Salary Spiking

Follow-up Report
September 24, 2014

Issue Statement

Salary spiking in public pension plans undermines public trust that LEOFF Plan 2 is designed responsibly and managed professionally.

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Context

- Recent pension spiking issues:
  - State Patrol Lieutenant Average Final Compensation (AFC) increased 79% using overtime.
  - LEOFF Plan 1 pension spiking recently in press.
- Build on recent pension spiking analysis:
  - Office of the State Actuary (OSA).
  - Washington State Institute of Public Policy (WSIPP).
  - Board reports from 2012.

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Salary Spiking Defined

- **Salary Spiking**: Manipulating compensation during an employee's final average salary period to increase retirement allowances. Also known as "pension ballooning".

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Salary Spiking Example

- Two LEOFF Plan 2 members have an identical salary history up until the last 5 years.
  - Worker 1 continues to receive regular salary increases, without any overtime.
  - Worker 2 receives the same increases but also works 5 hours of overtime per week for the last 5 years of his career.

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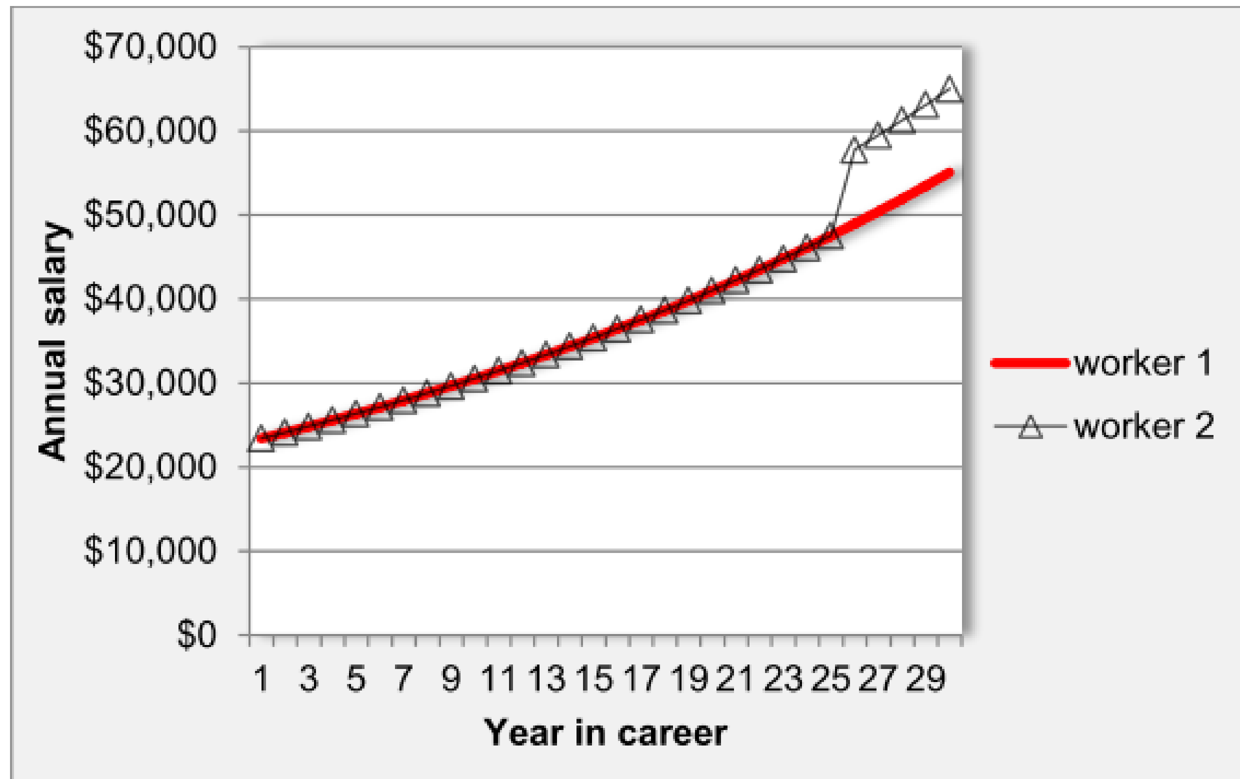
Effect of Salary Spiking



Worker 2 contributes an extra $2500 towards his pension and receives an additional benefit with a present value of $97,000.

