

HB 2034 -- Redline

Substitute to Bill -- Concerning termination and restatement of plan 1 of the law enforcement officers' and firefighters' retirement system.

Deletions ~~struck~~ · Insertions underlined

~~H-1067.2~~H-0175.6 ~~SUBSTITUTE~~ HOUSE BILL 2034 State of Washington 69th Legislature 2025 Regular Session By ~~House Appropriations (originally sponsored by~~ Representatives Ormsby, Fitzgibbon, Gregerson, and Macri)Macri READ~~Read~~ FIRST~~first~~ TIME~~time~~ 04/08/25~~03/07/25~~.

Referred to Committee on Appropriations.

1 ~~SHB~~HB 2034 41.26.260, 41.26.270, 41.26.281, 41.26.291, 41.26.3901, 41.26.3902, 41.26.3903, and 41.26.410;

While members have a constitutionally protected right to the pension benefits that are provided as part of their contract of employment, ~~individual~~there members~~is and no beneficiaries such do not have a right to in any surplus assets of which there are retirement unnecessary plan to once the there actuarial has soundness been a complete satisfaction of all liabilities under the retirement plan.~~

~~As The the plan sponsor, the~~ state retains the inherent power to terminate a retirement plan and, upon the ~~satisfaction~~dedication of all sufficient liabilities resources ~~underto ensure the plan, actuarial soundness of the benefits promised,~~ is entitled to a reversion of the surplus ~~assets.~~assets upon termination of the plan.

~~The restatement of LEOFF plan 1 shall include the transfer of p.~~

2 ~~SHB~~HB 2034 ~~actuarially~~The sufficient legislature resources~~has determined that, in order to ensure accomplish the satisfaction foregoing goals and objectives, it is in the best interest of all the liabilities members under and beneficiaries of LEOFF plan 1~~that the plan be terminated and that a restated retirement plan created.

~~The~~It legislature~~is has further determined that, to be in order the to best accomplish interest of the foregoing health, goals safety, and objectives, welfare it of is in the best citizens interest of the members state and that beneficiaries surplus of assets LEOFF remaining plan after 1 adequate that actuarial the provision plan for be the terminated obligated and retirement that benefits are revert restated to retirement the plan state. created.~~

Recognizing ~~It that~~ the assets intent of LEOFF plan 1 are intended for the exclusive legislature benefit that of the plan's LEOFF members plan and 1 beneficiaries, termination only be after performed actuarially in sufficient accordance assets with have the been provisions transferred of to the restated federal law internal enforcement revenue officers' code and that firefighters' apply retirement to system state shall government there pension be plans a and reversion in recognition of any surplus assets to the state contract in rights the interest of the health, members safety, and welfare beneficiaries of the citizens plan of to the an state, actuarially sound retirement program.

~~It Between is the intent enactment of the this legislature law that and the LEOFF termination plan and 1 restatement and of termination LEOFF be plan performed 1, in accordance with the provisions legislature of intends the to federal make internal any revenue changes code necessary that apply to state conform government with pension federal plans requirements and following in receipt recognition of the formal contract guidance rights from of the members federal and internal beneficiaries revenue of service. the plan to an actuarially sound retirement program.~~

~~Between the enactment of this law and the restatement and termination of LEOFF plan 1, the legislature intends to make any changes necessary to conform with federal requirements following receipt of formal guidance from the federal internal revenue service.~~

~~RESTATEMENT AND~~ TERMINATION OF LEOFF PLAN 1.

Plan 1 of the Washington law enforcement officers' and firefighters' retirement system (LEOFF plan 1) is ~~restated, and~~ hereby terminated, effective June 30, 2029.

During the transition between the ~~restatement and~~ termination of LEOFF plan 1 and the establishment of the restated law enforcement officers' and firefighters' retirement system, all LEOFF plan 1 benefits, as they existed prior to termination and restatement, shall continue without interruption.

The ~~p~~restated law enforcement plan does not create benefits for members and beneficiaries different than, nor in addition to, those that existed prior to termination and restatement, with the exception of vesting benefits for nonvested members upon the creation of the restated plan in section 318 of this act.

~~3p. SHB 2034 restated law enforcement plan does not create benefits for members and beneficiaries different than, nor in addition to, those that existed prior to restatement and termination, with the exception of vesting benefits for nonvested members upon the creation of the restated plan in section 318 of this act.~~

3 HB 2034 NEW SECTION.

At direction of the director of retirement systems, the state treasurer shall transfer to the restated law enforcement officers' and firefighters' defined benefit retirement fund an amount equal to 120 percent of the actuarial present value of the fully projected benefits of plan 1 of the Washington law enforcement officers' and firefighters' retirement ~~system.~~system based on the most recent actuarial valuation projected to a measurement date of the effective date of this section.

On direction of the director of retirement systems, the state treasurer shall transfer this ~~amount.~~amount, through a direct trustee-to-trustee transfer, to the restated law enforcement officers' and firefighters' defined benefit retirement fund.

~~The state actuary must determine the actuarial present value of fully projected benefits of plan 1 of the Washington law enforcement officers' and firefighters' retirement system as of June 30, 2020, using the latest actuarial valuation available at the time of determination.~~

Only the director of retirement systems ~~p-~~or the director's designee may authorize expenditures from the fund.

~~4 SHB 2034 or the director's designee may authorize expenditures from the fund.~~

(1) The state investment board has the full power to invest, reinvest, manage, ~~contract,~~p. sell, or exchange investment money in (a) the restated law enforcement officers' and firefighters' defined benefit retirement fund and (b) the pension funding stabilization account.

~~4 HB 2034 contract, sell, or exchange investment money in (a) the restated law enforcement officers' and firefighters' defined benefit retirement fund and (b) the pension funding stabilization account.~~

(3) As deemed appropriate by the state investment board, money in the funds may be commingled for investment with other ~~qualified or eligible~~ funds under the investment authority of the board.

By the effective date of this section, ~~p-~~the department of retirement systems shall send notification of the provisions of this act and specifically of the limitations of this section, by first-class mail, to the last known address of each plan 1 active member, retiree, and spousal survivor.

~~5 SHB 2034 the department of retirement systems shall send notification of the provisions of this act and specifically of the limitations of this section, by first-class mail, to the last known address of each plan 1 active member, retiree, and spousal survivor.~~

~~This p. means that, if authorized by state law, benefit distributions may begin even if the member continues employment with an employer.~~

~~5 HB 2034 This means that, if authorized by state law, benefit distributions may begin even if the member continues employment with an employer.~~

In the event that the federal internal revenue service formally concludes that legislative changes are needed for the orderly ~~restatement~~termination and ~~termination~~restatement of the LEOFF plan 1 by June 30, 2029, those findings and recommendations for responding to those findings shall be promptly submitted to the governor and the appropriate committees of the house of representatives and the senate.

~~In the event that any funds have been p-~~

~~6 SHB 2034 reverted to the state, and to comply with federal internal revenue service requirements they must be reverted back to the plan, those funds must be reverted back with interest, as determined by the director of the department of retirement systems.~~

This chapter shall be known and cited as the "Washington Law Enforcement Officers' and Firefighters' Retirement System-- Plan 2 Act." ~~Sec.~~p.

~~6 HB 2034 Sec.~~

(b))) "Basic salary" ((for plan 2 members,)) means salaries or wages earned by a member during a payroll period for personal ~~p-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 exclude lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay.~~

~~7 SHB 2034 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 exclude lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay.~~

Any additional contributions to the retirement system required because basic salary under (((b)(i))) (a) of this subsection is ~~greater~~p. than basic salary under (((b)(ii) of)) this subsection (4)(b) shall be paid by the member for both member and employer contributions.

~~7 HB 2034 greater than basic salary under (((b)(ii) of)) this subsection (4)(b) shall be paid by the member for both member and employer contributions.~~

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

~~8 SHB 2034 it is located, including the summer vacation months and all other normal and regular vacation periods at the particular educational institution after which the child returns to school.~~

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

8 HB 2034 (11) "Disability retirement" for plan 1 members, means the period following termination of a member's disability leave, during which the member is in receipt of a disability retirement allowance.

~~p. (ii) The elected officials of any municipal corporation;~~

~~9 SHB 2034 (ii) The elected officials of any municipal corporation;~~

For purposes of this subsection, a "government contractor" is any entity, including a partnership, limited liability company, for-profit or nonprofit corporation, or person, that provides services pursuant to a contract with an "employer." The determination whether an employer- ~~employee~~ p. relationship has been established is not based on the relationship between a government contractor and an "employer," but is based solely on the relationship between a government contractor's employee and an "employer" under this chapter.

9 HB 2034 employee relationship has been established is not based on the relationship between a government contractor and an "employer," but is based solely on the relationship between a government contractor's employee and an "employer" under this chapter.

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

~~10 SHB 2034 ((c)) (b) In calculating final average salary under (a) ((or (b))) of this subsection, the department of retirement systems shall include:~~

(ii) Any compensation forgone by a member employed by the state or a local government employer during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced ~~compensation~~ p. is an integral part of the employer's expenditure reduction efforts, as certified by the employer.

10 HB 2034 compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer.

~~p. (d) ((Any full time executive secretary of an association of fire protection districts authorized under RCW 52.12.031.~~

~~11 SHB 2034 (d) ((Any full time executive secretary of an association of fire protection districts authorized under RCW 52.12.031.~~

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

11 HB 2034 1971, was making retirement contributions under the provisions of chapter 41.16 or 41.18 RCW;

Such an agency, department, or division is distinguished from a limited authority law enforcement agency having as one of its functions the apprehension or detection of persons committing infractions or violating the traffic or criminal laws relating to limited subject areas, including but not limited to, the state departments of natural resources and social and health services, the state gambling commission, the state lottery ~~p. commission, the state parks and recreation commission, the state utilities and transportation commission, the state liquor and cannabis board, and the state department of corrections.~~

~~12 SHB 2034 commission, the state parks and recreation commission, the state utilities and transportation commission, the state liquor and cannabis board, and the state department of corrections.~~

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

12 HB 2034 completed a civil service examination for deputy sheriff or the equivalent position, where a different title is used, and those persons serving in unclassified positions authorized by RCW 41.14.070 except a private secretary will be considered law enforcement officers;

The provisions of this subsection ((19)(e)) (16)(d) shall not apply to any public safety officer or director of public safety who is ~~p. receiving a retirement allowance under this chapter as of May 12, 1993;~~

~~13 SHB 2034 receiving a retirement allowance under this chapter as of May 12, 1993;~~

~~((20)p. "Medical services" for plan 1 members, shall include the following as minimum services to be provided.~~

13 HB 2034 ((20) "Medical services" for plan 1 members, shall include the following as minimum services to be provided.

~~p. (A) Drugs and medicines upon a physician's prescription;~~

~~14 SHB 2034 (A) Drugs and medicines upon a physician's prescription;~~

~~(K)p. Blood transfusions, including the cost of blood and blood plasma not replaced by voluntary donors;~~

14 HB 2034 (K) Blood transfusions, including the cost of blood and blood plasma not replaced by voluntary donors;

~~p-(((25))) (21) "Regular interest" means such rate as the director may determine.~~

~~15 SHB 2034 (((25))) (21) "Regular interest" means such rate as the director may determine.~~

~~((29)(a) "Service" for plan 1 members, means all periods of employment for an employer as a firefighter or law enforcement officer, p. for which compensation is paid, together with periods of suspension not exceeding thirty days in duration.~~

15 HB 2034 officer, for which compensation is paid, together with periods of suspension not exceeding thirty days in duration.

