
SUBSTITUTE SENATE BILL 5333

State of Washington

61st Legislature

2009 Regular Session

By Senate Transportation (originally sponsored by Senators Haugen, Swecker, Delvin, and Parlette)

READ FIRST TIME 02/26/09.

1 AN ACT Relating to a Washington state patrol retirement system
2 deferred retirement option plan; adding a new section to chapter 43.43
3 RCW; providing an effective date; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.43 RCW,
6 to be codified between RCW 43.43.120 and 43.43.320, to read as follows:

7 (1) The Washington state patrol retirement system deferred
8 retirement option plan is created, as an alternative form of accrual
9 under the retirement system. Effective January 1, 2010, in lieu of
10 retiring under RCW 43.43.250 and accepting a retirement allowance under
11 RCW 43.43.260, and either RCW 43.43.270 or 43.43.271, as applicable, an
12 active member of the Washington state patrol retirement system is
13 eligible to participate in the Washington state patrol retirement
14 system deferred retirement option plan if the member: (a) Is not on
15 disability status; (b) has at least twenty-seven years of service
16 credit, calculated as the sum of service credit recognized under RCW
17 43.43.230, 43.43.233, 43.43.235, and 43.43.260; and (c) is eligible to
18 receive a retirement allowance.

1 (2) A member of the Washington state patrol retirement system who
2 is eligible to do so may begin participation in the deferred retirement
3 option plan on the first day of a month. A member who elects to
4 participate in the Washington state patrol retirement system deferred
5 retirement option plan shall: (a) Irrevocably elect a form of monthly
6 retirement allowance from the Washington state patrol retirement
7 system; (b) continue employment with the Washington state patrol; (c)
8 agree to the calculation of a deferred retirement option plan benefit
9 under this section in lieu of service credit or salary increase
10 adjustments that would increase the member's average final compensation
11 during the member's remaining period of service; and (d) identify a
12 date certain that is (i) the last day of a month, (ii) not more than
13 five years from the date that the member elects to begin participation
14 in the Washington state patrol retirement system deferred retirement
15 option plan, (iii) when the member's employment with the Washington
16 state patrol terminates, (iv) when the member's participation in the
17 Washington state patrol retirement system deferred retirement option
18 plan ends, and (v) the date after which the member begins receiving the
19 member's retirement allowance. The member may designate, or change the
20 member's designation of, a beneficiary who shall receive the balance of
21 the accruals to the member's deferred retirement option plan account
22 created under subsection (3) of this section, in the event that the
23 member dies during the member's participation in the deferred option
24 retirement plan option. The member shall make such a designation in
25 writing to, and in the manner prescribed by, the department of
26 retirement systems. If someone other than the member's spouse or state
27 registered domestic partner is designated as the sole primary
28 beneficiary, then the member must also file with the department of
29 retirement systems a written statement from the member's spouse or
30 state registered domestic partner consenting to the beneficiary
31 designation.

32 (3) When a member elects to participate in the Washington state
33 patrol retirement system deferred retirement option plan, a deferred
34 retirement option plan account is created for the individual member in
35 the fund of the retirement system. While the member is participating
36 in the Washington state patrol retirement system deferred retirement
37 option plan, an amount equal to seventy-five percent of the monthly
38 retirement allowance that would have been payable had the member

1 retired and begun receiving a retirement allowance according to the
2 member's election made under subsection (2)(a) of this section,
3 adjusted for cost-of-living increases according to subsection (5)(c) of
4 this section, shall be credited to the member's deferred retirement
5 option plan account. The member's deferred retirement option plan
6 account shall be credited on an annual basis with interest at a fixed
7 rate of six and one-half percent per year.

