
SENATE BILL 5650

State of Washington 63rd Legislature 2013 Regular Session

By Senators Keiser, Rivers, Conway, McAuliffe, Hatfield, and Hasegawa

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 2013 c 2 s 306 (Initiative Measure No.
6 1240) are each amended to read as follows:

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

9 (1) "Authority" means the Washington state health care authority.

10 (2) "Board" means the public employees' benefits board established
11 under RCW 41.05.055.

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

17 (4) "Director" means the director of the authority.

18 (5) "Emergency service personnel killed in the line of duty" means
19 law enforcement officers and firefighters as defined in RCW 41.26.030,

1 members of the Washington state patrol retirement fund as defined in
2 RCW 43.43.120, and reserve officers and firefighters as defined in RCW
3 41.24.010 who die as a result of injuries sustained in the course of
4 employment as determined consistent with Title 51 RCW by the department
5 of labor and industries.

6 (6) "Employee" includes all employees of the state, whether or not
7 covered by civil service; elected and appointed officials of the
8 executive branch of government, including full-time members of boards,
9 commissions, or committees; justices of the supreme court and judges of
10 the court of appeals and the superior courts; and members of the state
11 legislature. Pursuant to contractual agreement with the authority,
12 "employee" may also include: (a) Employees of a county, municipality,
13 or other political subdivision of the state and members of the
14 legislative authority of any county, city, or town who are elected to
15 office after February 20, 1970, if the legislative authority of the
16 county, municipality, or other political subdivision of the state seeks
17 and receives the approval of the authority to provide any of its
18 insurance programs by contract with the authority, as provided in RCW
19 41.04.205 and 41.05.021(1)(g); (b) employees of employee organizations
20 representing state civil service employees, at the option of each such
21 employee organization, and, effective October 1, 1995, employees of
22 employee organizations currently pooled with employees of school
23 districts for the purpose of purchasing insurance benefits, at the
24 option of each such employee organization; (c) employees of a school
25 district if the authority agrees to provide any of the school
26 districts' insurance programs by contract with the authority as
27 provided in RCW 28A.400.350; (d) employees of a tribal government, if
28 the governing body of the tribal government seeks and receives the
29 approval of the authority to provide any of its insurance programs by
30 contract with the authority, as provided in RCW 41.05.021(1) (f) and
31 (g); (e) employees of the Washington health benefit exchange if the
32 governing board of the exchange established in RCW 43.71.020 seeks and
33 receives approval of the authority to provide any of its insurance
34 programs by contract with the authority, as provided in RCW
35 41.05.021(1) (g) and (n); and (f) employees of a charter school
36 established under chapter 28A.710 RCW. "Employee" does not include:
37 Adult family homeowners; unpaid volunteers; patients of state
38 hospitals; inmates; employees of the Washington state convention and

1 trade center as provided in RCW 41.05.110; students of institutions of
2 higher education as determined by their institution; and any others not
3 expressly defined as employees under this chapter or by the authority
4 under this chapter.

5 (7) "Employer" means the state of Washington.

6 (8) "Employing agency" means a division, department, or separate
7 agency of state government, including an institution of higher
8 education; a county, municipality, school district, educational service
9 district, or other political subdivision; charter school; and a tribal
10 government covered by this chapter.

11 (9) "Faculty" means an academic employee of an institution of
12 higher education whose workload is not defined by work hours but whose
13 appointment, workload, and duties directly serve the institution's
14 academic mission, as determined under the authority of its enabling
15 statutes, its governing body, and any applicable collective bargaining
16 agreement.

17 (10) "Flexible benefit plan" means a benefit plan that allows
18 employees to choose the level of health care coverage provided and the
19 amount of employee contributions from among a range of choices offered
20 by the authority.

21 (11) "Insuring entity" means an insurer as defined in chapter 48.01
22 RCW, a health care service contractor as defined in chapter 48.44 RCW,
23 or a health maintenance organization as defined in chapter 48.46 RCW.

24 (12) "Medical flexible spending arrangement" means a benefit plan
25 whereby state and public employees may reduce their salary before taxes
26 to pay for medical expenses not reimbursed by insurance as provided in
27 the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec.
28 125 or other sections of the internal revenue code.

29 (13) "Participant" means an individual who fulfills the eligibility
30 and enrollment requirements under the salary reduction plan.

31 (14) "Plan year" means the time period established by the
32 authority.

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

38 (16) "Retired or disabled school employee" means:

1 (a) Persons who separated from employment with a school district or
2 educational service district and are receiving a retirement allowance
3 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

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

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

12 (17) "Salary" means a state employee's monthly salary or wages.

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

18 (19) "Seasonal employee" means an employee hired to work during a
19 recurring, annual season with a duration of three months or more, and
20 anticipated to return each season to perform similar work.

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

23 (a) ~~(i)~~ RCW 41.32.010(17) on or after July 1, 1996; (~~(e)~~
24 ~~(b)~~) (ii) RCW 41.35.010 on or after September 1, 2000; (~~(e)~~
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(33), 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 (21) "State purchased health care" or "health care" means medical
5 and health care, pharmaceuticals, and medical equipment purchased with
6 state and federal funds by the department of social and health
7 services, the department of health, the basic health plan, the state
8 health care authority, the department of labor and industries, the
9 department of corrections, the department of veterans affairs, and
10 local school districts.

11 (22) "Tribal government" means an Indian tribal government as
12 defined in section 3(32) of the employee retirement income security act
13 of 1974, as amended, or an agency or instrumentality of the tribal
14 government, that has government offices principally located in this
15 state.

16 NEW SECTION. **Sec. 2.** This act takes effect January 1, 2014.

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