Types of Spiking

- Systemic: applies to most or all retiring employees of a given employer:
  - Leave cashouts (PERS & TRS Plan 1 only).
  - Contracted severance payments.
  - Retirement bonuses.
- Individual:
  - Overtime manipulations.
  - Additional contracts.

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LEOFF Plan 2 Spiking

- LEOFF Plan 2 definitions preclude many common forms of spiking:
  - Termination payments (i.e. leave cashouts, excluded).
  - 5-year FAS period:
    - Different from LEOFF Plan 1.
    - Even a dramatic increase in last few months would not raise FAS much.

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LEOFF Plan 2 Spiking

- LEOFF Plan 2 spiking possible by manipulating:
  - Overtime eligibility.
  - Longevity pay.
  - Special salary or wages (i.e. educational attainment pay).

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Salary Spiking Issues

OSA identified two issues in 2012 analysis:

1. Actuarial Cost: Actuarial cost to plans if salary increases "exceed expected levels".

2. Public Trust: "…pension spiking…may weaken public trust in the state retirement systems".

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Systemic Spiking Can Have Significant Costs

- When spiking is systemically applied to an entire group of employees costs can be high.

"The impact of including termination payments when computing the "average final compensation" is not insignificant, amounting to an annual cost of between $5 and $6 million. In 1975, the total employee and employer rate of contributions was 13 percent of all compensation. If PERS had not included termination payments in computing benefits, the rate would have been 12.4 percent of all compensation."

Washington Ass'n of County Officials v. Washington Public Emp. Retirement System Bd., 89 Wn.2d 729, 731 (Wash. 1978)

Individual Spiking – Actuarial Cost Indeterminate

- OSA could not isolate an actuarial cost for overtime spiking.
- WSIPP study included OSA and Human Resource Management System (HRMS) data - Findings on overtime:
  - Most members tend to work roughly the same number of hours before and during AFC period.
  - Those who worked overtime during AFC period also worked overtime in prior periods.
  - There are exceptions but "extreme increases are rare."
  - Hours during AFC tended to decline.

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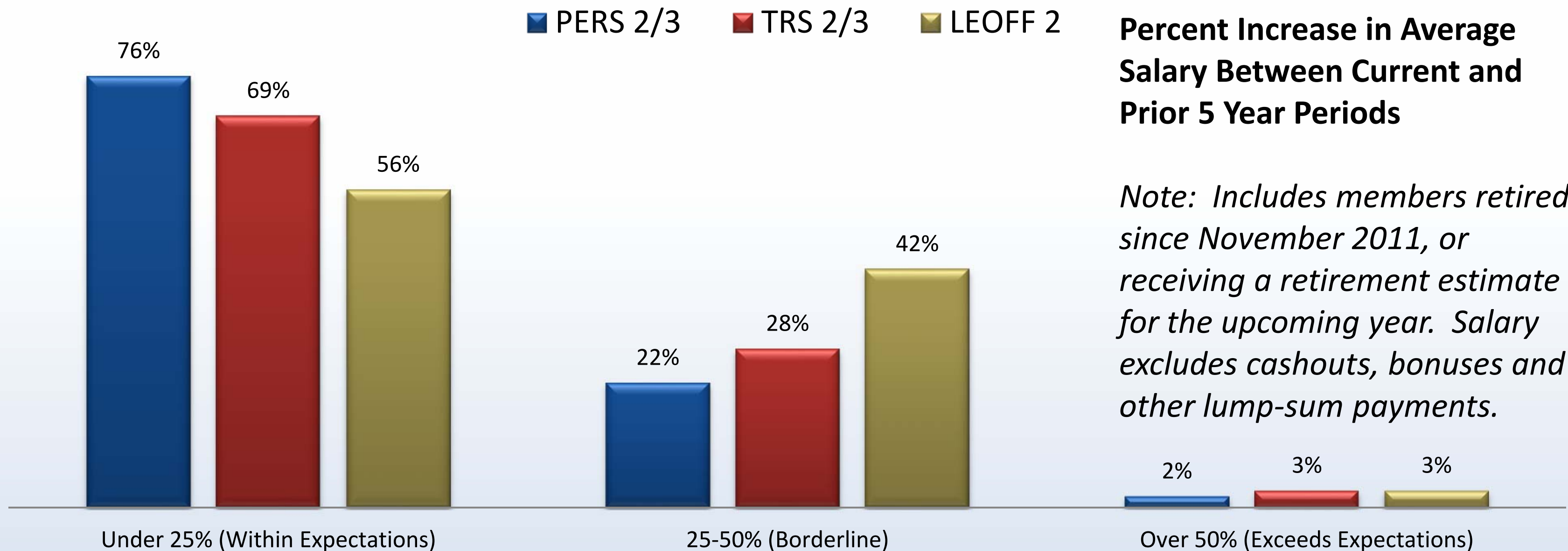
Individual Spiking Rare

FAS Increase from Prior Period: Plans 2 and 3



Few retirees exceed actuary's expectation of FAS increases. That is, a small number that leads to actuarial cost.