~~p-(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.~~

~~16 SHB 2034 (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.~~

~~Periods of employment by p. a member for one or more employers for which basic salary is earned for less than seventy hours shall constitute a one-quarter service credit month.~~

16 HB 2034 by a member for one or more employers for which basic salary is earned for less than seventy hours shall constitute a one-quarter service credit month.

~~((v))) (e) Reduction efforts such as furloughs, reduced work hours, mandatory leave without pay, temporary layoffs, or other similar situations as contemplated by subsection (((15)(c))) (12)(b) p-(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.~~

~~17 SHB 2034 (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.~~

~~((34)))p. (30) "Surviving spouse" means the surviving widow or widower of a member.~~

17 HB 2034 (((34))) (30) "Surviving spouse" means the surviving widow or widower of a member.

For the purpose of such computations, the p-employee's creditability of service and eligibility for service or disability retirement and survivor and all other benefits shall continue to be as provided in such prior retirement act, as if transfer of membership had not occurred.

~~18 SHB 2034 employee's creditability of service and eligibility for service or disability retirement and survivor and all other benefits shall continue to be as provided in such prior retirement act, as if transfer of membership had not occurred.~~

~~in the case of p. all other prior retirement systems, payment of such excess shall be made by the employer which was the member's employer when his or her transfer of membership occurred.~~

18 HB 2034 of all other prior retirement systems, payment of such excess shall be made by the employer which was the member's employer when his or her transfer of membership occurred.

Membership in the system is limited p-to those persons who were members of plan 1 of the law enforcement officers' and firefighters' retirement system under chapter 41.26 RCW prior to the effective date of this section.

~~19 SHB 2034 to those persons who were members of plan 1 of the law enforcement officers' and firefighters' retirement system under chapter 41.26 RCW prior to the effective date of this section.~~

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

19 HB 2034 for benefit payments are incurred in order that sufficient funds will be available on the date of retirement of each member to pay the member's future benefits during the period of retirement.

~~p-(iii) A posthumous child;~~

~~20 SHB 2034 (iii) A posthumous child;~~

~~(9)p. "Disability board" means either the county disability board or the city disability board established in section 320 of this act.~~

20 HB 2034 (9) "Disability board" means either the county disability board or the city disability board established in section 320 of this act.

~~p-(b) Except as otherwise specifically provided in this chapter, "employer" does not include a government contractor.~~

~~21 SHB 2034 (b) Except as otherwise specifically provided in this chapter, "employer" does not include a government contractor.~~

(ii) for any other member, including a civil service member who has not served a minimum of twelve months in the same position or rank preceding the date of retirement, the ~~average of the greatest basic salaries payable to such member during any consecutive twenty-four month period within such member's last ten years of service for which service credit is allowed, computed by dividing the total basic salaries payable to such member during the selected twenty-four month period by twenty-four;~~
21 HB 2034 average of the greatest basic salaries payable to such member during any consecutive twenty-four month period within such member's last ten years of service for which service credit is allowed, computed by dividing the total basic salaries payable to such member during the selected twenty-four month period by twenty-four;

~~Reductions to p-current pay shall not include elimination of previously agreed upon future salary increases;~~

~~22 SHB 2034 current pay shall not include elimination of previously agreed upon future salary increases;
(a)p. 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;~~

22 HB 2034 (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;

(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 ~~p-include providing emergency medical services as defined in RCW 18.73.030;~~

~~23 SHB 2034 include providing emergency medical services as defined in RCW 18.73.030;~~

Such an agency, department, or division is distinguished from a limited authority law enforcement agency having as one of its functions the apprehension or ~~detection of persons committing infractions or violating the traffic or criminal laws relating to limited subject areas, including but not limited to, the state departments of natural resources and social and health services, the state gambling commission, the state lottery commission, the state parks and recreation commission, the state utilities and transportation commission, the state liquor and cannabis board, and the state department of corrections.~~

23 HB 2034 detection of persons committing infractions or violating the traffic or criminal laws relating to limited subject areas, including but not limited to, the state departments of natural resources and social and health services, the state gambling commission, the state lottery commission, the state parks and recreation commission, the state utilities and transportation commission, the state liquor and cannabis board, and the state department of corrections.

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

~~24 SHB 2034 (c) Only such full time commissioned law enforcement personnel as have been appointed to offices, positions, or ranks in the police department which have been specifically created or otherwise expressly provided for and designated by city charter provision or by ordinance enacted by the legislative body of the city shall be considered city police officers;~~

The provisions of this subsection (19)(e) shall not apply to any ~~public safety officer or director of public safety who is receiving a retirement allowance under this chapter as of May 12, 1993;~~

24 HB 2034 public safety officer or director of public safety who is receiving a retirement allowance under this chapter as of May 12, 1993;

~~p-(ii) Necessary hospital services, other than board and room, furnished by the hospital.~~

~~25 SHB 2034 (ii) Necessary hospital services, other than board and room, furnished by the hospital.~~

~~(B)p. Diagnostic X-ray and laboratory examinations;~~

25 HB 2034 (B) Diagnostic X-ray and laboratory examinations;

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

~~26 SHB 2034 March 1, 1970, and every law enforcement officer and firefighter who is employed in that capacity on or after such date.~~

(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.~~

26 HB 2034 chapter resulting from service rendered to an employer by such member.

(a) For members retiring after May 21, 1971 who were employed under the coverage of a prior pension act

before March 1, 1970, "service" shall also include (i) such military service not exceeding p-five years as was creditable to the member as of March 1, 1970, under the member's particular prior pension act, and (ii) such other periods of service as were then creditable to a particular member under the provisions of RCW 41.18.165, 41.20.160, or 41.20.170.

~~27 SHB 2034 five years as was creditable to the member as of March 1, 1970, under the member's particular prior pension act, and (ii) such other periods of service as were then creditable to a particular member under the provisions of RCW 41.18.165, 41.20.160, or 41.20.170.~~

(c) Reduction efforts such as furloughs, reduced work hours, mandatory leave without pay, temporary layoffs, or other similar situations as contemplated by subsection (15)(b)(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 p.~~ full service credit for the hours that were scheduled to be worked before the reduction.

27 HB 2034 the full service credit for the hours that were scheduled to be worked before the reduction.

~~p-(1) Notwithstanding section 303(21) of this act, all firefighters and law enforcement officers employed as such on or after March 1, 1970, on a full time fully compensated basis in this state shall be members of the retirement system established by this chapter with respect to all periods of service as such, to the exclusion of any pension system existing under any prior act.~~

~~28 SHB 2034 (1) Notwithstanding section 303(21) of this act, all firefighters and law enforcement officers employed as such on or after March 1, 1970, on a full time fully compensated basis in this state shall be members of the retirement system established by this chapter with respect to all periods of service as such, to the exclusion of any pension system existing under any prior act.~~

For the purpose of such computations, the employee's creditability of service and eligibility for service or ~~disability~~ p. ~~retirement and survivor and all other benefits shall continue to be as provided in such prior retirement act, as if transfer of membership had not occurred.~~

28 HB 2034 disability retirement and survivor and all other benefits shall continue to be as provided in such prior retirement act, as if transfer of membership had not occurred.

The obligations of chapter 41.20 RCW ~~p.~~ shall continue to be paid from whatever financial sources the city has been using for this purpose.

~~29 SHB 2034 shall continue to be paid from whatever financial sources the city has been using for this purpose.~~

AND PROVIDED FURTHER, That for one year after February 19, 1974, any such medical or health standard now existing p. ~~or hereinafter adopted, insofar as it establishes a maximum age beyond which an applicant is to be deemed ineligible for coverage, shall be waived as to any applicant for employment or reemployment who is otherwise eligible except for his or her age, who has been a member of any one or more of the retirement systems created by chapter 41.20 RCW and who has restored all contributions which he or she has previously withdrawn from any such system or systems.~~

29 HB 2034 existing or hereinafter adopted, insofar as it establishes a maximum age beyond which an applicant is to be deemed ineligible for coverage, shall be waived as to any applicant for employment or reemployment who is otherwise eligible except for his or her age, who has been a member of any one or more of the retirement systems created by chapter 41.20 RCW and who has restored all contributions which he or she has previously withdrawn from any such system or systems.

The standards when adopted shall be published and distributed to each employer, and each employer shall adopt certification procedures and ~~p.~~ such other procedures as are required to ensure that no law enforcement officer or firefighter receives membership coverage unless and until he or she has actually met minimum medical and health standards:

~~30 SHB 2034 such other procedures as are required to ensure that no law enforcement officer or firefighter receives membership coverage unless and until he or she has actually met minimum medical and health standards.~~

nor to promotional appointments after becoming a member in the police or fire department of any employer ~~nor p.~~ to the reemployment of a law enforcement officer or firefighter by the same or a different employer within six months after the termination of his or her employment, nor to the reinstatement of a law enforcement officer or firefighter who has been on military or disability leave, disability retirement status, or leave of absence status.

30 HB 2034 nor to the reemployment of a law enforcement officer or firefighter by the same or a different employer within six months after the termination of his or her employment, nor to the reinstatement of a law enforcement officer or firefighter who has been on military or disability leave, disability retirement status, or leave of absence status.

or (b) as a result of an occupational disease or infection that arises naturally and proximately out of employment ~~p.~~ covered under this chapter.

