
HOUSE BILL 1742

State of Washington 61st Legislature 2009 Regular Session

By Representatives Goodman, Pedersen, Williams, Conway, Rodne, and Ormsby

Read first time 01/28/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to public retirement benefits for employees of the
2 supreme court, court of appeals, or superior, district, or municipal
3 courts; amending RCW 41.45.207; adding new sections to chapter 41.40
4 RCW; adding a new section to chapter 41.45 RCW; and providing an
5 effective date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.40 RCW
8 under the subchapter heading "plan 1" to read as follows:

9 (1) Any member, employed as a court commissioner on September 1,
10 2009, in the supreme court, court of appeals, or superior, district, or
11 municipal court, may make a one-time irrevocable election, filed in
12 writing with the member's employer, the department, and the
13 administrative office of the courts, to accrue an additional benefit
14 equal to one and one-half percent of average final compensation for
15 each year of future service credit as a court commissioner from the
16 date of the election. The court commissioner shall have from September
17 1, 2009, through January 31, 2010, to make this election. Any court
18 commissioner who has not previously elected to accrue an additional

1 benefit under this section may make this election during any subsequent
2 month of January until the irrevocable election is made.

3 (2) Any member hired after September 1, 2009, as a court
4 commissioner in the supreme court, court of appeals, or superior,
5 district, or municipal court, who has not previously elected to accrue
6 an additional benefit under the provisions of this section, shall have
7 ninety days from the date of hire to make a one-time irrevocable
8 election, filed in writing with the member's employer, the department,
9 and the administrative office of the courts, to accrue an additional
10 benefit equal to one and one-half percent of average final compensation
11 for each year of future service credit as a court commissioner from the
12 date of the election. A court commissioner who does not elect to
13 accrue an additional benefit under this section may make this election
14 during any subsequent month of January until the irrevocable election
15 is made.

16 (3)(a) A member who made the election under subsection (1) or (2)
17 of this section may apply to the department to increase the member's
18 benefit multiplier by an additional one and one-half percent per year
19 of service for the period in which the member served as a court
20 commissioner prior to the election. The member shall pay, for the
21 applicable period of service, the actuarially equivalent value of the
22 increase in the member's benefit resulting from the increase in the
23 benefit multiplier as determined by the director. This payment must be
24 made prior to retirement.

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

37 (4) In lieu of the retirement allowance provided under RCW
38 41.40.185, the retirement allowance payable for service as a court

1 commissioner in the supreme court, court of appeals, or superior,
2 district, or municipal court, for those members who elected to accrue
3 an additional benefit under this section, shall be equal to three and
4 one-half percent of average final compensation for each year of service
5 after the election. The total retirement allowance under this system
6 for members who elected to accrue an additional benefit while a court
7 commissioner shall not exceed seventy-five percent of average final
8 compensation.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.40 RCW
10 under the subchapter heading "plan 2" to read as follows:

11 (1) Any member, employed as a court commissioner on September 1,
12 2009, in the supreme court, court of appeals, or superior, district, or
13 municipal court, may make a one-time irrevocable election, filed in
14 writing with the member's employer, the department, and the
15 administrative office of the courts, to accrue an additional benefit
16 equal to one and one-half percent of average final compensation for
17 each year of future service credit as a court commissioner from the
18 date of the election. The court commissioner shall have from September
19 1, 2009, through January 31, 2010, to make this election. Any court
20 commissioner who has not previously elected to accrue an additional
21 benefit under this section may make this election during any subsequent
22 month of January until the irrevocable election is made.

23 (2) Any member hired after September 1, 2009, as a court
24 commissioner in the supreme court, court of appeals, or superior,
25 district, or municipal court, who has not previously elected to accrue
26 an additional benefit under the provisions of this section, shall have
27 ninety days from the date of hire to make a one-time irrevocable
28 election, filed in writing with the member's employer, the department,
29 and the administrative office of the courts, to accrue an additional
30 benefit equal to one and one-half percent of average final compensation
31 for each year of future service credit as a court commissioner from the
32 date of the election. A court commissioner who does not elect to
33 accrue an additional benefit under this section may make this election
34 during any subsequent month of January until the irrevocable election
35 is made.