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Individual Spiking - Actuarially Significant Cost?

- Unlikely that individualized spiking causes actuarially significant costs.
  - Not enough incidents outside of the scope of actuarial assumptions to cause increase in contribution rates.
  - Individual spiking is not a problem/risk.

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Excess Compensation Assesses Cost to Employers

- DRS explained excess compensation in Employer Notice 84-02:
  - Employers adopted spiking to "inflate…employee's pensions at little cost to themselves";
  - Additional costs are spread over all employers;
  - Legislature enacted excess compensation legislation to charge the responsible employers for the extra cost.
- When employers began receiving bills, many cut back on leave cashouts.
- Could happen with overtime as well.

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Recent Study and Legislation

- Analysis by WSIPP and OSA.
- Companion studies by LEOFF Plan 2 Board staff.
- SB 6543 (2010) excluding overtime from pensionable compensation.
- SB 5392 (2013) – Defined AFC [FAS] increases of over 150% as excess compensation.
- SB 5916 (2013) – reduced trigger point to 125%.

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Summary

- Pension spiking raises issues of cost and public trust.
- Spiking issues in other plans can create a public trust and fairness issue which can be a risk to LEOFF Plan 2.
- Research show that LEOFF Plan 2 does not have a systemic spiking issue.
- Individual spiking could occur and can create a public trust and fairness issue which can be a risk to LEOFF Plan 2.

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Next Steps

- Discontinue pursuit of the issue at this time.
- Provide Comprehensive Report with policy options.

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Any Questions?

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September 24, 2014

SALARY SPIKING

FOLLOW-UP REPORT
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ISSUE

Salary spiking in public pension plans undermines public trust that LEOFF Plan 2 is designed responsibly and managed professionally.

MEMBERS IMPACTED

Salary spiking in LEOFF Plan 2 potentially benefits a limited number of individuals who are in a position to make special compensation arrangements. The resulting erosion of public trust undermines the Plan to the detriment of all 16,805 active LEOFF Plan 2 members[1].

CURRENT SITUATION

Public defined benefit plans are under increased scrutiny due in part to the significant unfunded liability in other public plans, such as those in Illinois, or the recently bankrupt city of Detroit. This heightened scrutiny underlines the importance of ensuring LEOFF Plan 2 is designed responsibly and professionally managed. Manipulation of pensions through salary spiking undermines that task. Another possible issue is the eligibility to work overtime being attached to an employee's experience, through agreements with their employer. Salary manipulation in any plan undermines public trust in all plans.

Recent examples of pension spiking in the Washington State Patrol Retirement System (WSPRS) and LEOFF Plan 1 have enhanced public scrutiny of salary practices. While none of the recent examples were in LEOFF Plan 2, public opinion tends to regard public pensions as a group. This report will review recent research on salary spiking in Washington State; examine the issues raised by salary spiking; discuss why salary spiking is attractive to employers and employees; and review some of the history of spiking, focusing on recent examples.