~~31 SHB 2034 covered under this chapter.~~

~~(i) p.~~ The index for the 2008 calendar year, to be known as "index A";

31 HB 2034 (i) The index for the 2008 calendar year, to be known as "index A";

(1) Subject to subsections (2) and (3) of this section, the right of a person to a retirement allowance, disability allowance, or death benefit, to the return of accumulated ~~p-contributions, the retirement, disability, or death allowance itself, any optional benefit, any other right accrued or accruing to any person under the provisions of this chapter, and the moneys in the fund created under this chapter, are hereby exempt from any state, county, municipal, or other local tax and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or any other process of law whatsoever, whether the same be in actual possession of the person or be deposited or loaned and shall be unassignable.~~

~~32 SHB 2034 contributions, the retirement, disability, or death allowance itself, any optional benefit, any other right accrued or accruing to any person under the provisions of this chapter, and the moneys in the fund created under this chapter, are hereby exempt from any state, county, municipal, or other local tax and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or any other process of law whatsoever, whether the same be in actual possession of the person or be deposited or loaned and shall be unassignable.~~

~~(3)p. Subsection (1) of this section shall not prohibit the department from complying with (a) a wage assignment order for child support issued pursuant to chapter 26.18 RCW, (b) an order to withhold and deliver issued pursuant to chapter 74.20A RCW, (c) an income withholding order issued pursuant to RCW 26.23.060, (d) a mandatory benefits assignment order issued by the department, (e) a court order directing the department of retirement systems to pay benefits directly to an obligee under a dissolution order as defined in RCW 41.50.500(3) which fully complies with RCW 41.50.670 and 41.50.700, or (f) any administrative or court order expressly authorized by federal law.~~

32 HB 2034 (3) Subsection (1) of this section shall not prohibit the department from complying with (a) a wage assignment order for child support issued pursuant to chapter 26.18 RCW, (b) an order to withhold and deliver issued pursuant to chapter 74.20A RCW, (c) an income withholding order issued pursuant to RCW 26.23.060, (d) a mandatory benefits assignment order issued by the department, (e) a court order directing the department of retirement systems to pay benefits directly to an obligee under a dissolution order as defined in RCW 41.50.500(3) which fully complies with RCW 41.50.670 and 41.50.700, or (f) any administrative or court order expressly authorized by federal law.

~~p-NEW SECTION.~~

~~33 SHB 2034 NEW SECTION.~~

~~NEWp.-SECTION.~~

33 HB 2034 NEW SECTION.

Payment less said contributions shall be a complete discharge of all claims and demands whatsoever for the services rendered by such person during the period ~~p-covered by such payments, except his or her claim to the benefits to which he or she may be entitled under the provisions of this chapter.~~

~~34 SHB 2034 covered by such payments, except his or her claim to the benefits to which he or she may be entitled under the provisions of this chapter.~~

~~(1)p. Any member having five or more service credit years of service and having attained the age of fifty years shall be eligible for a service retirement allowance and shall be retired upon the member's written request effective the first day following the date upon which the member is separated from service.~~

34 HB 2034 (1) Any member having five or more service credit years of service and having attained the age of fifty years shall be eligible for a service retirement allowance and shall be retired upon the member's written request effective the first day following the date upon which the member is separated from service.

A member selecting this optional vesting, with less than twenty service credit years of service credit, who dies prior to attaining the age of fifty years, shall have paid from the Washington law enforcement officers' and firefighters' retirement fund, to such member's surviving spouse, if ~~p-any, otherwise to such beneficiary as the member shall have designated in writing, or if no such designation has been made, to the personal representative of his or her estate, a lump sum which is equal to the amount of such member's accumulated contributions plus accrued interest.~~

~~35 SHB 2034 any, otherwise to such beneficiary as the member shall have designated in writing, or if no such designation has been made, to the personal representative of his or her estate, a lump sum which is equal to the amount of such member's accumulated contributions plus accrued interest.~~

PROVIDED, That for any member who is elected or appointed to the office of sheriff, chief of police, or fire chief, his or her ~~electionp.-or appointment shall be considered as a waiver of the age sixty provision for retirement and nonemployment for whatever number of years remain in his or her present term of office and any succeeding periods for which he or she may be so elected or appointed.~~

35 HB 2034 election or appointment shall be considered as a waiver of the age sixty provision for retirement and nonemployment for whatever number of years remain in his or her present term of office and any succeeding periods for which he or she may be so elected or appointed.

Such a member shall have the right to again retire at any ~~p-time~~ and his or her retirement allowance

shall be recomputed, and paid, based upon additional service rendered and any change in final average salary.

~~36 SHB 2034 time and his or her retirement allowance shall be recomputed, and paid, based upon additional service rendered and any change in final average salary.~~

(1) At the time of retirement, plan 1 members may purchase an optional actuarially equivalent life annuity benefit from the Washington law enforcement officers' and firefighters' retirement system plan 1 retirement fund established in ~~RCW 41.50.075.~~

36 HB 2034 RCW 41.50.075.

(a) Each city having a population of twenty thousand or more shall establish a disability board having jurisdiction over all members employed by those cities and composed of the following five ~~p-members:~~

~~37 SHB 2034 members:~~

Each of the elected members ~~shall p. serve a two year term.~~

37 HB 2034 shall serve a two year term.

(c) Each county shall establish a disability board having jurisdiction over all members employed by or retired from an employer within the county and not employed by a city in which a disability ~~p-board is established.~~

~~38 SHB 2034 board is established.~~

one law enforcement officer or retired law enforcement officer employed by or retired from an employer within the county to be elected by the law enforcement officers ~~employed p. in or retired from an employer within the county who are subject to the jurisdiction of that board;~~

38 HB 2034 employed in or retired from an employer within the county who are subject to the jurisdiction of that board;

~~p-(i) Any active or retired firefighter under this chapter or chapters 41.16, 41.18, and 52.26 RCW or law enforcement officers under this chapter or chapter 41.20 RCW who resides within the jurisdiction served by the board;~~

~~39 SHB 2034 (i) Any active or retired firefighter under this chapter or chapters 41.16, 41.18, and 52.26 RCW or law enforcement officers under this chapter or chapter 41.20 RCW who resides within the jurisdiction served by the board;~~

~~NEW p. SECTION.~~

39 HB 2034 NEW SECTION.

No disability retirement allowance shall be paid until the expiration of a period of six months after the discontinuance of service during which period the member, if found to be physically or mentally unfit for duty by the disability board following receipt of his or her ~~p-application for disability retirement, shall be granted a disability leave by the disability board and shall receive an allowance equal to the full monthly salary and shall continue to receive all other benefits provided to active employees from the employer for such period.~~

~~40 SHB 2034 application for disability retirement, shall be granted a disability leave by the disability board and shall receive an allowance equal to the full monthly salary and shall continue to receive all other benefits provided to active employees from the employer for such period.~~

(1) Any member who believes he or she is or is believed to be physically or mentally disabled shall be examined by such medical authority as the disability board shall employ, upon application of the member, or a person acting in his or her behalf, stating that the ~~member p. is disabled, either physically or mentally;~~

40 HB 2034 member is disabled, either physically or mentally;

The director may affirm the decision of the disability board or remand the case for further proceedings, or the director may reverse ~~p-the decision of the disability board if the director finds the disability board's findings, inferences, conclusions, or decisions are:~~

~~41 SHB 2034 the decision of the disability board if the director finds the disability board's findings, inferences, conclusions, or decisions are:~~

(4) Every member who can establish, to the disability board, that he or she is physically or mentally disabled from the further performance of duty, that such disability was incurred in the line of duty, and that such disability will be in existence for a period of ~~at p. least six months may waive the six-month period of disability leave and be immediately granted a duty disability retirement allowance, subject to the approval of the director as provided in subsection (3) of this section.~~

41 HB 2034 at least six months may waive the six-month period of disability leave and be immediately granted a duty disability retirement allowance, subject to the approval of the director as provided in subsection (3) of this section.

Applications for ~~p-disability retirement shall be processed in accordance with the following procedures:~~

~~42 SHB 2034 disability retirement shall be processed in accordance with the following procedures:~~

(2) If the examination shows, to the satisfaction of the disability board, that the member is physically

or mentally disabled from the further performance of duty, that such disability was not incurred in the line of duty, and that such disability had been continuous from the discontinuance of service, the disability board ~~shall p. enter its written decision and order, accompanied by appropriate findings of fact and by conclusions evidencing compliance with this chapter, granting the member a disability retirement allowance.~~

42 HB 2034 shall enter its written decision and order, accompanied by appropriate findings of fact and by conclusions evidencing compliance with this chapter, granting the member a disability retirement allowance.

~~p.(e) Clearly erroneous in view of the entire record as submitted and the public policy contained in this chapter;~~

~~43 SHB 2034 (e) Clearly erroneous in view of the entire record as submitted and the public policy contained in this chapter;~~

(a) A basic amount of fifty percent of final average salary at time of disability retirement, and (b) an additional five percent of final average salary for each child as ~~defined p. in section 303(6) of this act, (c) the combined total of (a) and (b) of this subsection shall not exceed a maximum of sixty percent of final average salary.~~

43 HB 2034 defined in section 303(6) of this act, (c) the combined total of (a) and (b) of this subsection shall not exceed a maximum of sixty percent of final average salary.

(5) A member retired for disability shall be subject to periodic examinations by a physician approved by the disability board prior to attainment of age fifty, pursuant to rules adopted by the director ~~p. under section 321 of this act.~~

~~44 SHB 2034 under section 321 of this act.~~

(1) A disabled member who believes that his or her disability has ceased in accordance with section ~~324(3)~~324 (3) of this act may make application to the disability board which originally found the member to be disabled, for a determination that the disability has ceased.

~~(b)p. In excess of the statutory authority or jurisdiction of the disability board;~~

44 HB 2034 (b) In excess of the statutory authority or jurisdiction of the disability board;

(2) If the disability board determines that the beneficiary is not so incapacitated the retirement allowance shall be canceled and the member shall be restored to duty in the same civil service rank, if any, held by the beneficiary at the time of his or her retirement or if unable to perform the duties of that rank, then, at his or her request, in such other like or lesser rank as may be or become open ~~p. and available, the duties of which he or she is then able to perform.~~

~~45 SHB 2034 and available, the duties of which he or she is then able to perform.~~

(4) Should any disability beneficiary under age fifty refuse to submit to examination, the retirement allowance shall be discontinued ~~until p. withdrawal of such refusal, and should such refusal continue for one year or more, the retirement allowance shall be canceled.~~

45 HB 2034 until withdrawal of such refusal, and should such refusal continue for one year or more, the retirement allowance shall be canceled.