36 (3) Any employee hired after September 1, 2009, as a court
37 commissioner in the supreme court, court of appeals, or superior,

1 district, or municipal court, who has not previously established
2 membership in this system, and who establishes membership in plan 2
3 under the provisions of RCW 41.40.785, shall have ninety days from the
4 date of hire to make a one-time irrevocable election filed in writing
5 with the member's employer, the department, and the administrative
6 office of the courts, to accrue an additional benefit equal to one and
7 one-half percent of average final compensation for each year of future
8 service credit as a court commissioner from the date of the election.
9 Any employee hired after September 1, 2009, as a court commissioner,
10 who establishes membership in plan 2 under the provisions of RCW
11 41.40.785 and does not elect to accrue an additional benefit under this
12 section may make this election during any subsequent month of January
13 until the irrevocable election is made.

14 (4)(a) A member who made the election under subsection (1), (2), or
15 (3) of this section may apply to the department to increase the
16 member's benefit multiplier by an additional one and one-half percent
17 per year of service for the period in which the member served as a
18 court commissioner prior to the election. The member shall pay, for
19 the applicable period of service, the actuarially equivalent value of
20 the increase in the member's benefit resulting from the increase in the
21 benefit multiplier as determined by the director. This payment must be
22 made prior to retirement.

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

35 (5) In lieu of the retirement allowance provided under RCW
36 41.40.620, the retirement allowance payable for service as a court
37 commissioner in the supreme court, court of appeals, or superior,
38 district, or municipal court, for those members who elected to accrue

1 an additional benefit under the provisions of this section shall be
2 equal to three and one-half percent of average final compensation for
3 each year of such service after the election. The total retirement
4 allowance under this system for those members who elected to accrue an
5 additional benefit as a court commissioner shall not exceed seventy-
6 five percent of average final compensation.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.40 RCW
8 under the subchapter heading "plan 3" to read as follows:

9 (1) Any member, employed as a court commissioner on September 1,
10 2009, in the supreme court, court of appeals, or superior, district, or
11 municipal court, may make a one-time irrevocable election, filed in
12 writing with the member's employer, the department, and the
13 administrative office of the courts, to accrue an additional plan 3
14 defined benefit equal to six-tenths percent of average final
15 compensation for each year of future service credit as a court
16 commissioner from the date of the election. The court commissioner
17 shall have from September 1, 2009, through January 31, 2010, to make
18 this election. Any court commissioner who has not elected to accrue an
19 additional benefit under this section may make this election during any
20 subsequent month of January until the irrevocable election is made.

21 (2) Any member hired after September 1, 2009, as a court
22 commissioner in the supreme court, court of appeals, or superior,
23 district, or municipal court, who has not previously elected to accrue
24 an additional benefit under the provisions of this section, shall have
25 ninety days from the date of hire to make a one-time irrevocable
26 election, filed in writing with the member's employer, the department,
27 and the administrative office of the courts, to accrue an additional
28 benefit equal to six-tenths percent of average final compensation for
29 each year of future service credit as a court commissioner from the
30 date of the election. A court commissioner who does not elect to
31 accrue an additional benefit under this section may make this election
32 during any subsequent month of January until the irrevocable election
33 is made.

34 (3) A court commissioner who made the election under subsection (1)
35 or (2) of this section shall contribute a minimum of seven and one-half
36 percent of pay to the member's defined contribution account.

1 (4)(a) A member who made the election under subsection (1) or (2)
2 of this section may apply to the department to increase the member's
3 benefit multiplier by an additional six-tenths percent per year of
4 service for the period in which the member served as a court
5 commissioner prior to the election. The member shall pay, for the
6 applicable period of service, the actuarially equivalent value of the
7 increase in the member's benefit resulting from the increase in the
8 benefit multiplier as determined by the director. This payment must be
9 made prior to retirement.