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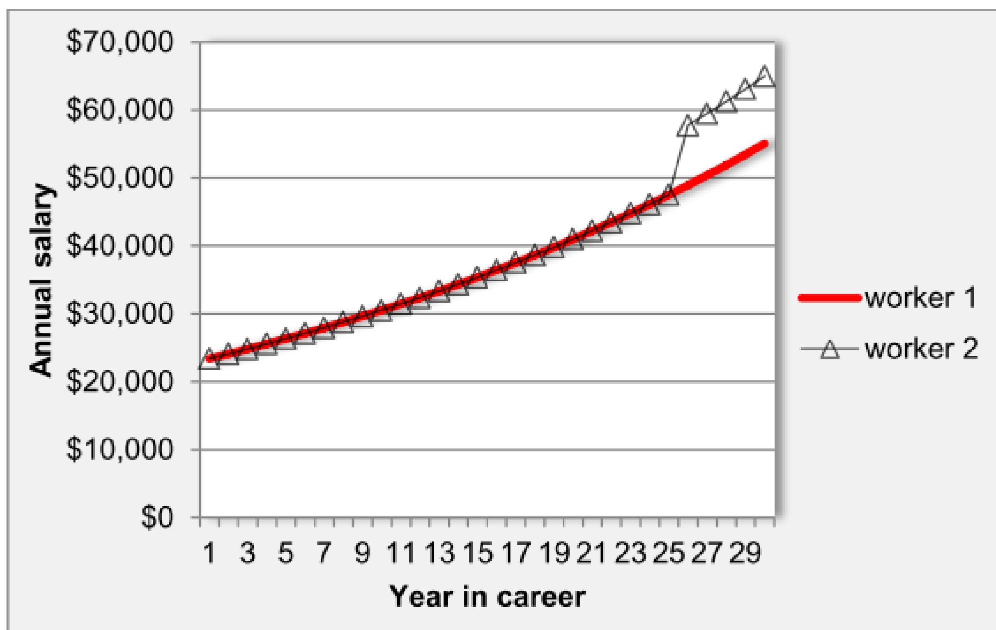
[1] Membership number as of June 30, 2011; Office of the State Actuary 2011 LEOFF Plan 2 Valuation Report.

BACKGROUND INFORMATION & POLICY ISSUES

Salary spiking, also called "pension ballooning" refers to the practice of maximizing salary during the final average salary (FAS) period in order to increase the member's pension.

Members pay contributions based on their salary throughout their career, with the goal of eventually drawing a pension that is based on that salary. While a certain level of salary increase is assumed and factored into contribution rates, a dramatic spike at the end of one's career can result in a disproportionate pension. The Plan 1 systems are especially susceptible to salary spiking because of shorter salary averaging periods. When a Plan 1 system member is granted overtime hours first, this can significantly spike (or balloon) their FAS.

The impact of pre-retirement salary increases is shown in the example below, originally developed by the Washington Institute for Public Policy (WSIPP). In the example, two Plan 2 members have an identical salary history up until the last 5 years. Worker 1 continues to receive regular salary increases, without any overtime. Worker 2 receives the same increases but also works 5 hours of overtime per week for the last 5 years of his career:



In this example, worker 2 contributes an extra $2,500 towards his pension and receives an additional benefit with a present value of $97,000. The worker and employer contributions cover only a small portion of the value of the additional benefit[2].

RECENT SALARY SPIKING RESEARCH

The previous example is drawn from the significant amount of research and analysis developed over the last 2 years examining salary spiking:

- Washington State Institute of Public Policy (WSIPP) study on Retiree Benefits in Public Pension Systems focusing in part on impacts on pensions and pension costs from overtime and excess compensation (2012)
- Office of the State Actuary (OSA) analysis and presentations to the Select Committee on Pension Policy (SCPP) on overtime usage and salary spiking (2012)
- LEOFF Plan 2 Initial Consideration reports on Salary Growth (July 2012) and Excess Compensation (December 2012)
- Investigative journalism examining LEOFF Plan 1 salary spiking: "a two-year Associated Press investigation that included more than 100 interviews, 94 public-records requests and a review of thousands of pages of government emails, meeting notes, contracts, actuarial reports and payroll records, along with more than 30 government data sets."[3] (2013)

None of the research revealed any salary spiking or excess compensation payments in LEOFF Plan 2, but when those activities take place in any public plan, they impact public trust in all public plans. The erosion of public trust is of particular concern in today's environment, where some urge replacing public defined benefit plans with defined contribution plans.[4]

Although the LEOFF Plan 2 plan design makes pension spiking less likely, it does not preclude it entirely. LEOFF Plan 2 includes overtime, special salary, and longevity pay as allowable salary. These types of salary are susceptible to manipulation if there is a meeting of the minds between an employer and an employee.

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[2] P. 49, 59, Appendix E, *Retiree Benefits in Public Pension Systems*, Washington State Institute for Public Policy, December, 2012.
[3] *State feels bite of workers' 'pension spiking'*, Seattle Times, April 6, 2013.
[4] *See* Sen. Orin Hatch *After Detroit, Replace Public Pensions*, July 31, 2013, http://www.hatch.senate.gov/public/index.cfm/2013/7/after-detroit-replace-public-pensions.

Salary spiking can be divided into two types: 1) End of career compensation increases provided to all or a class of employees, i.e. overtime eligibility; and 2) specially negotiated salary increases provided to individuals or small groups of employees.