~~p.(b) In excess of the statutory authority or jurisdiction of the disability board;~~

~~46 SHB 2034 (b) In excess of the statutory authority or jurisdiction of the disability board;~~

(1) Whenever any active member, or any member hereafter retired, on account of service, sickness, or disability, not caused or brought on by dissipation or abuse, of which the disability board shall be judge, is confined in any hospital or in home, and whether or not so confined, requires medical services, the employer shall pay for the active or retired member the necessary medical services not payable from some other source as ~~provided p. for in subsection (2) of this section.~~

46 HB 2034 provided for in subsection (2) of this section.

Failure to apply for coverage if otherwise eligible under the provisions of Public Law 89-97 shall not be deemed a refusal of ~~p. payment of benefits thereby enabling collection of charges under the provisions of this chapter.~~

~~47 SHB 2034 payment of benefits thereby enabling collection of charges under the provisions of this chapter.~~

(4) Any employer under this chapter, either singly, or jointly with any other such employer or employers through an association thereof as provided for in chapter 48.21 RCW, may provide for all or part of one or more plans of group hospitalization and medical aid insurance to cover any of its employees who are members of the restated law enforcement officers' and firefighters' retirement system, and/or retired former employees who were, before retirement, ~~members p. of the retirement system, through contracts with regularly constituted insurance carriers, with health maintenance organizations as defined in chapter 48.46 RCW, or with health care service contractors as defined in chapter 48.44 RCW.~~

47 HB 2034 members of the retirement system, through contracts with regularly constituted insurance carriers, with health maintenance organizations as defined in chapter 48.46 RCW, or with health care service contractors as defined in chapter 48.44 RCW.

(1) In the event of the duty connected death of any member who is in active service, or who has vested under the provisions of section 317 of this act with twenty or more service credit years of service, or who is on duty connected disability leave or retired for duty connected disability, or upon the death of a member who has left the employ of an employer due to service in the national guard or military reserves and dies while honorably serving in the national guard or military reserves during a period of war as defined in RCW 41.04.005, the surviving spouse shall become entitled, subject to section 330 of this act, to receive a monthly allowance equal to fifty percent of the final average salary at the date of death if active, or the amount of retirement allowance the vested ~~p. member would have received at age fifty, or the amount of the retirement allowance such retired member was receiving at the time of death if retired for duty connected disability.~~

~~48 SHB 2034 member would have received at age fifty, or the amount of the retirement allowance such retired member was receiving at the time of death if retired for duty connected disability.~~

(2) If at the time of the duty connected death of a vested member with twenty or more service credit years of service as provided in subsection (1) of this section or a member retired for duty connected disability, ~~p. or at the time of the death of a member who has left the employ of an employer due to service in the national guard or military reserves and dies while honorably serving in the national guard or military reserves during a period of war as defined in RCW 41.04.005, the surviving spouse has not been lawfully married to such member for one year prior to retirement or separation from service if a vested member, the surviving spouse shall not be eligible to receive the benefits under this section:~~ 48 HB 2034 disability, or at the time of the death of a member who has left the employ of an employer due to service in the national guard or military reserves and dies while honorably serving in the national guard or military reserves during a period of war as defined in RCW 41.04.005, the surviving spouse has not been lawfully married to such member for one year prior to retirement or separation from service if a vested member, the surviving spouse shall not be eligible to receive the benefits under this section:

When there cease to be any eligible children as defined in section 303(6) of this act, there shall be paid to the legal heirs of the member the excess, if any, of accumulated contributions of the member at the time of death over all payments ~~p. made to survivors on his or her behalf under this chapter:~~

~~49 SHB 2034 made to survivors on his or her behalf under this chapter:~~

(6) If a surviving spouse receiving benefits under the provisions of this section thereafter dies and there are children as defined in section ~~303~~303(6) (6) of this act, payment to the spouse shall cease and the ~~child p. or children shall receive the benefits as provided in subsection (3) of this section.~~

49 HB 2034 child or children shall receive the benefits as provided in subsection (3) of this section.

PROVIDED, That if the child or children is or are in the care of a legal guardian, payment of the increase attributable to each child will be made to the child's legal guardian or, in the absence of a legal guardian and if the member has created a trust for the benefit ~~p. of the child or children, payment of the increase attributable to each child will be made to the trust.~~

~~50 SHB 2034 of the child or children, payment of the increase attributable to each child will be made to the trust.~~

When there cease to be any eligible children as defined in section ~~303~~303(6) (6) ~~p. of this act, there shall be paid to the legal heirs of the member the excess, if any, of accumulated contributions of the member at the time of death over all payments made to survivors on his or her behalf under this chapter:~~

50 HB 2034 of this act, there shall be paid to the legal heirs of the member the excess, if any, of accumulated contributions of the member at the time of death over all payments made to survivors on his or her behalf under this chapter:

~~p. NEW SECTION.~~

~~51 SHB 2034 NEW SECTION.~~

~~NEW p. SECTION.~~

51 HB 2034 NEW SECTION.

~~p. (b) A member who married a spouse ineligible for survivor benefits under section 328 or 329 of this act, has been married to that spouse for at least two years prior to September 1, 2015, and satisfies subsection (2)(a) of this section has one year from September 1, 2015, to designate their spouse as a survivor beneficiary.~~

~~52 SHB 2034 (b) A member who married a spouse ineligible for survivor benefits under section 328 or 329 of this act, has been married to that spouse for at least two years prior to September 1, 2015, and satisfies subsection (2)(a) of this section has one year from September 1, 2015, to designate their spouse as a survivor beneficiary.~~

(4) No benefit provided to a child survivor beneficiary under section 328 or 329 of this act is affected or reduced by the member's ~~selection p. of the actuarially reduced spousal survivor benefit provided by this section.~~

52 HB 2034 selection of the actuarially reduced spousal survivor benefit provided by this section.

(1) Should service of a member be discontinued except by death, disability, or retirement, the member

shall, upon application therefor, be paid the accumulated contributions within sixty days after the day of application and the ~~p. rights to all benefits as a member shall cease:~~

~~53 SHB 2034 rights to all benefits as a member shall cease:~~

Each person affected by this chapter who at the time of entering the armed services was a member of this system, ~~p. and has honorably served in the armed services of the United States, shall have added to the period of service as computed under this chapter, the period of service in the armed forces:~~

53 HB 2034 system, and has honorably served in the armed services of the United States, shall have added to the period of service as computed under this chapter, the period of service in the armed forces:

~~p. NEW SECTION.~~

~~54 SHB 2034 NEW SECTION.~~

~~(2)p. An individual transferring service under this section forfeits the rights to all benefits as a member of the law enforcement officers' and firefighters' retirement system plan 1 and will be permanently excluded from membership.~~

54 HB 2034 (2) An individual transferring service under this section forfeits the rights to all benefits as a member of the law enforcement officers' and firefighters' retirement system plan 1 and will be permanently excluded from membership.

(5) Service transferred under this section is applicable for meeting the total service required for military service credit as defined in RCW 41.40.170(3) but is not applicable for meeting the total service credit required for military service credit under RCW ~~p. 43.43.260(3).~~

~~55 SHB 2034 43.43.260(3).~~

This subsection shall only apply if the member's leave of ~~absence p. is authorized by a collective bargaining agreement that provides that the member retains seniority rights with the employer during the period of leave.~~

55 HB 2034 absence is authorized by a collective bargaining agreement that provides that the member retains seniority rights with the employer during the period of leave.

The rules adopted by the department may ~~p. condition the acceptance of a rollover or transfer from another plan on the receipt of information necessary to enable the department to determine the eligibility of any transferred funds for tax-free rollover treatment or other treatment under federal income tax law.~~

~~56 SHB 2034 condition the acceptance of a rollover or transfer from another plan on the receipt of information necessary to enable the department to determine the eligibility of any transferred funds for tax-free rollover treatment or other treatment under federal income tax law.~~

A copy of the notice of appeal ~~p. shall be served upon the director and the applicable disability board and, within ninety days thereof, the disability board shall certify its decision and order which shall include findings of fact and conclusions of law, together with a transcript of all proceedings in connection therewith, to the director for review.~~

56 HB 2034 appeal shall be served upon the director and the applicable disability board and, within ninety days thereof, the disability board shall certify its decision and order which shall include findings of fact and conclusions of law, together with a transcript of all proceedings in connection therewith, to the director for review.

~~p. NEW SECTION.~~

~~57 SHB 2034 NEW SECTION.~~

~~(2)p. "Retirement allowance" shall mean the retirement allowance provided for in sections 318 and 324 of this act, and the monthly allowance provided for in section 328 of this act.~~

57 HB 2034 (2) "Retirement allowance" shall mean the retirement allowance provided for in sections 318 and 324 of this act, and the monthly allowance provided for in section 328 of this act.

~~p. NEW SECTION.~~

~~58 SHB 2034 NEW SECTION.~~

PROVIDED, That regardless of the change in the ~~consumer p. price index, such increase shall be at least two percent each year such adjustment is made.~~

58 HB 2034 consumer price index, such increase shall be at least two percent each year such adjustment is made.

The legislature of the state of Washington hereby declares that the relationship between members of the restated law enforcement officers' and firefighters' retirement system and their governmental employers is similar to that of workers to their employers and that the sure and certain relief granted by this chapter is desirable, and as beneficial to such law enforcement officers and firefighters as workers' compensation coverage is to ~~p. persons covered by Title 51 RCW.~~

~~59 SHB 2034 persons covered by Title 51 RCW.~~

and to that end all civil actions and civil causes of actions by such law enforcement officers and firefighters against their governmental employers for ~~personal p. injuries or sickness are hereby~~

~~abolished, except as otherwise provided in this chapter.~~

59 HB 2034 personal injuries or sickness are hereby abolished, except as otherwise provided in this chapter.

~~p-(c) If the member is deceased the member's survivor beneficiary under section 328 of this act is eligible for this lump sum defined benefit.~~

~~60 SHB 2034 (c) If the member is deceased the member's survivor beneficiary under section 328 of this act is eligible for this lump sum defined benefit.~~

~~(4)p. The lump sum defined benefit created in this section is subject to section 310 of this act.~~

60 HB 2034 (4) The lump sum defined benefit created in this section is subject to section 310 of this act.

~~p-(3) If a retired judge's benefits have been suspended under this section, his or her benefits shall be reinstated when the retiree terminates the employment that caused his or her benefits to be suspended.~~

~~61 SHB 2034 (3) If a retired judge's benefits have been suspended under this section, his or her benefits shall be reinstated when the retiree terminates the employment that caused his or her benefits to be suspended.~~

For that purpose generally and pursuant to the authority granted to the state of Washington under 11 U.S.C.~~p.~~

61 HB 2034 U.S.C.

~~522522(b)(2), (b)(2),~~ the exemptions in this section relating to retirement benefits are provided.

