

---

**HOUSE BILL 2561**

---

**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** Representatives Reeves, Bronoske, Davis, Parshley, Leavitt, Bergquist, and Nance; by request of LEOFF Plan 2 Retirement Board

Read first time 01/19/26. Referred to Committee on Appropriations.

1 AN ACT Relating to including standby pay as basic salary in the  
2 law enforcement officers' and firefighters' retirement system plan 2;  
3 and reenacting and amending RCW 41.26.030.

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

5 **Sec. 1.** RCW 41.26.030 and 2024 c 319 s 4 and 2024 c 304 s 202  
6 are each reenacted and amended to read as follows:

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

9 (1) "Accumulated contributions" means the employee's  
10 contributions made by a member, including any amount paid under RCW  
11 41.50.165(2), plus accrued interest credited thereon.

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

17 (3) "Actuarial valuation" means a mathematical determination of  
18 the financial condition of a retirement plan. It includes the  
19 computation of the present monetary value of benefits payable to  
20 present members, and the present monetary value of future employer  
21 and employee contributions, giving effect to mortality among active

1 and retired members and also to the rates of disability, retirement,  
2 withdrawal from service, salary and interest earned on investments.

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

8 (b) "Basic salary" for plan 2 members, means salaries or wages  
9 earned by a member during a payroll period for personal services,  
10 including overtime payments, and ~~((shall))~~:

11 (i) Shall include ~~((wages))~~:

12 (A) Wages and salaries deferred under provisions established  
13 pursuant to sections 403(b), 414(h), and 457 of the United States  
14 Internal Revenue Code ~~((, but shall))~~; and

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

20 (ii) Shall exclude ~~((lump))~~:

21 (A) Lump sum payments for deferred annual sick leave ~~((, unused))~~;

22 (B) Unused accumulated vacation ~~((, unused))~~;

23 (C) Unused accumulated annual leave ~~((, or any))~~; or

24 (D) Any form of severance pay ~~((,))~~; and

25 (iii) In any year in which a member serves in the legislature the  
26 member shall have the option of having such member's basic salary be  
27 the greater of:

28 ~~((i))~~ (A) The basic salary the member would have received had  
29 such member not served in the legislature; or

30 ~~((ii))~~ (B) Such member's actual basic salary received for  
31 nonlegislative public employment and legislative service combined.  
32 Any additional contributions to the retirement system required  
33 because basic salary under (b) ~~((i))~~ (iii)(A) of this subsection is  
34 greater than basic salary under (b) ~~((ii))~~ (iii)(B) of this  
35 subsection shall be paid by the member for both member and employer  
36 contributions.

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

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

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

8 (i) A natural born child;

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

11 (iii) A posthumous child;

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

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

16 (b) A person shall also be deemed to be a child up to and  
17 including the age of twenty years and eleven months while attending  
18 any high school, college, or vocational or other educational  
19 institution accredited, licensed, or approved by the state, in which  
20 it is located, including the summer vacation months and all other  
21 normal and regular vacation periods at the particular educational  
22 institution after which the child returns to school.

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

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

26 (9) "Disability board" for plan 1 members means either the county  
27 disability board or the city disability board established in RCW  
28 41.26.110.

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

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

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

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

1 (14) (a) "Employer" for plan 1 members, means the legislative  
2 authority of any city, town, county, district, or regional fire  
3 protection service authority or the elected officials of any  
4 municipal corporation that employs any law enforcement officer and/or  
5 firefighter, any authorized association of such municipalities, and,  
6 except for the purposes of RCW 41.26.150, any labor guild,  
7 association, or organization, which represents the firefighters or  
8 law enforcement officers of at least seven cities of over 20,000  
9 population and the membership of each local lodge or division of  
10 which is composed of at least sixty percent law enforcement officers  
11 or firefighters as defined in this chapter.

