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**SENATE BILL 5274**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2017 Regular Session

**State of Washington                      65th Legislature                      2017 Regular Session**

**By** Senators Conway, Bailey, Schoesler, and Hobbs; by request of  
Select Committee on Pension Policy

Read first time 01/19/17. Referred to Committee on Ways & Means.

1            AN ACT Relating to defining salary for purposes of the Washington  
2 state patrol retirement system; and amending RCW 43.43.120.

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

4            **Sec. 1.** RCW 43.43.120 and 2011 1st sp.s. c 5 s 6 are each  
5 amended to read as follows:

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

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

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

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

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

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

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

15 (ii) Any compensation forgone by a member during the 2011-2013  
16 fiscal biennium as a result of reduced work hours, mandatory leave  
17 without pay, temporary layoffs, or reductions to current pay if the  
18 reduced compensation is an integral part of the employer's  
19 expenditure reduction efforts, as certified by the chief. Reductions  
20 to current pay shall not include elimination of previously agreed  
21 upon future salary reductions.

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

24 (5)(a) "Cadet," for a person who became a member of the  
25 retirement system after June 12, 1980, is a person who has passed the  
26 Washington state patrol's entry-level oral, written, physical  
27 performance, and background examinations and is, thereby, appointed  
28 by the chief as a candidate to be a commissioned officer of the  
29 Washington state patrol.

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

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

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

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

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

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

12 (11) "Employee" means any commissioned employee of the Washington  
13 state patrol.

14 (12) "Insurance commissioner" means the insurance commissioner of  
15 the state of Washington.

16 (13) "Lieutenant governor" means the lieutenant governor of the  
17 state of Washington.

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

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

24 (16) "Prior service" shall mean all services rendered by a member  
25 to the state of Washington, or any of its political subdivisions  
26 prior to August 1, 1947, unless such service has been credited in  
27 another public retirement or pension system operating in the state of  
28 Washington.

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

31 (18) "Retirement board" means the board provided for in this  
32 chapter.

33 (19) "Retirement fund" means the Washington state patrol  
34 retirement fund.

35 (20) "Retirement system" means the Washington state patrol  
36 retirement system.

37 (21)(a) "Salary," for members commissioned prior to July 1, 2001,  
38 shall exclude any overtime earnings related to RCW 47.46.040, or any  
39 voluntary overtime, earned on or after July 1, 2001, and prior to  
40 July 1, 2017. On or after July 1, 2017, salary shall exclude overtime

1 earnings in excess of seventy hours per year in total related to  
2 either RCW 47.46.040 or any voluntary overtime.

3 (b) "Salary," for members commissioned on or after July 1, 2001,  
4 shall exclude any overtime earnings related to RCW 47.46.040 or any  
5 voluntary overtime, earned prior to July 1, 2017, lump sum payments  
6 for deferred annual sick leave, unused accumulated vacation, unused  
7 accumulated annual leave, holiday pay, or any form of severance pay.  
8 On or after July 1, 2017, salary shall exclude overtime earnings in  
9 excess of seventy hours per year in total related to either RCW  
10 47.46.040 or any voluntary overtime.

11 (c) The addition of overtime earnings related to RCW 47.46.040 or  
12 any voluntary overtime earned on or after July 1, 2017, in this act  
13 is a benefit improvement that increases the member maximum  
14 contribution rate under RCW 41.45.0631(1) by 1.10 percent.

15 (22) "Service" shall mean services rendered to the state of  
16 Washington or any political subdivisions thereof for which  
17 compensation has been paid. Full time employment for seventy or more  
18 hours in any given calendar month shall constitute one month of  
19 service. An employee who is reinstated in accordance with RCW  
20 43.43.110 shall suffer no loss of service for the period reinstated  
21 subject to the contribution requirements of this chapter. Only months  
22 of service shall be counted in the computation of any retirement  
23 allowance or other benefit provided for herein. Years of service  
24 shall be determined by dividing the total number of months of service  
25 by twelve. Any fraction of a year of service as so determined shall  
26 be taken into account in the computation of such retirement allowance  
27 or benefit.

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

30 (24) "State treasurer" means the treasurer of the state of  
31 Washington.

32 Unless the context expressly indicates otherwise, words importing  
33 the masculine gender shall be extended to include the feminine gender  
34 and words importing the feminine gender shall be extended to include  
35 the masculine gender.

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