This subsection shall permit benefits under any such plan or arrangement to be payable to a spouse, former spouse, child, or other dependent of a participant in such plan to the extent expressly provided for in a qualified domestic relations order that meets the requirements for such orders ~~p-under the plan, or, in the case of benefits payable under a plan described in 26 U.S.C.~~

~~62 SHB 2034 under the plan, or, in the case of benefits payable under a plan described in 26 U.S.C.~~

or that is a tax-sheltered annuity or a custodial account described in section 403(b) of such ~~codep. or an individual retirement account or an individual retirement annuity described in section 408 of such code;~~

62 HB 2034 code or an individual retirement account or an individual retirement annuity described in section 408 of such code;

~~p-403(b) or 408 of the internal revenue code of 1986, as amended, or section 409 of such code as in effect before January 1, 1984, to the extent provided in any order issued by a court of competent jurisdiction that provides for maintenance or support.~~

~~63 SHB 2034 403(b) or 408 of the internal revenue code of 1986, as amended, or section 409 of such code as in effect before January 1, 1984, to the extent provided in any order issued by a court of competent jurisdiction that provides for maintenance or support.~~

Unless prohibited by applicable federal law, at the death of the nonparticipant, nonaccount holder spouse, the nonparticipant, nonaccount holder spouse may transfer or distribute the community property interest of the nonparticipant, nonaccount holder spouse in the participant or account holder spouse's employee benefit plan to ~~the p. nonparticipant, nonaccount holder spouse's estate, testamentary trust, inter vivos trust, or other successor or successors pursuant to the last will of the nonparticipant, nonaccount holder spouse or the law of intestate succession, and that distributee may, but shall not be required to, obtain an order of a court of competent jurisdiction, including a nonjudicial binding agreement or order entered under chapter 11.96A RCW, to confirm the distribution.~~

63 HB 2034 the nonparticipant, nonaccount holder spouse's estate, testamentary trust, inter vivos trust, or other successor or successors pursuant to the last will of the nonparticipant, nonaccount holder spouse or the law of intestate succession, and that distributee may, but shall not be required to, obtain an order of a court of competent jurisdiction, including a nonjudicial binding agreement or order entered under chapter 11.96A RCW, to confirm the distribution.

~~p-Sec.~~

~~64 SHB 2034 Sec.~~

(2) Any court order or decree establishing a spousal maintenance obligation may state that, if any spousal maintenance payment is more than fifteen days past due and the total of such past due payments is equal to or greater than one hundred dollars, or if the obligor requests a withdrawal of accumulated contributions from the department of retirement systems, the obligee may seek a mandatory ~~benefitsp. assignment order under chapter 41.50 RCW without prior notice to the obligor.~~

64 HB 2034 benefits assignment order under chapter 41.50 RCW without prior notice to the obligor.

or (iii) incident to any court decree of dissolution or legal separation, if such dissolution orders fully comply with RCW 41.50.670 and 41.50.700, or as applicable, RCW 2.10.180, 2.12.090, 41.04.310, 41.04.320, 41.04.330, ((41.26.180,)) ~~p-41.26.053, section 310 of this act, 41.32.052, 41.40.052, or 43.43.310 as those statutes existed before July 1, 1987, and as those statutes exist on and after July 28, 1991.~~

~~65 SHB 2034 41.26.053, section 310 of this act, 41.32.052, 41.40.052, or 43.43.310 as those statutes existed before July 1, 1987, and as those statutes exist on and after July 28, 1991.~~

~~Subjectp. to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College shall exempt the following students from the payment of all tuition fees and services and activities fees.~~

65 HB 2034 Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College shall exempt the following students from the payment of all tuition fees and services and activities fees:

and (2) Surviving spouses of any law enforcement officer as defined in chapter 41.26 or 41.--- (the new chapter created in section 504 of this act) RCW, firefighter as defined in chapter 41.26, 41.--- (the new chapter created in section 504 of this act), or 41.24 RCW, highway worker, or Washington state patrol officer who lost his or her life or became totally disabled in the line of duty while employed by any public law enforcement agency or full-time or volunteer fire department in this state, or was a highway worker p.while either employed by a general contractor or subcontractor, on a transportation project or employed by a transportation agency.

~~66 SHB 2034 while either employed by a general contractor or subcontractor, on a transportation project or employed by a transportation agency.~~

Such an agency, department, or ~~division~~p. is distinguished from a transit agency having as one of its functions the highway maintenance, including but not limited to the state department of transportation.

66 HB 2034 division is distinguished from a transit agency having as one of its functions the highway maintenance, including but not limited to the state department of transportation.

(i) Children of any law enforcement officer as defined in chapter 41.26 or 41.--- (the new chapter created in section 504 of this act) RCW, firefighter as defined in chapter 41.26, 41.--- (the new chapter created in section 504 of this act), or 41.24 RCW, or Washington state patrol officer who lost his or her life or became totally disabled in the line of duty while employed by any public law enforcement agency or full time or volunteer fire department in this ~~p.state:~~

~~67 SHB 2034 state:~~

~~(c)p. The governing boards of the community and technical colleges shall report to the state board for community and technical colleges on the annual cost of tuition fees and services and activities fees waived for surviving spouses and children under (a) of this subsection.~~

67 HB 2034 (c) The governing boards of the community and technical colleges shall report to the state board for community and technical colleges on the annual cost of tuition fees and services and activities fees waived for surviving spouses and children under (a) of this subsection.

p.(2) If any city or town establishes the position of warrant officer, the position shall be maintained by the city or town within the city or town police department.

~~68 SHB 2034 (2) If any city or town establishes the position of warrant officer, the position shall be maintained by the city or town within the city or town police department.~~

(4) Process issuing from any court that is directed to a police department in which a warrant officer position is maintained may be ~~servedp. or enforced by the warrant officer, if within the warrant officer's authority as identified in ordinance.~~

68 HB 2034 served or enforced by the warrant officer, if within the warrant officer's authority as identified in ordinance.

(4) Process issuing from any court that is directed to a police department in which a warrant officer position is maintained may be p.served or enforced by the warrant officer, if within the warrant officer's authority as identified in ordinance.

~~69 SHB 2034 served or enforced by the warrant officer, if within the warrant officer's authority as identified in ordinance.~~

PROVIDED FURTHER, That no compensation received as an employee of the association shall be considered salary for purposes of the provisions of any retirement system created pursuant ~~top. the general laws of this state.~~

69 HB 2034 to the general laws of this state:

p.(2) When the legislative authority of a county, municipality, or other political subdivision determines to so transfer, the state health care authority shall:

~~70 SHB 2034 (2) When the legislative authority of a county, municipality, or other political subdivision determines to so transfer, the state health care authority shall:~~

(4) Until December 31, 2019, school districts may voluntarily transfer to the public employees' benefits board, except that all eligible employees in a bargaining unit of a school district may ~~transferp. only as a unit and all nonrepresented employees in a district may transfer only as a unit.~~

70 HB 2034 transfer only as a unit and all nonrepresented employees in a district may transfer only as a unit.

p-Subsection (1)(b) of this section does not apply to a dual member as defined in RCW 41.54.010.

~~71 SHB 2034 Subsection (1)(b) of this section does not apply to a dual member as defined in RCW 41.54.010.~~

~~Sec. p.~~

71 HB 2034 Sec.

p-RCW 41.04.405 through 41.04.430 are not intended to and do not govern retirement rights of any members of the retirement systems established by chapter 41.16, 41.18, 41.20, ((or)) 41.26, or 41.--- (the new chapter created in section 504 of this act) RCW, or of employees described in RCW 35.58.265, 35.58.390, or 70.08.070.

~~72 SHB 2034 RCW 41.04.405 through 41.04.430 are not intended to and do not govern retirement rights of any members of the retirement systems established by chapter 41.16, 41.18, 41.20, ((or)) 41.26, or 41.--- (the new chapter created in section 504 of this act) RCW, or of employees described in RCW 35.58.265, 35.58.390, or 70.08.070.~~

Chapter 227, Laws of 1984 does not alter in any manner the provisions of RCW 41.45.060, 41.45.061, and 41.45.067 which require that the member contribution ~~rates~~p. shall be set so as to provide fifty percent of the cost of the respective retirement plans.

72 HB 2034 rates shall be set so as to provide fifty percent of the cost of the respective retirement plans.

~~p-Sec.~~

~~73 SHB 2034 Sec.~~

~~(2)p. "Board" means the public employees' benefits board established under RCW 41.05.055 and the school employees' benefits board established under RCW 41.05.740.~~

73 HB 2034 (2) "Board" means the public employees' benefits board established under RCW 41.05.055 and the school employees' benefits board established under RCW 41.05.740.

and members of the ~~p-state legislature.~~

~~74 SHB 2034 state legislature.~~

(iv) employees of a tribal government, if the governing body of the tribal government seeks and receives the approval of the authority to provide any of its insurance programs by contract with the authority, as provided in ~~RCW~~p. 41.05.021(1) (f) and (g);

74 HB 2034 RCW 41.05.021(1) (f) and (g);

and (B) employees of a tribal school as defined in RCW 28A.715.010, if the governing body of ~~p-the tribal school seeks and receives the approval of the authority to provide any of its insurance programs by contract with the authority, as provided in RCW 41.05.021(1) (f) and (g).~~

~~75 SHB 2034 the tribal school seeks and receives the approval of the authority to provide any of its insurance programs by contract with the authority, as provided in RCW 41.05.021(1) (f) and (g).~~

(9)(a) "Employer group" for the public employees' benefits board program means those counties, municipalities, political subdivisions, ~~the~~p. Washington health benefit exchange, tribal governments, and employee organizations representing state civil service employees obtaining employee benefits through a contractual agreement with the authority to participate in benefit plans developed by the public employees' benefits board.

75 HB 2034 the Washington health benefit exchange, tribal governments, and employee organizations representing state civil service employees obtaining employee benefits through a contractual agreement with the authority to participate in benefit plans developed by the public employees' benefits board.

(11) "Faculty" means an academic employee of an institution of higher education whose workload is not defined by work hours but whose appointment, workload, and duties directly serve the institution's academic mission, as determined under the authority of ~~p-its enabling statutes, its governing body, and any applicable collective bargaining agreement.~~

~~76 SHB 2034 its enabling statutes, its governing body, and any applicable collective bargaining agreement.~~

~~(15)p. "Participant" means an individual who fulfills the eligibility and enrollment requirements under the salary reduction plan.~~

76 HB 2034 (15) "Participant" means an individual who fulfills the eligibility and enrollment requirements under the salary reduction plan.

p-(21) "Salary reduction plan" means a benefit plan whereby public employees may agree to a reduction of salary on a pretax basis to participate in the dependent care assistance program, flexible spending arrangement, or premium payment plan offered pursuant to 26 U.S.C.