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

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

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

20 (iii) The governing body of any other general authority law  
21 enforcement agency;

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

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

27 (c) Except as otherwise specifically provided in this chapter,  
28 "employer" does not include a government contractor. For purposes of  
29 this subsection, a "government contractor" is any entity, including a  
30 partnership, limited liability company, for-profit or nonprofit  
31 corporation, or person, that provides services pursuant to a contract  
32 with an "employer." The determination whether an employer-employee  
33 relationship has been established is not based on the relationship  
34 between a government contractor and an "employer," but is based  
35 solely on the relationship between a government contractor's employee  
36 and an "employer" under this chapter.

37 (15) (a) "Final average salary" for plan 1 members, means (i) for  
38 a member holding the same position or rank for a minimum of twelve  
39 months preceding the date of retirement, the basic salary attached to  
40 such same position or rank at time of retirement; (ii) for any other

1 member, including a civil service member who has not served a minimum  
2 of twelve months in the same position or rank preceding the date of  
3 retirement, the average of the greatest basic salaries payable to  
4 such member during any consecutive twenty-four month period within  
5 such member's last ten years of service for which service credit is  
6 allowed, computed by dividing the total basic salaries payable to  
7 such member during the selected twenty-four month period by twenty-  
8 four; (iii) in the case of disability of any member, the basic salary  
9 payable to such member at the time of disability retirement; (iv) in  
10 the case of a member who hereafter vests pursuant to RCW 41.26.090,  
11 the basic salary payable to such member at the time of vesting.

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

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

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

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

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

1 employer's expenditure reduction efforts, as certified by the  
2 employer. Reductions to current pay shall not include elimination of  
3 previously agreed upon future salary increases.

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

8 (17) "Firefighter" means:

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

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

15 (c) Supervisory firefighter personnel;

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

19 (e) The executive secretary of a labor guild, association or  
20 organization (which is an employer under subsection (14) of this  
21 section), if such individual has five years previous membership in a  
22 retirement system established in chapter 41.16 or 41.18 RCW. The  
23 provisions of this subsection (17)(e) shall not apply to plan 2  
24 members;

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

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

33 (h) Any person who is employed on a full-time, fully compensated  
34 basis by an employer as an emergency medical technician that meets  
35 the requirements of RCW 18.71.200 or 18.73.030(13), and whose duties  
36 include providing emergency medical services as defined in RCW  
37 18.73.030; and

38 (i) Personnel serving on a full-time, fully compensated basis as  
39 an employee of a fire department in positions that necessitate

1 experience as a firefighter to perform the essential functions of  
2 those positions.

3 (18) "General authority law enforcement agency" means any agency,  
4 department, or division of a municipal corporation, political  
5 subdivision, or other unit of local government of this state, the  
6 government of a federally recognized tribe, and any agency,  
7 department, or division of state government, having as its primary  
8 function the detection and apprehension of persons committing  
9 infractions or violating the traffic or criminal laws in general, but  
10 not including the Washington state patrol. Such an agency,  
11 department, or division is distinguished from a limited authority law  
12 enforcement agency having as one of its functions the apprehension or  
13 detection of persons committing infractions or violating the traffic  
14 or criminal laws relating to limited subject areas, including but not  
15 limited to, the state departments of natural resources and social and  
16 health services, the state gambling commission, the state lottery  
17 commission, the state parks and recreation commission, the state  
18 utilities and transportation commission, the state liquor and  
19 cannabis board, and the state department of corrections. A general  
20 authority law enforcement agency under this chapter does not include  
21 a government contractor.

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

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

29 (b) Only those deputy sheriffs, including those serving under a  
30 different title pursuant to county charter, who have successfully  
31 completed a civil service examination for deputy sheriff or the  
32 equivalent position, where a different title is used, and those  
33 persons serving in unclassified positions authorized by RCW 41.14.070  
34 except a private secretary will be considered law enforcement  
35 officers;

36 (c) Only such full time commissioned law enforcement personnel as  
37 have been appointed to offices, positions, or ranks in the police  
38 department which have been specifically created or otherwise  
39 expressly provided for and designated by city charter provision or by

1 ordinance enacted by the legislative body of the city shall be  
2 considered city police officers;

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

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

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

24 (g) Beginning July 1, 2024, the term "law enforcement officer"  
25 also includes any person who is commissioned and employed by an  
26 employer on a fully compensated basis to enforce the criminal laws of  
27 the state of Washington generally, on a less than full-time basis,  
28 with the qualifications in (a) through (e) of this subsection.