ISSUES RAISED BY SALARY SPIKING

OSA's report identified two issues raised by salary spiking:

- Cost: "When a member's benefit is based on a higher-than-expected-AFC there is an additional cost to the system that emerges when the member retires. This extra cost has not been funded at retirement and is passed onto other plan participants and future generations of taxpayers."

- Erosion of Public Trust: "…pension spiking…may weaken public trust in the state retirement systems."

The Cost of Salary Spiking

When salary spiking practices are systematically applied to all retiring employees or a large group, costs can be significant. PERS Plan 1 leave cashouts increased employer contributions rates in the 1970s by .6% of salary[5], a significant cost given the size of the PERS salary base. The Legislature has greatly reduced that cost by excluding termination payments in the Plan 2 systems and charging most Plan 1 termination payment spiking to the individual employer through excess compensation, explained in more detail on pages 7 and 8.

The cost of individualized spiking is more difficult to isolate. OSA's report stated it could not quantify the cost of overtime spiking. It did note that AFCs beyond the expected range can cause a cost to the plan. By the same token, salary increases within that range do not generate the costs identified by the actuary because they are not "higher-than-expected".

For instance, the Actuary's report identified salary increases up to 25% during the AFC period as "within the expected range" and salary increases up to 50% were not yet outside the range but were "borderline[6]." The higher cost was, therefore, funded over the employee's career, and not passed on to future generations of taxpayers. That does not mean late career salary increases do not increase individual member pensions, but more than 95% of increases are within the Actuary's assumptions and, presumably, funded through the contribution rate.

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[5] *Washington Ass'n of County Officials v. Washington Public Emp. Retirement System Bd.*, 89 Wn.2d 729, 731 (1978).

[6] Similarly, the cost of including leave cashouts in PERS Plan 1 discussed in *County Officials* generated a 13% combined PERS contribution rate. That rate would have been 12.4% but for the inclusion of termination payments. That is, the Actuary recognized the cost of that salary spiking and factored it into the calculation of rates, i.e. it was not "higher-than-expected". *County Officials*, supra.

Recent analysis by the LEOFF Plan 2 Board, OSA, WSIPP, and the Associated Press indicate current salary spiking is an individualized affair, rather than a systemic problem. Much of the cost is accounted for in the Actuary's assumptions.

The Erosion of Public Trust

A recent Associated Press article uncovered LEOFF Plan 1 pension spiking that significantly increased pensions for a handful of retiring LEOFF Plan 1 members. LEOFF Plan 1 was closed to new members 36 years ago, with only 186 active members remaining. Further, the system is 135% funded, and has not cost taxpayers any additional money ever since contributions stopped in 2000. That is, there was no unfunded cost incurred as a result of the salary manipulations.

Regardless of the actuarial cost in dollars and cents, the erosion of public trust is a high price paid by all public pension system members when individual employees make "special" arrangements to balloon their pensions.

WHY EMPLOYERS USE OVERTIME

Overtime (OT) is of a great value to employers of LEOFF Plan 2 members. A 10 man rotating crew working an extra 20% of OT is less expensive for the employer than hiring 2 more staff and not granting OT. What is important, is to make sure no barriers exist for an employee to work OT regardless of any factor, for example: service years, age, or years to retirement. Where the public distrust comes, is when an employer has a contract with their employees with one of those barriers in place. To the public, this looks like overtime is being granted to those who are going to use it to spike their salary during their FAS period.

Salary spiking is a perennial pension policy issue, repeatedly studied in Washington over the last 20 years[7] and the issue is not unique to Washington. If spiking salary causes so much public outrage and undermines public trust in the plan, why do employers and employees' repeatedly engage in it?

The Department of Retirement Systems (DRS) succinctly explained the rational basis for salary spiking in a 1984 Employer Notice:

[7] The Joint Committee on Pension Policy studied salary spiking by school administrators in 1994, PERS Plan 1 in 1995, Washington State Patrol Retirement System in 1999-2000; and by PERS employers in 2002.

> Over the last few years, certain employers, notably some units of local government, have adopted practices which inflate pensions of their retiring employees at relatively little cost to themselves. Since a single basic rate is charged to all PERS employers, the extra retirement costs generated by these few employers have been spread over all employers[8].

Spiking provides a benefit to the retiree that far outweighs the cost to either the retiree or the retiree's employer.

