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SENATE BILL 6145

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State of Washington                      60th Legislature                      2007 Regular Session

By Senators Honeyford and Schoesler

Read first time 03/02/2007. Referred to Committee on Ways & Means.

1            AN ACT Relating to the purchase of an increased benefit multiplier  
2 for judicial service; and amending RCW 41.32.584, 41.32.587, 41.40.124,  
3 41.40.127, 41.40.404, 41.40.408, 41.40.767, 41.40.770, 41.40.870,  
4 41.40.873, 41.40.877, and 41.40.880.

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

6            **Sec. 1.** RCW 41.32.584 and 2006 c 189 s 7 are each amended to read  
7 as follows:

8            (1) Between January 1, 2007, and December 31, 2007, a member of  
9 plan 1 employed as a supreme court justice, court of appeals judge, or  
10 superior court judge may make a one-time irrevocable election, filed in  
11 writing with the member's employer, the department, and the  
12 administrative office of the courts, to accrue an additional benefit  
13 equal to one and one-half percent of average final compensation for  
14 each year of future service credit from the date of the election.  
15 Between the effective date of this section and December 31, 2007, a  
16 current or separated member who was previously employed as a supreme  
17 court justice, court of appeals judge, or superior court judge and who  
18 is not yet a retiree under this chapter may make a one-time irrevocable

1 election to purchase an increased benefit multiplier for the member's  
2 years of service as a justice or judge pursuant to subsection (2) of  
3 this section.

4 (2)(a) A member who chooses to make the election under subsection  
5 (1) of this section may apply to the department to increase the  
6 member's benefit multiplier by one and one-half percent per year of  
7 service for the period in which the member served as a justice or judge  
8 prior to the election. The member shall pay, for the applicable period  
9 of service, the actuarially equivalent value of the increase in the  
10 member's benefit resulting from the increase in the benefit multiplier  
11 as determined by the director. This payment must be made prior to  
12 retirement.

13 (b) Subject to rules adopted by the department, a member applying  
14 to increase the member's benefit multiplier under this section may pay  
15 all or part of the cost with a lump sum payment, eligible rollover,  
16 direct rollover, or trustee-to-trustee transfer from an eligible  
17 retirement plan. The department shall adopt rules to ensure that all  
18 lump sum payments, rollovers, and transfers comply with the  
19 requirements of the internal revenue code and regulations adopted by  
20 the internal revenue service. The rules adopted by the department may  
21 condition the acceptance of a rollover or transfer from another plan on  
22 the receipt of information necessary to enable the department to  
23 determine the eligibility of any transferred funds for tax-free  
24 rollover treatment or other treatment under federal income tax law.

25 **Sec. 2.** RCW 41.32.587 and 2006 c 189 s 11 are each amended to read  
26 as follows:

27 (1) In lieu of the retirement allowance provided under RCW  
28 41.32.498, the retirement allowance payable for service as a supreme  
29 court justice, court of appeals judge, or superior court judge, for  
30 those justices or judges who elected to participate under RCW  
31 41.32.584(1), shall be equal to three and one-half percent of average  
32 final compensation for each year of service earned after the date of  
33 the election. The total retirement benefit accrued or purchased under  
34 chapter 189, Laws of 2006 or this act in combination with benefits  
35 accrued during periods served prior to the election shall not exceed  
36 seventy-five percent of average final compensation.

1 (2) In lieu of the retirement allowance provided under RCW  
2 41.32.498, the retirement allowance payable for service as a supreme  
3 court justice, court of appeals judge, or superior court judge, for  
4 those justices or judges newly elected or appointed after January 1,  
5 2007, shall be equal to three and one-half percent of average final  
6 compensation for each year of service after January 1, 2007. The total  
7 retirement benefits accrued under chapter 189, Laws of 2006 in  
8 combination with benefits accrued during periods served prior to  
9 January 1, 2007, shall not exceed seventy-five percent of average final  
10 compensation.

11 **Sec. 3.** RCW 41.40.124 and 2006 c 189 s 5 are each amended to read  
12 as follows:

13 (1) Between January 1, 2007, and December 31, 2007, a member of  
14 plan 1 or plan 2 employed as a supreme court justice, court of appeals  
15 judge, or superior court judge may make a one-time irrevocable  
16 election, filed in writing with the member's employer, the department,  
17 and the administrative office of the courts, to accrue an additional  
18 benefit equal to one and one-half percent of average final compensation  
19 for each year of future service credit from the date of the election in  
20 lieu of future employee and employer contributions to the judicial  
21 retirement account plan under chapter 2.14 RCW. Between the effective  
22 date of this section and December 31, 2007, a current or separated  
23 member who was previously employed as a supreme court justice, court of  
24 appeals judge, or superior court judge and who is not yet a retiree  
25 under this chapter may make a one-time irrevocable election to purchase  
26 an increased benefit multiplier for the member's years of service as a  
27 justice or judge pursuant to subsection (2) of this section.