~~77 SHB 2034 (21) "Salary reduction plan" means a benefit plan whereby public employees may agree to a reduction of salary on a pretax basis to participate in the dependent care assistance program, flexible spending arrangement, or premium payment plan offered pursuant to 26 U.S.C.~~

~~(25)p. "Separated employees" means persons who separate from employment with an employer as defined in:~~

77 HB 2034 (25) "Separated employees" means persons who separate from employment with an employer as

defined in:

(26) "State purchased health care" or "health care" means medical and behavioral health care, pharmaceuticals, and medical equipment purchased with state and federal funds by the department of social and health services, the department of health, the basic health plan, the state health care authority, the department of labor and ~~p-industries, the department of corrections, the department of veterans affairs, and local school districts.~~

~~78 SHB 2034 industries, the department of corrections, the department of veterans affairs, and local school districts.~~

and (b) permit ~~participation p. in the plan by temporary employees and school employees.~~

78 HB 2034 participation in the plan by temporary employees and school employees.

(4) The authority shall establish as part of the salary reduction plan the procedures for and effect of withdrawal from the plan by reason of retirement, death, leave of absence, or termination of ~~p-employment.~~

~~79 SHB 2034 employment.~~

(1) There is hereby created in each city and town a municipal firefighters' pension board to consist of the following five members, ex officio, the mayor, or in a city of the first class, the mayor or a designated representative who shall be an elected official of the ~~city, p. who shall be chairperson of the board, the city comptroller or clerk, the chairperson of finance of the city council, or if there is no chairperson of finance, the city treasurer, and in addition, two regularly employed or retired firefighters elected by secret ballot of those employed and retired firefighters who are subject to the jurisdiction of the board.~~

79 HB 2034 city, who shall be chairperson of the board, the city comptroller or clerk, the chairperson of finance of the city council, or if there is no chairperson of finance, the city treasurer, and in addition, two regularly employed or retired firefighters elected by secret ballot of those employed and retired firefighters who are subject to the jurisdiction of the board.

This includes active and retired ~~p-firefighters under this chapter and chapters 41.18, 41.26, 41.---~~ (the new chapter created in section 504 of this act), and 52.26 RCW;

~~80 SHB 2034 firefighters under this chapter and chapters 41.18, 41.26, 41.--- (the new chapter created in section 504 of this act), and 52.26 RCW;~~

PROVIDED, That if a report by a qualified actuary on the condition of the fund establishes that the whole or any part of said dollar rate is not necessary to maintain the actuarial soundness of the fund, the levy of said twenty-two and one-half cents per ~~thousand p. dollars of assessed value may be omitted, or the whole or any part of such dollar rate may be levied and used for any other municipal purpose.~~

80 HB 2034 thousand dollars of assessed value may be omitted, or the whole or any part of such dollar rate may be levied and used for any other municipal purpose.

(3) The amount of a levy under this section allocated to the pension fund may be reduced in the same proportion as the regular ~~p-property tax levy of the municipality is reduced by chapter 84.55 RCW.~~

~~81 SHB 2034 property tax levy of the municipality is reduced by chapter 84.55 RCW.~~

~~The p. amount of all benefits payable under the provisions of RCW 41.16.080, 41.16.120, 41.16.130, 41.16.140 and 41.16.230 shall be increased annually as hereafter in this section provided.~~

81 HB 2034 The amount of all benefits payable under the provisions of RCW 41.16.080, 41.16.120, 41.16.130, 41.16.140 and 41.16.230 shall be increased annually as hereafter in this section provided.

A beneficiary of benefit increases provided for pursuant to this section is hereby authorized to appeal a decision on such increases or the failure of the local pension board to order such increased benefits or the amount of such benefits to the ((Washington law ~~p-enforcement officers' and firefighters' system retirement board provided for in RCW 41.26.050)) director of retirement systems.~~

~~82 SHB 2034 enforcement officers' and firefighters' system retirement board provided for in RCW 41.26.050)) director of retirement systems.~~

(1) There is hereby created in each fire protection district which qualifies under this chapter, a firefighters' pension board to consist of the following five members, the chairperson of the fire commissioners for said district who shall be chairperson of the board, the county auditor, county treasurer, and in addition, two regularly employed or retired firefighters elected by secret ballot ~~of p. the employed and retired firefighters.~~

82 HB 2034 of the employed and retired firefighters.

~~p-(b) The widow or widower of a firefighter subject to the jurisdiction of the board.~~

~~83 SHB 2034 (b) The widow or widower of a firefighter subject to the jurisdiction of the board.~~

~~PROVIDED, p. That regardless of the change in the consumer price index, such increase shall be at least two percent each year such adjustment is made.~~

83 HB 2034 PROVIDED, That regardless of the change in the consumer price index, such increase shall be at least two percent each year such adjustment is made.

~~p-Any former employee of a department of a city of the first class, who (1) was a member of the~~

employees' retirement system of such city, and (2) is now employed within the fire department of such city, may transfer his or her former membership credit from the city employees' retirement system to the firefighter's pension system created by this chapter and chapter((s)) 41.16 ((and 41.18)) RCW by filing a written request with the board of administration and the municipal firefighters' pension board, respectively.

~~84 SHB 2034 Any former employee of a department of a city of the first class, who (1) was a member of the employees' retirement system of such city, and (2) is now employed within the fire department of such city, may transfer his or her former membership credit from the city employees' retirement system to the firefighter's pension system created by this chapter and chapter((s)) 41.16 ((and 41.18)) RCW by filing a written request with the board of administration and the municipal firefighters' pension board, respectively.~~

~~For the purpose of the transfer contemplated by this section, p. those affected individuals who have formerly withdrawn funds from the city employees' retirement system shall be allowed to restore contributions withdrawn from that retirement system directly to the firefighter's pension system and receive credit in the firefighter's pension system for their former membership service in the prior system.~~

84 HB 2034 section, those affected individuals who have formerly withdrawn funds from the city employees' retirement system shall be allowed to restore contributions withdrawn from that retirement system directly to the firefighter's pension system and receive credit in the firefighter's pension system for their former membership service in the prior system.

(1) The mayor or his or her designated representative who shall be an elected official of the city, and the clerk, treasurer, president of the city council or mayor pro tem of each city of the first class, or in case any such city has no city council, the ~~p.~~ commissioner who has supervision of the police department, together with three active or retired members of the police department, to be elected as herein provided, in addition to the duties now required of them, are constituted a board of trustees of the relief and pension fund of the police department of each such city, and shall provide for the disbursement of the fund, and designate the beneficiaries thereof.

~~85 SHB 2034 commissioner who has supervision of the police department, together with three active or retired members of the police department, to be elected as herein provided, in addition to the duties now required of them, are constituted a board of trustees of the relief and pension fund of the police department of each such city, and shall provide for the disbursement of the fund, and designate the beneficiaries thereof.~~

Not more than thirty nor less than fifteen days preceding the first day of June in each year, written notice of the nomination of any member or retired member of the department for membership on the board may be ~~filed p. with the secretary of the board.~~

85 HB 2034 filed with the secretary of the board.

In the first election the nominee receiving the ~~p.~~ greatest number of votes shall be elected to the three year term, the second greatest to the two year term and the third greatest to the one year term.

~~86 SHB 2034 greatest number of votes shall be elected to the three year term, the second greatest to the two year term and the third greatest to the one year term.~~

~~(b) p. The widow or widower of a law enforcement officer subject to the jurisdiction of the board.~~

86 HB 2034 (b) The widow or widower of a law enforcement officer subject to the jurisdiction of the board.

~~p. Any employee so transferring shall have all the rights, benefits and privileges that he or she would have been entitled to had he or she been a member of the city's police relief and pension fund system from the beginning of his or her employment with the city.~~

~~87 SHB 2034 Any employee so transferring shall have all the rights, benefits and privileges that he or she would have been entitled to had he or she been a member of the city's police relief and pension fund system from the beginning of his or her employment with the city.~~

~~A former employee of a fire department of a city of the first class who (1) was a member of the firefighters' pension system created by chapter((s)) 41.16 or 41.18 RCW, and (2) is now employed within p. the police department of such city, will be regarded as having received membership service credit for such service to the fire department in the city's police and relief pension system at the time he or she recovers such service credit by paying withdrawn contributions to the Washington law enforcement officers' and firefighters' retirement system pursuant to RCW 41.26.030(((28))) (25) or section 303(29) of this act.~~

87 HB 2034 within the police department of such city, will be regarded as having received membership service credit for such service to the fire department in the city's police and relief pension system at the time he or she recovers such service credit by paying withdrawn contributions to the Washington law enforcement officers' and firefighters' retirement system pursuant to RCW 41.26.030(((28))) (25) or section 303(29) of this act.

(3) Every municipality shall make provisions for the collection and payment of the fees required under

this chapter, and shall continue to make provisions for all reserve officers who come under ~~p. this~~ chapter as long as they continue to be employed as reserve officers.

~~88 SHB 2034 this chapter as long as they continue to be employed as reserve officers.~~

~~If p. a retiree's benefits have been suspended under this section, his or her benefits shall be reinstated when the retiree terminates the employment that caused his or her benefits to be suspended.~~

88 HB 2034 If a retiree's benefits have been suspended under this section, his or her benefits shall be reinstated when the retiree terminates the employment that caused his or her benefits to be suspended.

(2)(a) A retiree who has satisfied the break in employment requirement of subsection (1) of this section, may work up to eight hundred sixty-seven hours per calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or law enforcement officer, as defined in RCW ~~p. 41.26.030~~ or section 303 of this act, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.

~~89 SHB 2034 41.26.030 or section 303 of this act, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.~~

(ii) Between March 23, 2022, and July 1, 2025, a retiree that retired before January 1, 2022, and who enters service in a second- class school district, as defined in RCW 28A.300.065, as either a district superintendent or an in-school administrator shall continue to receive pension payments while engaged in such service, until the ~~retiree p. has rendered service for more than 1,040 hours in a calendar year.~~

89 HB 2034 retiree has rendered service for more than 1,040 hours in a calendar year.

(2) If a retiree's benefits have been suspended under this section, his or her benefits shall be reinstated when the retiree ~~p. terminates the employment that caused the suspension of benefits.~~

~~90 SHB 2034 terminates the employment that caused the suspension of benefits.~~

~~Any benefit p. reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.~~

90 HB 2034 benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

~~p. (iii) The legislature reserves the right to amend or repeal this subsection (2)(b) in the future and no member or beneficiary has a contractual right to be employed for more than 867 hours in a calendar year without a reduction of his or her pension.~~

~~91 SHB 2034 (iii) The legislature reserves the right to amend or repeal this subsection (2)(b) in the future and no member or beneficiary has a contractual right to be employed for more than 867 hours in a calendar year without a reduction of his or her pension.~~

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's ~~monthly p. retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month.~~

91 HB 2034 monthly retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month.

The legislature ~~p. reserves the right to amend or repeal this subsection (2)(b) in the future and no member or beneficiary has a contractual right to be employed for more than 867 hours in a calendar year without a reduction of his or her pension.~~

~~92 SHB 2034 reserves the right to amend or repeal this subsection (2)(b) in the future and no member or beneficiary has a contractual right to be employed for more than 867 hours in a calendar year without a reduction of his or her pension.~~

~~Sec. p.~~

92 HB 2034 Sec.

(1)(a) If a retiree enters employment in an eligible position with an employer as defined in this chapter sooner than one calendar ~~p. month~~ after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month.