While it is the retiree that receives the spiked pension, the employer can also benefit. A recent Seattle Times article documented several local government employers providing temporary salary increases to LEOFF Plan 1 members:

> (City officials) said in interviews that the late raises were designed to incentivize retirements by boosting pension values. They said the local fire officials were having budget troubles and were interested in some staff retirements to help with a potential merger with a nearby fire district[9].

When questioned about a temporary salary bump that appeared to result in the retirement of 8 senior employees, a former city official stated: "It worked out dollars and cents-wise — from the city's standpoint, that is[10]."

HISTORY OF ANTI-SPIKING EFFORTS IN WASHINGTON

For as long as there has been spiking, pension administrators have worked to combat it. Termination payments, primarily leave cashouts, were identified as a costly source of pension spiking in the 1970's. In 1977, Washington's Legislature disallowed those payments in the Plan 2 systems. It could not, however, constitutionally amend the definition of compensation in the PERS and TRS Plan 1 systems to exclude those payments[11].

Recognizing the cost to the system and, ultimately, to employers, the Washington Association of County Officials (County Officials) sued the Washington Public Employees Retirement System Board (PERS) to discontinue inclusion of termination payments (leave cashouts) in PERS Plan 1

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[8] DRS Notice No. 84-002.
[9] *State feels bite of workers' 'pension spiking'*, Seattle Times, April 6, 2013.
[10] *Ibid.*
[11] Termination payments had always been excluded from LEOFF Plan 1 as "special salary." See RCW 41.26.030(4)(a), WAC 415-104-330.

pension calculations[12]. The Supreme Court ruled the long-standing practice of including termination payments in pension calculations had become part of the constitutionally protected pension contract and could not be discontinued.

PERS Plan 1 and TRS Plan 1 were required to continue including leave cashouts in the pension calculation and the State could not stop paying them. Faced with that situation the Legislature devised an elegant solution: excess compensation.

The Legislature defined excess compensation as: "any payment that was used in the calculation of the employee's retirement allowance, except regular salary and overtime…" The statute specifically identified leave cashouts and "any other termination or severance payment used in the calculation of the employees' retirement allowance[13]." DRS calculates the increase to the individual's pension from the excess compensation, determines the present value of the additional benefit stream, and bills the employer whose pay practices caused the pension ballooning for the extra pension cost.

The excess compensation law did not change pensions and did not break the constitutional protections relied on in the *County Officials v. PERS* case. The retiree still gets the full pension, but the employer no longer gets to pass the cost onto others. Once employers started being charged for the full cost of their salary spiking practices, a number of them stopped[14]. After the Legislature passed the excess compensation law, providing leave cashouts to boost employee pensions was, generally speaking, no longer a viable option.

RECENT INDIVIDUAL PENSION SPIKING AND LEGISLATIVE RESPONSES

Salary spiking engenders a strong negative public reaction. Recent incidents documented in the media have been no exception.

Overtime Abuse and Response

In 2011, a retiring Washington State Patrol Lieutenant earned an additional 79% on top of his base salary from overtime. The Lieutenant self-assigned his overtime, subject to review from his Captain. After the overtime issue came to light the Captain was demoted and reassigned and the State Patrol commissioned an outside investigation. The resulting criminal charges alleged the Lieutenant did not work all the overtime claimed and that he manipulated the

[12] See *Washington Association of County Officials v. Washington Public Emp. Retirement System Bd.,* 89 Wn.2d 729, 731 (1978).

[13] Laws of 1984 c 184 § 1, RCW 41.50.150

[14] See *Abels v. Snohomish County Public Utility Dist. No. 1*, 69 Wn. App. 542, 546-548, 849 P.2d 1258 (1993)

reporting system to misreport voluntary overtime, which is excluded from WSPRS's definition of earnable compensation.

Soon after the news broke, Legislators introduced Senate Bill 6543 banning overtime from the definition of reportable compensation. While the bill did not pass, the Legislature did commission WSIPP to review overtime and excess compensation. The SCPP also requested analysis and a presentation from OSA.

One issue complicating the analysis by both OSA and WSIPP is that DRS does not capture overtime as a separate data element. OSA approximated overtime by looking at total compensation and backed out cashouts, bonuses, and other lump sum payments. OSA was not able to back out increases resulting from promotions or regular raises, as DRS does not capture those as separate data elements either.

