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SENATE BILL 5489

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State of Washington

61st Legislature

2009 Regular Session

By Senators Keiser, Fraser, Marr, Regala, Tom, Hatfield, Carrell, and Franklin

Read first time 01/23/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to participating in insurance plans and contracts  
2 by separated plan 2 members of certain retirement systems; amending RCW  
3 41.05.011; and providing an effective date.

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

5 **Sec. 1.** RCW 41.05.011 and 2008 c 229 s 2 are each amended to read  
6 as follows:

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly requires otherwise.

9 (1) "Administrator" means the administrator of the authority.

10 (2) "State purchased health care" or "health care" means medical  
11 and health care, pharmaceuticals, and medical equipment purchased with  
12 state and federal funds by the department of social and health  
13 services, the department of health, the basic health plan, the state  
14 health care authority, the department of labor and industries, the  
15 department of corrections, the department of veterans affairs, and  
16 local school districts.

17 (3) "Authority" means the Washington state health care authority.

18 (4) "Insuring entity" means an insurer as defined in chapter 48.01

1 RCW, a health care service contractor as defined in chapter 48.44 RCW,  
2 or a health maintenance organization as defined in chapter 48.46 RCW.

3 (5) "Flexible benefit plan" means a benefit plan that allows  
4 employees to choose the level of health care coverage provided and the  
5 amount of employee contributions from among a range of choices offered  
6 by the authority.

7 (6) "Employee" includes all full-time and career seasonal employees  
8 of the state, whether or not covered by civil service; elected and  
9 appointed officials of the executive branch of government, including  
10 full-time members of boards, commissions, or committees; and includes  
11 any or all part-time and temporary employees under the terms and  
12 conditions established under this chapter by the authority; justices of  
13 the supreme court and judges of the court of appeals and the superior  
14 courts; and members of the state legislature or of the legislative  
15 authority of any county, city, or town who are elected to office after  
16 February 20, 1970. "Employee" also includes: (a) Employees of a  
17 county, municipality, or other political subdivision of the state if  
18 the legislative authority of the county, municipality, or other  
19 political subdivision of the state seeks and receives the approval of  
20 the authority to provide any of its insurance programs by contract with  
21 the authority, as provided in RCW 41.04.205 and 41.05.021(1)(g); (b)  
22 employees of employee organizations representing state civil service  
23 employees, at the option of each such employee organization, and,  
24 effective October 1, 1995, employees of employee organizations  
25 currently pooled with employees of school districts for the purpose of  
26 purchasing insurance benefits, at the option of each such employee  
27 organization; (c) employees of a school district if the authority  
28 agrees to provide any of the school districts' insurance programs by  
29 contract with the authority as provided in RCW 28A.400.350; and (d)  
30 employees of a tribal government, if the governing body of the tribal  
31 government seeks and receives the approval of the authority to provide  
32 any of its insurance programs by contract with the authority, as  
33 provided in RCW 41.05.021(1) (f) and (g).

34 (7) "Board" means the public employees' benefits board established  
35 under RCW 41.05.055.

36 (8) "Retired or disabled school employee" means:

37 (a) Persons who separated from employment with a school district or

1 educational service district and are receiving a retirement allowance  
2 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

3 (b) Persons who separate from employment with a school district or  
4 educational service district on or after October 1, 1993, and  
5 immediately upon separation receive a retirement allowance under  
6 chapter 41.32, 41.35, or 41.40 RCW;

7 (c) Persons who separate from employment with a school district or  
8 educational service district due to a total and permanent disability,  
9 and are eligible to receive a deferred retirement allowance under  
10 chapter 41.32, 41.35, or 41.40 RCW.

11 (9) "Premium payment plan" means a benefit plan whereby state and  
12 public employees may pay their share of group health plan premiums with  
13 pretax dollars as provided in the salary reduction plan under this  
14 chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the  
15 internal revenue code.

16 (10) "Salary" means a state employee's monthly salary or wages.

17 (11) "Participant" means an individual who fulfills the eligibility  
18 and enrollment requirements under the salary reduction plan.

19 (12) "Plan year" means the time period established by the  
20 authority.

21 (13) "Separated employees" means persons who separate from  
22 employment with an employer as defined in:

23 (a) ~~(i)~~ RCW 41.32.010(11) on or after July 1, 1996; (~~or~~

24 ~~(b)~~) (ii) RCW 41.35.010 on or after September 1, 2000; or

25 (~~(c)~~) (iii) RCW 41.40.010 on or after March 1, 2002;

26 and who are at least age fifty-five and have at least ten years of  
27 service under the teachers' retirement system plan 3 as defined in RCW  
28 41.32.010(40), the Washington school employees' retirement system plan  
29 3 as defined in RCW 41.35.010, or the public employees' retirement  
30 system plan 3 as defined in RCW 41.40.010; or

31 (b) For the purposes of RCW 41.05.080:

32 (i) RCW 41.32.010 on or after the effective date of this section;

33 (ii) RCW 41.35.010 on or after the effective date of this section;

34 or

35 (iii) RCW 41.40.010 on or after the effective date of this section;

36 and who are at least age fifty-five and have at least twenty years of  
37 service under the teachers' retirement system plan 2 as defined in RCW

1 41.32.010, the Washington school employees' retirement system plan 2 as  
2 defined in RCW 41.35.010, or the public employees' retirement system  
3 plan 2 as defined in RCW 41.40.010.

4 (14) "Emergency service personnel killed in the line of duty" means  
5 law enforcement officers and firefighters as defined in RCW 41.26.030,  
6 members of the Washington state patrol retirement fund as defined in  
7 RCW 43.43.120, and reserve officers and firefighters as defined in RCW  
8 41.24.010 who die as a result of injuries sustained in the course of  
9 employment as determined consistent with Title 51 RCW by the department  
10 of labor and industries.

11 (15) "Employer" means the state of Washington.

12 (16) "Employing agency" means a division, department, or separate  
13 agency of state government; a county, municipality, school district,  
14 educational service district, or other political subdivision; and a  
15 tribal government covered by this chapter.

16 (17) "Tribal government" means an Indian tribal government as  
17 defined in section 3(32) of the employee retirement income security act  
18 of 1974, as amended, or an agency or instrumentality of the tribal  
19 government, that has government offices principally located in this  
20 state.

21 (18) "Dependent care assistance program" means a benefit plan  
22 whereby state and public employees may pay for certain employment  
23 related dependent care with pretax dollars as provided in the salary  
24 reduction plan under this chapter pursuant to 26 U.S.C. Sec. 129 or  
25 other sections of the internal revenue code.

26 (19) "Salary reduction plan" means a benefit plan whereby state and  
27 public employees may agree to a reduction of salary on a pretax basis  
28 to participate in the dependent care assistance program, medical  
29 flexible spending arrangement, or premium payment plan offered pursuant  
30 to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

31 (20) "Medical flexible spending arrangement" means a benefit plan  
32 whereby state and public employees may reduce their salary before taxes  
33 to pay for medical expenses not reimbursed by insurance as provided in  
34 the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec.  
35 125 or other sections of the internal revenue code.

1        NEW SECTION.   **Sec. 2.**   This act takes effect January 1, 2010.

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