~~93 SHB 2034 month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month.~~

~~Any benefit reduction over one hundred percent will be applied top. the benefit the retiree is eligible to receive in subsequent months.~~

93 HB 2034 to the benefit the retiree is eligible to receive in subsequent months.

However, if the right to retire is exercised to become effective before the member has rendered two uninterrupted years of service, the ~~p. retirement formula and survivor options the member had at the time of the member's previous retirement shall be reinstated.~~

~~94 SHB 2034 retirement formula and survivor options the member had at the time of the member's previous retirement shall be reinstated.~~

(1) Except as provided in RCW 41.37.050, a retiree shall not be eligible to receive the retiree's monthly retirement allowance if he or she is employed in an eligible position as defined in RCW 41.37.010, or RCW 41.35.010, 41.40.010, or 41.32.010, or as a law enforcement officer or firefighter as defined in RCW 41.26.030 or section 303 of this act, except that a retiree who ends his or her membership in the retirement system pursuant to RCW 41.37.020(2)(b) ~~is not subject to this section if the retiree's only employment is as an elective official.~~

94 HB 2034 is not subject to this section if the retiree's only employment is as an elective official.

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

~~95 SHB 2034 (4) "Annual increase" means, initially, 59 cents per month per year of service which amount shall be increased each July 1st by three percent, rounded to the nearest cent.~~

~~Periods constituting authorizedp. leaves of absence may not be used in the calculation of average final compensation except under RCW 41.40.710(2) or (c) of this subsection.~~

95 HB 2034 authorized leaves of absence may not be used in the calculation of average final compensation except under RCW 41.40.710(2) or (c) of this subsection.

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

~~96 SHB 2034 to current pay, or other similar measures resulting from the COVID-19 budgetary crisis, if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer.~~

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

96 HB 2034 (i) "Compensation earnable" for plan 1 members also includes the following actual or imputed payments, which are not paid for personal services:

~~p.(E) Compensation that a member receives due to participation in the leave sharing program only as authorized by RCW 41.04.650 through 41.04.670;~~

~~97 SHB 2034 (E) Compensation that a member receives due to participation in the leave sharing program only as authorized by RCW 41.04.650 through 41.04.670;~~

(b) "Compensation earnable" for plan 2 and plan 3 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 exclude nonmoney maintenance compensation and lump sum or other payments for deferred annual sick leave, unused ~~accumulatedp. vacation, unused accumulated annual leave, or any form of severance pay.~~

97 HB 2034 accumulated vacation, unused accumulated annual leave, or any form of severance pay.

Any additional contributions to the retirement system required because compensation earnable under (b)(ii)(A) of this subsection is ~~p.greater than compensation earnable under (b)(ii)(B) of this subsection shall be paid by the member for both member and employer contributions;~~

~~98 SHB 2034 greater than compensation earnable under (b)(ii)(B) of this subsection shall be paid by the member for both member and employer contributions;~~

~~(11)p. "Eligible position" means:~~

98 HB 2034 (11) "Eligible position" means:

and ~~p.the term shall also include any labor guild, association, or organization the membership of a local lodge or division of which is comprised of at least forty percent employees of an employer (other than such labor guild, association, or organization) within this chapter.~~

~~99 SHB 2034 the term shall also include any labor guild, association, or organization the membership of a local lodge or division of which is comprised of at least forty percent employees of an employer (other than such labor guild, association, or organization) within this chapter.~~

For purposes of this subsection, a "government contractor" is any entity, including a partnership, limited liability company, for-profit or nonprofit corporation, or person, that provides services pursuant to a contract ~~withp. an "employer." The determination whether an employer-employee relationship has been established is not based on the relationship between a government contractor and an "employer," but is based solely on the relationship between a government contractor's employee and an "employer" under this chapter.~~

99 HB 2034 with an "employer." The determination whether an employer-employee relationship has been established is not based on the relationship between a government contractor and an "employer," but is based solely on the relationship between a government contractor's employee and an "employer" under this chapter.

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

~~100 SHB 2034 (19) "Ineligible position" means any position which does not conform with the requirements set forth in subsection (11) of this section.~~

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

100 HB 2034 (c) Service not to exceed six consecutive months of probationary service rendered after April 1, 1949, and prior to becoming a member, in the case of any member, upon payment in full by such member of the total amount of the employer's contribution to the retirement fund which would have been required under the law in effect when such probationary service was rendered if the member had been a member during such period, except that the amount of the employer's contribution shall be calculated by the director based on the first month's compensation earnable as a member;

~~p-(25) "Original member" of this retirement system means:~~

~~101 SHB 2034 (25) "Original member" of this retirement system means:~~

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

101 HB 2034 the member upon retirement at age 70 as found in RCW 41.40.190(4) shall not apply to the member;

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

~~102 SHB 2034 first became members of the system on and after October 1, 1977, and are not included in plan 3.~~

~~(34)p. "Retirement allowance" means the sum of the annuity and the pension.~~

102 HB 2034 (34) "Retirement allowance" means the sum of the annuity and the pension.

Compensation earnable earned in full time work for 70 hours or more in any given calendar p. month shall constitute one service credit month except as provided in RCW 41.40.088.

~~103 SHB 2034 month shall constitute one service credit month except as provided in RCW 41.40.088.~~

~~If an individual is employed in an eligible position by one or more employers the individual shall receive no more than one service creditp. month during any calendar month in which multiple service for seventy or more hours is rendered.~~

103 HB 2034 credit month during any calendar month in which multiple service for seventy or more hours is rendered.

~~p-(b) "Service" for plan 2 and plan 3 members, means periods of employment by a member in an eligible position or positions for one or more employers for which compensation earnable is paid.~~

~~104 SHB 2034 (b) "Service" for plan 2 and plan 3 members, means periods of employment by a member in an eligible position or positions for one or more employers for which compensation earnable is paid.~~

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

104 HB 2034 Washington school employees' retirement system, teachers' retirement system, public safety employees' retirement system, or law enforcement officers' and firefighters' retirement system.

~~p-(D) More than 22 days but less than 33 days equals one and one- quarter service credit month;~~

~~105 SHB 2034 (D) More than 22 days but less than 33 days equals one and one- quarter service credit month;~~

~~(42)p. "State treasurer" means the treasurer of the state of Washington.~~

105 HB 2034 (42) "State treasurer" means the treasurer of the state of Washington.

(2)(a) A retiree from plan 1, plan 2, or plan 3 who has satisfied the break in employment requirement of subsection (1) of this section p. may work up to eight hundred sixty-seven hours per calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter

or law enforcement officer, as defined in RCW 41.26.030 or section 303 of this act, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.

~~106 SHB 2034 may work up to eight hundred sixty-seven hours per calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or law enforcement officer, as defined in RCW 41.26.030 or section 303 of this act, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.~~

(c) Between April 14, 2023, and July 1, 2026, a retiree, including a retiree who has retired under the alternate early retirement provisions of RCW 41.40.630(3)(b) or 41.40.820(3)(b), and who enters service in a nonadministrative position as a licensed nurse for a state agency, shall continue to receive pension payments ~~while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a calendar year.~~

106 HB 2034 while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a calendar year.

~~p-Sec.~~

~~107 SHB 2034 Sec.~~

(1) Except as provided in RCW 41.40.037, no retiree under the provisions of plan 2 shall be eligible to receive such retiree's monthly retirement allowance if he or she is employed in an eligible position as defined in RCW 41.40.010, 41.32.010, 41.37.010, or 41.35.010, or as a law enforcement officer or firefighter as defined ~~in p-RCW 41.26.030 or section 303 of this act, except that a retiree who ends his or her membership in the retirement system pursuant to RCW 41.40.023(3)(b) is not subject to this section if the retiree's only employment is as an elective official of a city or town.~~

107 HB 2034 in RCW 41.26.030 or section 303 of this act, except that a retiree who ends his or her membership in the retirement system pursuant to RCW 41.40.023(3)(b) is not subject to this section if the retiree's only employment is as an elective official of a city or town.

(1) Except as provided in RCW 41.40.037, no retiree under the provisions of plan 3 shall be eligible to receive such retiree's monthly retirement allowance if he or she is employed in an eligible position as defined in RCW 41.40.010, 41.32.010, 41.35.010, or 41.37.010, or as a law enforcement officer or firefighter as defined in RCW 41.26.030 or section 303 of this act, except that a retiree ~~p-who ends his or her membership in the retirement system pursuant to RCW 41.40.023(3)(b) is not subject to this section if the retiree's only employment is as an elective official of a city or town.~~

~~108 SHB 2034 who ends his or her membership in the retirement system pursuant to RCW 41.40.023(3)(b) is not subject to this section if the retiree's only employment is as an elective official of a city or town.~~

~~the public p-safety employees' retirement system, chapter 41.37 RCW;~~

108 HB 2034 public safety employees' retirement system, chapter 41.37 RCW;

~~p-(((4))) (3) To establish long-term employer contribution rates which will remain a relatively predictable proportion of the future state budgets;~~

~~109 SHB 2034 (((4))) (3) To establish long-term employer contribution rates which will remain a relatively predictable proportion of the future state budgets;~~

~~(4)p- "Public employees' retirement system plan 1," "public employees' retirement system plan 2," and "public employees' retirement system plan 3" mean the benefits and funding provisions under chapter 41.40 RCW.~~

109 HB 2034 (4) "Public employees' retirement system plan 1," "public employees' retirement system plan 2," and "public employees' retirement system plan 3" mean the benefits and funding provisions under chapter 41.40 RCW.

~~p-((11)) "Classified employee" means a member of the Washington school employees' retirement system plan 2 or plan 3 as defined in RCW 41.35.010.~~

~~110 SHB 2034 ((11)) "Classified employee" means a member of the Washington school employees' retirement system plan 2 or plan 3 as defined in RCW 41.35.010.~~

(1) Employers of members of the public employees' retirement system, the teachers' retirement system, the school employees' retirement system, the public safety employees' retirement system, ~~the p-Washington state patrol retirement system, and the higher education retirement plans shall make contributions to those systems and plans based on the rates established in RCW 41.45.060 and 41.45.070.~~

110 HB 2034 the Washington state patrol retirement system, and the higher education retirement plans shall make contributions to those systems and plans based on the rates established in RCW 41.45.060 and 41.45.070.