OSA compared the salary increases it found during an employee's years prior to retirement to the salary increases it expected. Ninety-seven percent of LEOFF Plan 2 members retiring or requesting estimates had salary increases within expected levels during their FAS periods. Of the 3% (14) of participants with unexpected levels of salary growth[15], nine had overtime in the current period; six of them also had overtime in the prior period.

WSIPP reviewed the data from OSA and also looked at data from the Human Resource Management System (HRMS). HRMS identifies overtime as a separate data element, but only covers state employees and only goes back to 2006. DRS will soon have the ability, through a new system, to view local government salaries' as well. After reviewing both excess compensation and overtime from both OSA and HRMS data, the WSIPP report concluded:

- "Excess compensation is rare, especially among members of open plans."
- "In all Washington's state-administered public pension systems, average monthly hours are not systemically higher during AFC [FAS] periods."
- "Exhibit 23 (detailing employee hours before and during AFC [FAS] period) illustrates some important points.
  - First, most members tend to work roughly the same number of hours before and during the AFC [FAS] period. Those who work overtime during the end of their career tended to also do so earlier in their career….
  - Second, there are exceptions – hours increased substantially for some members, and extreme increases are rare.
  - Third, hours decline for some members."

[15] OSA identified "higher than expected" salary growth as over 50%. It did not find those increases were from overtime, as they could have come from promotions or other non-spiking sources.

The SCPP directed its staff to develop draft legislation expanding the definition of excess compensation, though the Committee did not vote to endorse the final bill draft. Some members expressed concern about assessing excess compensation on payments that did not reflect salary manipulation, such as mandatory overtime or overtime consistently earned over a member's career.

An individual legislator on the SCPP introduced the draft legislation during the 2013 session. SSB 5392 would have required DRS to bill an employer for excess compensation if FAS increased by 150% or more over the prior period. Another version of this proposal, SSB 5916, was introduced later in session reducing the proposed trigger point to 125%. Neither bill passed.

SUMMARY

The common theme running through the recently reported incidents of pension spiking is that, unlike the systemic spiking targeted by the original excess compensation law, these were temporary, individual arrangements effecting 1 or at most a handful of individuals. While these may not generate an actuarially significant cost, they undermine public trust in public pension plans. Regardless of what pension plan the salary spiking occurs in, the erosion of public trust presents a risk to all plans.

SUPPORTING INFORMATION

Appendix A: Excess Compensation Detail and Example

Appendix B: LEOFF Reportable Compensation Table

APPENDIX A
EXCESS COMPENSATION DETAIL AND EXAMPLE

The following detailed description and example of the excess compensation law, RCW 41.50.150, is taken from the December 12, 2012, LEOFF Plan 2 Board initial consideration report on excess compensation:

Excess Compensation

Since 1984 excess compensation has been defined in the pension statutes as consisting of specific types of reportable compensation when the payment increases the member's retirement allowance. If reportable compensation included in a retiree's retirement allowance calculation qualifies as excess compensation, then the applicable employer is responsible for the resulting liability to the pension fund. Without such an employer payment, the excess compensation-related liability would effectively be spread across the plan and paid for through the contribution rate structure.

The employer paying employees reportable compensation that qualifies as excess compensation is liable to the pension fund for the total estimated cost of all present and future retirement benefits attributable to the excess compensation. An employer must pay the excess compensation bill within thirty days of the receipt of the billing. Any unsettled bill will be assessed an interest penalty of one percent of the amount due for each month or fraction thereof beyond the original thirty-day period. The Director of the Department of Retirement Systems may in the director's discretion decline to bill the employer if the amount due is less than fifty dollars. Excess compensation billings do not affect the calculation of individual pension benefits.

Excess compensation includes the following payments, when used in the calculation of the member's retirement allowance:

- a cash-out of more than 240 hours of annual leave;
- a cash-out of any other form of leave;
- a cash-out in lieu of the accrual of annual leave;
- any payment added to salary or wages, concurrent with a reduction of annual leave;
- a payment for, or in lieu of, any personal expenses or transportation allowance, to the extent that the payment qualifies as reportable compensation in the member's retirement system;
- any termination or severance payment; or
- the portion of any payment, including overtime payments, that exceeds twice the regular daily or hourly rate of pay.

The excess compensation statutes apply to all of the retirement systems administered by the Department of Retirement Systems, including the Public Employees' Retirement System, the Teachers' Retirement System, the School Employees' Retirement System, the Law Enforcement Officers' and Fire Fighters' Retirement System, and the Washington State Patrol Retirement System. The provision regarding overtime is the only type of payment applicable to LEOFF Plan 2 for excess compensation.

