on-the-job training required for attendance at the  
9 state patrol academy and for becoming a commissioned trooper. "Like  
10 classification" includes: Radio operators or dispatchers; persons  
11 providing security for the governor or legislature; patrol officers;  
12 drivers' license examiners; weighmasters; vehicle safety inspectors;  
13 central wireless operators; and warehouse workers.

14 (6) "Contributions" means the deduction from the compensation of  
15 each member in accordance with the contribution rates established  
16 under chapter 41.45 RCW.

17 (7) "Current service" shall mean all service as a member rendered  
18 on or after August 1, 1947.

19 (8) "Department" means the department of retirement systems  
20 created in chapter 41.50 RCW.

21 (9) "Director" means the director of the department of retirement  
22 systems.

23 (10) "Domestic partners" means two adults who have registered as  
24 domestic partners under RCW 26.60.040.

25 (11) "Employee" means any commissioned employee of the Washington  
26 state patrol.

27 (12) "Insurance commissioner" means the insurance commissioner of  
28 the state of Washington.

29 (13) "Lieutenant governor" means the lieutenant governor of the  
30 state of Washington.

31 (14) "Member" means any person included in the membership of the  
32 retirement fund.

33 (15) "Plan 2" means the Washington state patrol retirement system  
34 plan 2, providing the benefits and funding provisions covering  
35 commissioned employees who first become members of the system on or  
36 after January 1, 2003.

37 (16) "Prior service" shall mean all services rendered by a member  
38 to the state of Washington, or any of its political subdivisions  
39 prior to August 1, 1947, unless such service has been credited in

1 another public retirement or pension system operating in the state of  
2 Washington.

3 (17) "Regular interest" means interest compounded annually at  
4 such rates as may be determined by the director.

5 (18) "Retirement board" means the board provided for in this  
6 chapter.

7 (19) "Retirement fund" means the Washington state patrol  
8 retirement fund.

9 (20) "Retirement system" means the Washington state patrol  
10 retirement system.

11 (21)(a) "Salary," for members commissioned prior to July 1, 2001,  
12 shall exclude any overtime earnings related to RCW 47.46.040, or any  
13 voluntary overtime, earned on or after July 1, 2001, and prior to  
14 July 1, 2017, and lump sum payments for unused accumulated vacation  
15 or annual leave in excess of 240 hours, plus hours earned since the  
16 member's anniversary date. On or after July 1, 2017, salary shall  
17 exclude overtime earnings in excess of seventy hours per year in  
18 total related to either RCW 47.46.040 or any voluntary overtime.

19 (b) "Salary," for members commissioned from July 1, 2001, to  
20 December 31, 2002, shall exclude any overtime earnings related to RCW  
21 47.46.040 or any voluntary overtime, earned prior to July 1, 2017,  
22 lump sum payments for deferred annual sick leave, or any form of  
23 severance pay. On or after July 1, 2017, salary shall exclude  
24 overtime earnings in excess of seventy hours per year in total  
25 related to either RCW 47.46.040 or any voluntary overtime.

26 (c) "Salary," for members commissioned on or after January 1,  
27 2003, shall exclude any overtime earnings related to RCW 47.46.040 or  
28 any voluntary overtime, earned prior to July 1, 2017, lump sum  
29 payments for deferred annual sick leave, unused accumulated vacation,  
30 unused accumulated annual leave, holiday pay, or any form of  
31 severance pay. On or after July 1, 2017, salary shall exclude  
32 overtime earnings in excess of seventy hours per year in total  
33 related to either RCW 47.46.040 or any voluntary overtime.

34 (d) The addition of overtime earnings related to RCW 47.46.040 or  
35 any voluntary overtime earned on or after July 1, 2017, in chapter  
36 181, Laws of 2017 is a benefit improvement that increases the member  
37 maximum contribution rate under RCW 41.45.0631(1) by 1.10 percent.

38 (22)(a) "Service" shall mean services rendered to the state of  
39 Washington or any political subdivisions thereof for which  
40 compensation has been paid. Full time employment for seventy or more

1 hours in any given calendar month shall constitute one month of  
2 service. An employee who is reinstated in accordance with RCW  
3 43.43.110 shall suffer no loss of service for the period reinstated  
4 subject to the contribution requirements of this chapter. Only months  
5 of service shall be counted in the computation of any retirement  
6 allowance or other benefit provided for herein. Years of service  
7 shall be determined by dividing the total number of months of service  
8 by twelve. Any fraction of a year of service as so determined shall  
9 be taken into account in the computation of such retirement allowance  
10 or benefit.

11 (b) Reduction efforts such as furloughs, reduced work hours,  
12 mandatory leave without pay, temporary layoffs, or other similar  
13 situations as contemplated by subsection (3)(c)(iii) of this section  
14 do not result in a reduction in service credit that otherwise would  
15 have been earned for that month of work, and the member shall receive  
16 the full service credit for the hours that were scheduled to be  
17 worked before the reduction.

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

20 (24) "State treasurer" means the treasurer of the state of  
21 Washington.

22 Unless the context expressly indicates otherwise, words importing  
23 the masculine gender shall be extended to include the feminine gender  
24 and words importing the feminine gender shall be extended to include  
25 the masculine gender.

Passed by the House February 12, 2024.

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