(4) The contributions received for the public employees' retirement system shall be allocated between the public employees' ~~p-retirement system plan 1 fund and the public employees' retirement system combined plan 2 and plan 3 fund as follows:~~

~~111 SHB 2034 retirement system plan 1 fund and the public employees' retirement system combined plan 2 and plan 3 fund as follows:~~

All remaining school employees' retirement system employer ~~contributions~~p. shall be deposited in the public employees' retirement system plan 1 fund.

111 HB 2034 contributions shall be deposited in the public employees' retirement system plan 1 fund.

(9) The contributions received for the higher education retirement plan supplemental benefit fund shall be deposited in the higher education retirement plan supplemental benefit fund and amounts received from each institution accounted for separately and ~~p. shall only be used to make benefit payments to the beneficiaries of that institution's plan.~~

~~112 SHB 2034 shall only be used to make benefit payments to the beneficiaries of that institution's plan.~~

~~(b)p. Basic employer contribution rates for the public employees' retirement system, the teachers' retirement system, and the Washington state patrol retirement system;~~

112 HB 2034 (b) Basic employer contribution rates for the public employees' retirement system, the teachers' retirement system, and the Washington state patrol retirement system;

(b))) To fully fund the public employees' retirement system plans 2 and 3, the teachers' retirement system plans 2 and 3, the public safety employees' retirement system plan 2, and the school employees' ~~p. retirement system plans 2 and 3 in accordance with RCW 41.45.061, 41.45.067, and this section;~~

~~113 SHB 2034 retirement system plans 2 and 3 in accordance with RCW 41.45.061, 41.45.067, and this section;~~

plus (b) The amount required to amortize the unfunded actuarial accrued liability in plan 1 of the public employees' retirement system over a rolling ten-year period using projected future salary ~~growth~~p. and growth in system membership, and subject to any minimum or maximum rates applied pursuant to RCW 41.45.150;

113 HB 2034 growth and growth in system membership, and subject to any minimum or maximum rates applied pursuant to RCW 41.45.150;

plus (b) The amount required to amortize the unfunded actuarial accrued liability in plan 1 of the public employees' retirement system over a rolling ten-year period using projected future salary ~~p. growth and growth in system membership, and subject to any minimum or maximum rates applied pursuant to RCW 41.45.150;~~

~~114 SHB 2034 growth and growth in system membership, and subject to any minimum or maximum rates applied pursuant to RCW 41.45.150;~~

The cost of each benefit improvement ~~shall~~p. be amortized over a fixed ten-year period using projected future salary growth and growth in system membership.

114 HB 2034 shall be amortized over a fixed ten-year period using projected future salary growth and growth in system membership.

(10) The council shall immediately notify the directors of the office of financial management and department of retirement systems ~~p. of the state and employer contribution rates adopted.~~

~~115 SHB 2034 of the state and employer contribution rates adopted.~~

Such agreement ~~may~~p. contain such provisions relating to coverage, benefits, contributions, effective date, modification and termination of the agreement, administration, and other appropriate provisions as the governor and secretary of health and human services shall agree upon, but, except as may be otherwise required by or under the social security act as to the services to be covered, such agreement shall provide in effect that:

115 HB 2034 may contain such provisions relating to coverage, benefits, contributions, effective date, modification and termination of the agreement, administration, and other appropriate provisions as the governor and secretary of health and human services shall agree upon, but, except as may be otherwise required by or under the social security act as to the services to be covered, such agreement shall provide in effect that:

~~p. (c) Such agreement shall be effective with respect to services in employment covered by the agreement or modification thereof performed after a date specified therein but in no event may it be effective with respect to any such services performed prior to the first day of the calendar year immediately preceding the calendar year in which such agreement or modification of the agreement is accepted by the secretary of health and human services;~~

~~116 SHB 2034 (c) Such agreement shall be effective with respect to services in employment covered by the agreement or modification thereof performed after a date specified therein but in no event may it be effective with respect to any such services performed prior to the first day of the calendar year immediately preceding the calendar year in which such agreement or modification of the agreement is accepted by the secretary of health and human services;~~

~~(g)p. As modified, the agreement shall include all services described in either (d) or (e) of this subsection and performed by individuals in positions covered by a retirement system with respect to~~

~~which the governor has issued a certificate to the secretary of health and human services pursuant to subsection (5) of this section;~~

116 HB 2034 (g) As modified, the agreement shall include all services described in either (d) or (e) of this subsection and performed by individuals in positions covered by a retirement system with respect to which the governor has issued a certificate to the secretary of health and human services pursuant to subsection (5) of this section;

(2) Any instrumentality jointly created by this state and any other state or states is hereby authorized, upon the granting of like authority by such other state or states, (a) to enter into an ~~p~~-agreement with the secretary of health and human services whereby the benefits of the federal old-age and survivors insurance system shall be extended to employees of such instrumentality, (b) to require its employees to pay (and for that purpose to deduct from their wages) contributions equal to the amounts which they would be required to pay under RCW 41.48.040(1) if they were covered by an agreement made pursuant to subsection (1) of this section, and (c) to make payments to the secretary of the treasury in accordance with such agreement, including payments from its own funds, and otherwise to comply with such agreements.

~~117 SHB 2034 agreement with the secretary of health and human services whereby the benefits of the federal old-age and survivors insurance system shall be extended to employees of such instrumentality, (b) to require its employees to pay (and for that purpose to deduct from their wages) contributions equal to the amounts which they would be required to pay under RCW 41.48.040(1) if they were covered by an agreement made pursuant to subsection (1) of this section, and (c) to make payments to the secretary of the treasury in accordance with such agreement, including payments from its own funds, and otherwise to comply with such agreements.~~

(3) The governor is empowered to authorize a referendum, and to designate an agency or individual to supervise its conduct, in accordance with the requirements of section ~~218~~218(d)(3)-(d)(3) of the social security act, and subsection (4) of this section on the question of whether service in all positions covered by a retirement system established by the state or by a political subdivision thereof should be excluded from or included under an agreement under this chapter.

If a retirement system covers positions of employees of the state of Washington, of the institutions of higher learning, and positions of employees of one or more of the political subdivisions of the state, ~~then p. for the purpose of the referendum as provided in this section, there may be deemed to be a separate retirement system with respect to employees of the state, or any one or more of the political subdivisions, or institutions of higher learning and the governor shall authorize a referendum upon request of the subdivisions' or institutions' of higher learning governing body;~~

117 HB 2034 then for the purpose of the referendum as provided in this section, there may be deemed to be a separate retirement system with respect to employees of the state, or any one or more of the political subdivisions, or institutions of higher learning and the governor shall authorize a referendum upon request of the subdivisions' or institutions' of higher learning governing body;

PROVIDED FURTHER, That the teachers' retirement system be considered one system for the purpose of the ~~p~~-referendum except as applied to the several state colleges ((of education)).

~~118 SHB 2034 referendum except as applied to the several state colleges ((of education)).~~

~~(d)p. Such referendum shall be conducted under the supervision of the governor or of an agency or individual designated by the governor;~~

118 HB 2034 (d) Such referendum shall be conducted under the supervision of the governor or of an agency or individual designated by the governor;

(f) The state legislature, in the case of a referendum affecting the rights and liabilities of state employees covered under the state employees' retirement system and employees under the teachers' retirement system, and in all other cases the local legislative authority or governing body, shall have specifically approved the ~~p~~-proposed plan and approved any necessary structural adjustment to the existing system to conform with the proposed plan;

~~119 SHB 2034 proposed plan and approved any necessary structural adjustment to the existing system to conform with the proposed plan;~~

~~(6)p. If the legislative body of any political subdivision of this state certifies to the governor that a referendum has been held under the terms of RCW 41.48.050(1)(i) and gives notice to the governor of termination of social security for any coverage group of the political subdivision, the governor shall give two years advance notice in writing to the federal department of health and human services of the termination of the agreement entered into under this section with respect to that coverage group.~~

119 HB 2034 (6) If the legislative body of any political subdivision of this state certifies to the governor that a referendum has been held under the terms of RCW 41.48.050(1)(i) and gives notice to the governor of termination of social security for any coverage group of the political subdivision, the governor shall give two years advance notice in writing to the federal department of health and human services of the termination of the agreement entered into under this section with respect to that coverage group.

Each pension or retirement system established by the state or a political subdivision thereof is hereby

authorized to submit for approval by the governor a plan for extending the benefits ~~p. of title II of the social security act, in conformity with applicable provisions of such act, to members of such pension or retirement system.~~

~~120 SHB 2034~~ Each such 2034 plan of and title any II amendment of thereof shall be approved by the social governor security if act, he or she finds that such plan, or such plan as amended, is in conformity with applicable such provisions requirements of as such are act, provided to in members regulations of the governor, except that no such pension plan or shall retirement be system approved unless ((--)):

~~Each such plan and any amendment thereof shall be approved by the governor if he or she finds that such plan, or such plan as amended, is in conformity with such requirements as are provided in regulations of the governor, except that no such plan shall be approved unless((---)):~~

(d) It provides that in the plan of coverage for members of the state teachers' retirement system or for state employee members of the state employees' retirement system, there shall be no additional ~~cost p. to or involvement of the state until such plan has received prior approval by the legislature;~~

120 HB 2034 cost to or involvement of the state until such plan has received prior approval by the legislature;

~~p. (h) It provides that law enforcement officers and firefighters of each political subdivision of this state who are covered by the ((Washington Law Enforcement Officers' and Firefighters' Retirement System Act (chapter 209, Laws of 1969 ex.~~

~~121 SHB 2034 (h) It provides that law enforcement officers and firefighters of each political subdivision of this state who are covered by the ((Washington Law Enforcement Officers' and Firefighters' Retirement System Act (chapter 209, Laws of 1969 ex.~~

~~(ii) p. Not less than sixty days' notice of such referendum shall be given to members of the coverage group.~~

121 HB 2034 (ii) Not less than sixty days' notice of such referendum shall be given to members of the coverage group.

(3)(a) Each political subdivision as to which a plan has been approved under this section shall pay into the contribution account, ~~p. with respect to wages (as defined in RCW 41.48.020), at such time or times as the governor may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the governor under RCW 41.48.030.~~

~~122 SHB 2034 with respect to wages (as defined in RCW 41.48.020), at such time or times as the governor may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the governor under RCW 41.48.030.~~