8 (4)(a) The member forfeits the accruals under the deferred
9 retirement option plan if the member terminates participation in the
10 Washington state patrol retirement system deferred retirement option
11 plan before the date identified by the member pursuant to subsection
12 (2)(d) of this section for any reason other than the member's death.
13 If a member forfeits the amounts credited to the member's deferred
14 retirement option plan account under this subsection (4)(a), then the
15 member begins receiving the member's retirement allowance according to
16 the election made pursuant to subsection (2)(a) of this section. The
17 member's service credit in the Washington state patrol retirement
18 system is not adjusted for the period of the member's participation in
19 the deferred retirement option plan, nor are salary increase
20 adjustments made to the member's retirement allowance for the period
21 during which the member participated in the deferred retirement option
22 plan.

23 (b) A member who, during the member's participation in the deferred
24 retirement option plan, is placed on disability status in accordance
25 with RCW 43.43.040(1)(a), and receives compensation in accordance with
26 RCW 43.43.040(2), is (i) deemed to have terminated participation in the
27 deferred retirement option plan on the last day of the month that
28 coincides with, or next follows, the date of the member's placement on
29 disability status; and (ii) not entitled to the accruals under the
30 deferred retirement option plan, and instead receives the disability
31 benefit in accordance with RCW 43.43.040.

32 (c) A member shall be reinstated in the Washington state patrol
33 retirement system deferred retirement option plan, and the accrual
34 balance previously established shall be reinstated, on the first day of
35 the month that coincides with or next follows the date that the member
36 resumes active duty employment with the Washington state patrol, if the
37 member (i) received disability benefits under RCW 43.43.040; (ii) was
38 deemed to have terminated participation in the deferred retirement

1 option plan; (iii) returns to active duty employment with the
2 Washington state patrol; and (iv) resumes active membership in the
3 retirement system.

4 (d) Any member, who is placed on disability status during the
5 member's participation in the deferred retirement option plan, whose
6 deferred retirement option plan account is not reinstated according to
7 (c) of this subsection, shall not receive a monthly retirement
8 allowance from the Washington state patrol retirement system.

9 (5) While a member is participating in the Washington state patrol
10 retirement system deferred retirement option plan, (a) the member and
11 employer contributions to the Washington state patrol retirement system
12 shall continue to be paid to the retirement system at the rate computed
13 for the current active members under RCW 41.45.0631; (b) the member
14 shall not earn any additional service credit under the Washington state
15 patrol retirement system or receive any salary increase adjustments to
16 the member's retirement allowance calculation; (c) the member's accrual
17 under the deferred retirement option plan shall be credited with
18 retirement allowance cost-of-living increases from the Washington state
19 patrol retirement system, up to a maximum of three percent per year.

20 (6) At the earlier of the date of the member's death or the date
21 identified by the member pursuant to subsection (2)(d) of this section,
22 and subject to subsection (4) of this section, the balance of the
23 member's deferred retirement option plan account shall be distributed
24 pursuant to this subsection, and in accordance with federal law.

25 (a) The member may elect to receive the accrual balance in the
26 member's deferred retirement option plan account in (i) a lump sum
27 payment; or (ii) a direct rollover in accordance with federal law.

28 (b) If the member dies during the member's participation in the
29 deferred retirement option plan, then the balance of the accruals in
30 the member's deferred retirement option plan account shall be
31 distributed to the member's designated beneficiary as a lump sum or a
32 direct rollover in accordance with federal law, or if there is no
33 designated beneficiary or the designated beneficiary predeceases the
34 member, then to the estate of the member as a lump sum. Distribution
35 of the member's deferred retirement option plan account balance under
36 this subsection (6)(b) is in addition to any death benefits payable
37 under any other statute. A member who receives a distribution pursuant
38 to this subsection shall not earn any additional service credit under

1 the Washington state patrol retirement system or receive any salary
2 increase adjustments to the member's retirement allowance calculation,
3 even if the member is subsequently reemployed by the Washington state
4 patrol.

5 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of the
7 state government and its existing public institutions, and takes effect
8 July 1, 2009.

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