28 (2)(a) A member who chooses to make the election under subsection  
29 (1) of this section may apply to the department to increase the  
30 member's benefit multiplier by an additional one and one-half percent  
31 per year of service for the period in which the member served as a  
32 justice or judge prior to the election. The member shall pay, for the  
33 applicable period of service, the actuarially equivalent value of the  
34 increase in the member's benefit resulting from the increase in the  
35 benefit multiplier as determined by the director. This payment must be  
36 made prior to retirement.

1 (b) Subject to rules adopted by the department, a member applying  
2 to increase the member's benefit multiplier under this section may pay  
3 all or part of the cost with a lump sum payment, eligible rollover,  
4 direct rollover, or trustee-to-trustee transfer from an eligible  
5 retirement plan. The department shall adopt rules to ensure that all  
6 lump sum payments, rollovers, and transfers comply with the  
7 requirements of the internal revenue code and regulations adopted by  
8 the internal revenue service. The rules adopted by the department may  
9 condition the acceptance of a rollover or transfer from another plan on  
10 the receipt of information necessary to enable the department to  
11 determine the eligibility of any transferred funds for tax-free  
12 rollover treatment or other treatment under federal income tax law.

13 **Sec. 4.** RCW 41.40.127 and 2006 c 189 s 6 are each amended to read  
14 as follows:

15 (1) Between January 1, 2007, and December 31, 2007, a member of  
16 plan 1 or plan 2 employed as a district court judge or municipal court  
17 judge may make a one-time irrevocable election, filed in writing with  
18 the member's employer and the department, to accrue an additional  
19 benefit equal to one and one-half percent of average final compensation  
20 for each year of future service credit from the date of the election.  
21 Between the effective date of this section and December 31, 2007, a  
22 current or separated member who was previously employed as a district  
23 court judge or municipal court judge and who is not yet a retiree under  
24 this chapter may make a one-time irrevocable election to purchase an  
25 increased benefit multiplier for the member's years of service as a  
26 justice or judge pursuant to subsection (2) of this section.

27 (2)(a) A member who chooses to make the election under subsection  
28 (1) of this section may apply to the department to increase the  
29 member's benefit multiplier by one and one-half percent per year of  
30 service for the period in which the member served as a judge prior to  
31 the election. The member shall pay, for the applicable period of  
32 service, the actuarially equivalent value of the increase in the  
33 member's benefit resulting from the increase in the benefit multiplier  
34 as determined by the director. This payment must be made prior to  
35 retirement.

36 (b) Subject to rules adopted by the department, a member applying  
37 to increase the member's benefit multiplier under this section may pay

1 all or part of the cost with a lump sum payment, eligible rollover,  
2 direct rollover, or trustee-to-trustee transfer from an eligible  
3 retirement plan. The department shall adopt rules to ensure that all  
4 lump sum payments, rollovers, and transfers comply with the  
5 requirements of the internal revenue code and regulations adopted by  
6 the internal revenue service. The rules adopted by the department may  
7 condition the acceptance of a rollover or transfer from another plan on  
8 the receipt of information necessary to enable the department to  
9 determine the eligibility of any transferred funds for tax-free  
10 rollover treatment or other treatment under federal income tax law.

11 **Sec. 5.** RCW 41.40.404 and 2006 c 189 s 10 are each amended to read  
12 as follows:

13 (1) In lieu of the retirement allowance provided under RCW  
14 41.40.185, the retirement allowance payable for service as a supreme  
15 court justice, court of appeals judge, or superior court judge, for a  
16 member who elects to participate under RCW 41.40.124(1), shall be equal  
17 to three and one-half percent of average final compensation for each  
18 year of service earned after the date of the election. The total  
19 retirement benefit accrued or purchased under chapter 189, Laws of 2006  
20 or this act in combination with benefits accrued during periods served  
21 prior to the election shall not exceed seventy-five percent of average  
22 final compensation.

23 (2) In lieu of the retirement allowance provided under RCW  
24 41.40.185, the retirement allowance payable for service as a supreme  
25 court justice, court of appeals judge, or superior court judge, for  
26 those justices or judges newly elected or appointed after January 1,  
27 2007, shall be equal to three and one-half percent of average final  
28 compensation for each year of service after January 1, 2007. The total  
29 retirement benefits accrued under chapter 189, Laws of 2006 in  
30 combination with benefits accrued during periods served prior to  
31 January 1, 2007, shall not exceed seventy-five percent of average final  
32 compensation.