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

22 (5) In lieu of the retirement allowance provided under RCW
23 41.40.790, the retirement allowance payable for service as a court
24 commissioner in the supreme court, court of appeals, or superior,
25 district, or municipal court, for those members who elected to accrue
26 an additional benefit under the provisions of this section shall be
27 equal to one and six-tenths percent of average final compensation for
28 each year of such service after the election. The total retirement
29 allowance under this system for those members who elected to accrue an
30 additional benefit while a court commissioner shall not exceed thirty-
31 seven and one-half percent of average final compensation.

32 NEW SECTION. **Sec. 4.** A new section is added to chapter 41.45 RCW
33 to read as follows:

34 (1) The required employer contribution rate in support of public
35 employees' retirement system plan 1 or plan 2 members employed as a
36 court commissioner in the supreme court, court of appeals, or superior,
37 district, or municipal court, who have elected to accrue an additional

1 benefit under the provisions of section 1 or 2 of this act, shall equal
2 the public employees' retirement system employer contribution rate
3 established under this chapter.

4 (2) The required employer contribution rate in support of public
5 employees' retirement system plan 3 members employed as a court
6 commissioner in the supreme court, court of appeals, or superior,
7 district, or municipal court, who have elected to accrue an additional
8 benefit under the provisions of section 3 of this act, shall equal the
9 public employees' retirement system employer contribution rate
10 established under this chapter plus two and one-half percent of pay.

11 (3) The required contribution rate for members of the public
12 employees' retirement system plan 2 employed as a court commissioner in
13 the supreme court, court of appeals, or superior, district, or
14 municipal court, who have elected to accrue an additional benefit under
15 the provisions of section 2 of this act, shall be two hundred fifty
16 percent of the member contribution rate for the public employees'
17 retirement system plan 2 established under this chapter.

18 (4) The required contribution rate for members of the public
19 employees' retirement system plan 1 employed as a court commissioner in
20 the supreme court, court of appeals, or superior, district, or
21 municipal court, who have elected to accrue an additional benefit under
22 the provisions of section 1 of this act, shall be the contribution rate
23 established under RCW 41.40.330 plus six and twenty-six one-hundredths
24 percent of pay.

25 **Sec. 5.** RCW 41.45.207 and 2006 c 189 s 19 are each amended to read
26 as follows:

27 (1) The required employer contribution rate in support of public
28 employees' retirement system plan 1 or plan 2 members employed as
29 district court judges and municipal court judges who elect to
30 participate under RCW 41.40.127(1) (~~or 41.40.873(1)~~), or who are
31 newly elected or appointed after January 1, 2007, shall equal the
32 public employees' retirement system employer contribution rate
33 established under this chapter.

34 (2) The required employer contribution rate in support of public
35 employees' retirement system plan 3 members employed as district court
36 judges and municipal court judges who elect to participate under RCW
37 41.40.873(1), or who are newly elected or appointed after January 1,

1 2007, for service beginning September 1, 2009, shall equal the public
2 employees' retirement system employer contribution rate established
3 under this chapter plus two and one-half percent of pay.

4 (3) The required contribution rate for members of the public
5 employees' retirement system plan 2 employed as district court judges
6 or municipal court judges who elect to participate under RCW
7 41.40.127(1) or 41.40.873(1), or who are newly elected or appointed
8 after January 1, 2007, shall be two hundred fifty percent of the member
9 contribution rate for the public employees' retirement system plan 2
10 established under this chapter.

11 ((+3)) (4) The required contribution rate for members of the
12 public employees' retirement system plan 1 employed as district court
13 judges or municipal court judges who elect to participate under RCW
14 41.40.124(1), or who are newly elected or appointed after January 1,
15 2007, shall be the contribution rate established under RCW 41.40.330
16 plus six and twenty-six one-hundredths percent of pay.

17 NEW SECTION. **Sec. 6.** This act takes effect September 1, 2009.

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