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

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

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

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

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

4 (i) The fees of the following:

5 (A) A physician or surgeon licensed under the provisions of  
6 chapter 18.71 RCW;

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

9 (C) A chiropractor licensed under the provisions of chapter 18.25  
10 RCW.

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

14 (iii) The charges for the following medical services and  
15 supplies:

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

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

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

19 (D) Anesthesia and oxygen;

20 (E) Rental of iron lung and other durable medical and surgical  
21 equipment;

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

23 (G) Professional ambulance service when used to transport the  
24 member to or from a hospital when injured by an accident or stricken  
25 by a disease;

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

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

30 (J) Physical therapy by a registered physical therapist;

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

33 (L) An optometrist licensed under the provisions of chapter 18.53  
34 RCW.

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

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

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

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

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

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

18 (27) "Retirement fund" means the "Washington law enforcement  
19 officers' and firefighters' retirement system fund" as provided for  
20 herein.

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

23 (29)(a) "Service" for plan 1 members, means all periods of  
24 employment for an employer as a firefighter or law enforcement  
25 officer, for which compensation is paid, together with periods of  
26 suspension not exceeding thirty days in duration. For the purposes of  
27 this chapter service shall also include service in the armed forces  
28 of the United States as provided in RCW 41.26.190. Credit shall be  
29 allowed for all service credit months of service rendered by a member  
30 from and after the member's initial commencement of employment as a  
31 firefighter or law enforcement officer, during which the member  
32 worked for seventy or more hours, or was on disability leave or  
33 disability retirement. Only service credit months of service shall be  
34 counted in the computation of any retirement allowance or other  
35 benefit provided for in this chapter.

36 (i) For members retiring after May 21, 1971, who were employed  
37 under the coverage of a prior pension act before March 1, 1970,  
38 "service" shall also include (A) such military service not exceeding  
39 five years as was creditable to the member as of March 1, 1970, under  
40 the member's particular prior pension act, and (B) such other periods

1 of service as were then creditable to a particular member under the  
2 provisions of RCW 41.18.165, 41.20.160, or 41.20.170. However, in no  
3 event shall credit be allowed for any service rendered prior to March  
4 1, 1970, where the member at the time of rendition of such service  
5 was employed in a position covered by a prior pension act, unless  
6 such service, at the time credit is claimed therefor, is also  
7 creditable under the provisions of such prior act.

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

11 (iii) Reduction efforts such as furloughs, reduced work hours,  
12 mandatory leave without pay, temporary layoffs, or other similar  
13 situations as contemplated by subsection (15)(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 (b)(i) "Service" for plan 2 members, means periods of employment  
19 by a member for one or more employers for which basic salary is  
20 earned for ninety or more hours per calendar month which shall  
21 constitute a service credit month. Periods of employment by a member  
22 for one or more employers for which basic salary is earned for at  
23 least seventy hours but less than ninety hours per calendar month  
24 shall constitute one-half service credit month. Periods of employment  
25 by a member for one or more employers for which basic salary is  
26 earned for less than seventy hours shall constitute a one-quarter  
27 service credit month.

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

31 (iii) Service credit years of service shall be determined by  
32 dividing the total number of service credit months of service by  
33 twelve. Any fraction of a service credit year of service as so  
34 determined shall be taken into account in the computation of such  
35 retirement allowance or benefits.

36 (iv) If a member receives basic salary from two or more employers  
37 during any calendar month, the individual shall receive one service  
38 credit month's service credit during any calendar month in which  
39 multiple service for ninety or more hours is rendered; or one-half  
40 service credit month's service credit during any calendar month in

1 which multiple service for at least seventy hours but less than  
2 ninety hours is rendered; or one-quarter service credit month during  
3 any calendar month in which multiple service for less than seventy  
4 hours is rendered.

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

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

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

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

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

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

--- END ---