33 **Sec. 6.** RCW 41.40.408 and 2006 c 189 s 12 are each amended to read  
34 as follows:

35 (1) In lieu of the retirement allowance provided under RCW  
36 41.40.185, the retirement allowance payable for service as a district

1 court judge or municipal court judge, for those judges who elected to  
2 participate under RCW 41.40.127(1), shall be equal to three and one-  
3 half percent of average final compensation for each year of service  
4 earned after the election. The total retirement benefit accrued or  
5 purchased under chapter 189, Laws of 2006 or this act in combination  
6 with benefits accrued during periods served prior to the election shall  
7 not exceed seventy-five percent of average final compensation.

8 (2) In lieu of the retirement allowance provided under RCW  
9 41.40.185, the retirement allowance payable for service as a district  
10 court judge, or municipal court judge, for those judges newly elected  
11 or appointed after January 1, 2007, and who are not eligible for  
12 membership under chapter 41.28 RCW, shall be equal to three and one-  
13 half percent of average final compensation for each year of service  
14 after January 1, 2007. The total retirement benefits accrued under  
15 chapter 189, Laws of 2006 in combination with benefits accrued during  
16 periods served prior to January 1, 2007, shall not exceed seventy-five  
17 percent of average final compensation.

18 **Sec. 7.** RCW 41.40.767 and 2006 c 189 s 13 are each amended to read  
19 as follows:

20 (1) In lieu of the retirement allowance provided under RCW  
21 41.40.620, the retirement allowance payable for service as a supreme  
22 court justice, court of appeals judge, or superior court judge, for  
23 those justices or judges who elected to participate under RCW  
24 41.40.124(1), shall be equal to three and one-half percent of average  
25 final compensation for each year of service earned after the election.  
26 The total retirement benefit accrued or purchased under chapter 189,  
27 Laws of 2006 or this act in combination with benefits accrued during  
28 periods served prior to the election shall not exceed seventy-five  
29 percent of average final compensation.

30 (2) In lieu of the retirement allowance provided under RCW  
31 41.40.620, the retirement allowance payable for service as a supreme  
32 court justice, court of appeals judge, or superior court judge, for  
33 those justices or judges newly elected or appointed after January 1,  
34 2007, shall be equal to three and one-half percent of average final  
35 compensation for each year of service after January 1, 2007. The total  
36 retirement benefits accrued under chapter 189, Laws of 2006 in

1 combination with benefits accrued during periods served prior to  
2 January 1, 2007, shall not exceed seventy-five percent of average final  
3 compensation.

4 **Sec. 8.** RCW 41.40.770 and 2006 c 189 s 14 are each amended to read  
5 as follows:

6 (1) In lieu of the retirement allowance provided under RCW  
7 41.40.620, the retirement allowance payable for service as a district  
8 court judge or municipal court judge for those judges who elected to  
9 participate under RCW 41.40.127(1) shall be equal to three and one-half  
10 percent of the average final compensation for each year of such service  
11 earned after the election. The total retirement benefit accrued or  
12 purchased under chapter 189, Laws of 2006 or this act in combination  
13 with benefits accrued during periods served prior to the election shall  
14 not exceed seventy-five percent of average final compensation.

15 (2) In lieu of the retirement allowance provided under RCW  
16 41.40.620, the retirement allowance payable for service as a district  
17 court judge, or municipal court judge, for those judges newly elected  
18 or appointed after January 1, 2007, and who are not eligible for  
19 membership under chapter 41.28 RCW, shall be equal to three and one-  
20 half percent of average final compensation for each year of service  
21 after January 1, 2007. The total retirement benefits accrued under  
22 chapter 189, Laws of 2006 in combination with benefits accrued during  
23 periods served prior to January 1, 2007, shall not exceed seventy-five  
24 percent of average final compensation.

25 **Sec. 9.** RCW 41.40.870 and 2006 c 189 s 8 are each amended to read  
26 as follows:

27 (1) Between January 1, 2007, and December 31, 2007, a member of  
28 plan 3 employed as a supreme court justice, court of appeals judge, or  
29 superior court judge may make a one-time irrevocable election, filed in  
30 writing with the member's employer, the department, and the  
31 administrative office of the courts, to accrue an additional plan 3  
32 defined benefit equal to six-tenths percent of average final  
33 compensation for each year of future service credit from the date of  
34 the election in lieu of future employer contributions to the judicial  
35 retirement account plan under chapter 2.14 RCW. Between the effective  
36 date of this section and December 31, 2007, a current or separated

1 member who was previously employed as a supreme court justice, court of  
2 appeals judge, or superior court judge and who is not yet a retiree  
3 under this chapter may make a one-time irrevocable election to purchase  
4 an increased benefit multiplier for the member's years of service as a  
5 justice or judge pursuant to subsection (2) of this section.