Excess Compensation Billings in LEOFF Plan 2
According to the Department of Retirement Systems, there have not been any excess compensation billings issued under LEOFF Plan 2.

Excess compensation calculation example: Plan 2 member retires at 53 with 25 years

Variables	
Regular Salary (over Five years)	$85,000 ($425,000)
Overtime Included in FAS	$225,000
Final Average Salary, INCLUDING overtime 5 year Cumulative – Two different overtime accrual patterns, same total.	$425,000 + 225,000 = $650,000 YR 1 $130,000 $85,000 YR 2 $130,000 $85,000 YR 3 $130,000 $85,000 YR 4 $130,000 $197,500 YR 5 $130,000 $197,500 TOTAL $650,000 $650,000
Actuarial Factor (WAC 415-02-340)	0.0054978

Calculations
1. Monthly Benefit Calculation • $650,000/60mo = $10,833.33 (FAS/Month) • 2%*25y*$10,833.33 = $5416.67 2. Excess Compensation Threshold • $425,000 x 1 ½ = $637,500 • $637,500/60 mo =$10,625 • 2%*25y*$10,625 = $5,312.50 3. Monthly Benefit Over Threshold • $5,416.67 - $5,312.50 = $104.17 4. Excess Compensation Billing to Employer • $104.17 ÷ 0.0054978 = $18,947.58

Excess Compensation Provisions: RCW 41.50.150, WAC 415-02-140
Actuarial Factor: WAC 415-02-340

LEOFF Plan 2 Retirement Board

APPENDIX B
LEOFF REPORTABLE COMPENSATION TABLE

LEOFF REPORTABLE COMPENSATION TABLE

Type of Payment	LEOFF Plan 1 Basic Salary	LEOFF Plan 2 Basic Salary
Additional Duty Pay	Yes - WAC 415-104-3205	Yes - WAC 415-104-360
Allowances (i.e. uniform)	No - WAC 415-104-3404	No - WAC 415-104-390
Basic Monthly Rate	Yes - WAC 415-104-3200	Yes - WAC 415-104-360
Cafeteria Plans	No - WAC 415-104-3303	Yes - WAC 415-104-367
Deferred Wages Attached To Position	Yes - WAC 415-104-3201 (1)	Yes - WAC 415-104-363 (1)
Deferred Wages not Attached to a Position	No - WAC 415-104-3201 (2)	No - WAC 415-104-363 (2)
Differential Military Pay	Yes - DRS Notice 08-019	Yes - DRS Notice 08-019
Disability Payments	No - WAC 415-104-340	No - WAC 415-104-380
Education Attainment Pay	No - WAC 415-104-3301	Yes - WAC 415-104-375
Employer Taxes/Contributions	No - WAC 415-104-3401	No - WAC 415-104-383
Fringe Benefits	No - WAC 415-104-3402	No - WAC 415-104-385
Illegal Payments	No - WAC 415-104-3403	No - WAC 415-104-387
Leave Cash Outs/Severance	No - WAC 415-104-3304	No - WAC 415-104-401
Longevity Pay	Yes - WAC 415-104-330 RCW 41.26.030 13(a)	Yes - WAC 415-104-375
Overtime	No - WAC 415-104-3305	Yes - WAC 415-104-370
Paid Leave	Yes - WAC 415-104-3203	Yes - WAC 415-104-373
Payments in Lieu of Excluded Items	No - WAC 415-104-350	No - WAC 415-104-405
Performance Bonuses	No - WAC 415-104-3302	Yes - WAC 415-104-377
Retroactive Salary Increase	Yes - WAC 415-104-3202	Yes - WAC 415-104-365
Reimbursements	No - WAC 415-104-3404	No - WAC 415-104-390
Retirement or Termination Bonuses	No - WAC 415-104-3406	No - WAC 415-104-395
Shared Leave	No - WAC 415-104-311	Yes - DRS Email 10-009
Shift Differential	Yes - WAC 415-104-3204	Yes - WAC 415-104-379
Special Salary or Wages	No - WAC 415-104-330	Yes - WAC 415-104-375
Standby Pay	No - WAC 415-104-3405	No - WAC 415-104-393
Tuition/Fee Reimbursement	No - WAC 415-104-3404	No - WAC 415-104-390
Worker's Compensation	Not Applicable	No - WAC 415-104-380