6 (2)(a) A member who chooses to make the election under subsection  
7 (1) of this section may apply to the department to increase the  
8 member's benefit multiplier by six-tenths percent per year of service  
9 for the period in which the member served as a justice or judge prior  
10 to the election. The member shall pay, for the applicable period of  
11 service, the actuarially equivalent value of the increase in the  
12 member's benefit resulting from the increase in the benefit multiplier  
13 as determined by the director. This payment must be made prior to  
14 retirement.

15 (b) Subject to rules adopted by the department, a member applying  
16 to increase the member's benefit multiplier under this section may pay  
17 all or part of the cost with a lump sum payment, eligible rollover,  
18 direct rollover, or trustee-to-trustee transfer from an eligible  
19 retirement plan. The department shall adopt rules to ensure that all  
20 lump sum payments, rollovers, and transfers comply with the  
21 requirements of the internal revenue code and regulations adopted by  
22 the internal revenue service. The rules adopted by the department may  
23 condition the acceptance of a rollover or transfer from another plan on  
24 the receipt of information necessary to enable the department to  
25 determine the eligibility of any transferred funds for tax-free  
26 rollover treatment or other treatment under federal income tax law.

27 (3) A member who chooses to make the election under subsection (1)  
28 of this section shall contribute a minimum of seven and one-half  
29 percent of pay to the member's defined contribution account.

30 **Sec. 10.** RCW 41.40.873 and 2006 c 189 s 9 are each amended to read  
31 as follows:

32 (1) Between January 1, 2007, and December 31, 2007, a member of  
33 plan 3 employed as a district court judge or municipal court judge may  
34 make a one-time irrevocable election, filed in writing with the  
35 member's employer and the department, to accrue an additional plan 3  
36 defined benefit equal to six-tenths percent of average final  
37 compensation for each year of future service credit from the date of

1 the election. Between the effective date of this section and December  
2 31, 2007, a current or separated member who was previously employed as  
3 a district court judge or municipal court judge and who is not yet a  
4 retiree under this chapter may make a one-time irrevocable election to  
5 purchase an increased benefit multiplier for the member's years of  
6 service as a justice or judge pursuant to subsection (2) of this  
7 section.

8 (2)(a) A member who chooses to make the election under subsection  
9 (1) of this section may apply to the department to increase the  
10 member's benefit multiplier by six-tenths percent per year of service  
11 for the period in which the member served as a judge prior to the  
12 election. The member shall pay, for the applicable period of service,  
13 the actuarially equivalent value of the increase in the member's  
14 benefit resulting from the increase in the benefit multiplier as  
15 determined by the director. This payment must be made prior to  
16 retirement.

17 (b) Subject to rules adopted by the department, a member applying  
18 to increase the member's benefit multiplier under this section may pay  
19 all or part of the cost with a lump sum payment, eligible rollover,  
20 direct rollover, or trustee-to-trustee transfer from an eligible  
21 retirement plan. The department shall adopt rules to ensure that all  
22 lump sum payments, rollovers, and transfers comply with the  
23 requirements of the internal revenue code and regulations adopted by  
24 the internal revenue service. The rules adopted by the department may  
25 condition the acceptance of a rollover or transfer from another plan on  
26 the receipt of information necessary to enable the department to  
27 determine the eligibility of any transferred funds for tax-free  
28 rollover treatment or other treatment under federal income tax law.

29 (3) A member who chooses to make the election under subsection (1)  
30 of this section shall contribute a minimum of seven and one-half  
31 percent of pay to the member's defined contribution account.

32 **Sec. 11.** RCW 41.40.877 and 2006 c 189 s 15 are each amended to  
33 read as follows:

34 In lieu of the retirement allowance provided under RCW 41.40.790,  
35 the retirement allowance payable for service as a supreme court  
36 justice, court of appeals judge, or superior court judge, for those  
37 justices or judges who elected to participate under RCW 41.40.870(1),

1 shall be equal to one and six-tenths percent of average final  
2 compensation for each year of service earned after the election. The  
3 total retirement benefit accrued or purchased under chapter 189, Laws  
4 of 2006 or this act in combination with benefits accrued during periods  
5 served prior to the election shall not exceed thirty-seven and one-half  
6 percent of average final compensation.

7 **Sec. 12.** RCW 41.40.880 and 2006 c 189 s 16 are each amended to  
8 read as follows:

9 In lieu of the retirement allowance provided under RCW 41.40.790,  
10 the retirement allowance payable for service as a district court judge  
11 or municipal court judge, for those judges who elected to participate  
12 under RCW 41.40.873(1), shall be equal to one and six-tenths percent of  
13 average final compensation for each year of service earned after the  
14 election. The total retirement benefit accrued or purchased under  
15 chapter 189, Laws of 2006 or this act in combination with benefits  
16 accrued during periods served prior to the election shall not exceed  
17 thirty-seven and one-half percent of average final compensation.

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