

The Honorable John R. Hickman
Hearing Date: June 5, 2015 1:30 pm
Special Setting

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SUPERIOR COURT OF WASHINGTON FOR PIERCE COUNTY

KEVIN DOLAN and a class of similarly situated individuals,)	
)	NO. 06-2-04611-6
Plaintiffs,)	
v.)	STIPULATION BY KING COUNTY AND THE PLAINTIFF CLASS
KING COUNTY, a political subdivision of the State of Washington,)	
)	
Defendant,)	
)	
and)	
)	
DEPARTMENT OF RETIREMENT SYSTEMS)	
)	
Intervenor)	

STIPULATION

This case is now back before this Court for further proceedings upon remand from the Court of Appeals. The Court of Appeals set aside the Settlement Agreement that was previously approved by the Court.

King County and Kevin Dolan and the plaintiff class (hereafter collectively the Class) wish to establish between themselves their position on issues that they agreed to in the previous Settlement Agreement. Accordingly, King County and the Class enter into this Stipulation. King County and the Class agree as set forth below.

1 1. As in the previous Settlement Agreement, paragraph 74, Class Members are
2 eligible to receive retroactive PERS service credit in this case for work as a King County public
3 defense employee (defined in paragraph 66 of the previous Settlement Agreement) during the
4 period January 1, 1978 to March 31, 2012 except that Class Members who (a) are now enrolled
5 in PERS 1, (b) who are or were employed in a PERS-eligible position at some time during the
6 class period (January 24, 2003 to July 1, 2013), and (c) who have not yet attained thirty years of
7 PERS-eligible service, are entitled to retroactive PERS-eligible service credit for service at the
8 King County public defense agencies (defined in paragraph 65 of the previous Settlement
9 Agreement) before 1978, but only to the extent that service or a portion of the service does not
10 cause their total PERS service credit to exceed the thirty-year maximum service credit for PERS.

11 2. As in the previous Settlement Agreement, paragraph ¶77, the Class Member's
12 initial hire date with one of the King County public defense agencies is to be used in
13 calculating retroactive PERS service credit, with three exceptions that apply to a few Class
14 Members. The exceptions are:

15 (i) for Class Members hired by one of the public defense agencies before
16 January 1, 1978, their retroactive PERS-eligible services begins on January 1, 1978;

17 (ii) for those Class Members initially hired in a position that is not PERS-
18 eligible position their eligible service begins when they start working in a PERS-eligible
19 position; and

20 (iii) for those Class Members already enrolled or previously enrolled in
21 PERS 1, 2 or 3, their PERS-eligible service commencement date will be their prior enrollment
22 date, but they earn retroactive monthly service for their work as a King County public defense
23 employee starting with their initial hire with one of the public defenses agencies, unless the
24 service is within exceptions in (2)(i) or (2)(ii) stated above, in which case the provisions of
25 those exceptions applies, or unless they are within the provision concerning PERS 1 members
26 with less than 30 years of PERS service, as stated in paragraph 1 of this Stipulation.

1 3. King County has transmitted to DRS the information specified in paragraph 92
2 of the previous Settlement Agreement regarding the Class Members' employment information
3 to determine service credit in accordance with paragraphs 1 and 2 of this Stipulation and to
4 determine PERS contributions.

5 4. DRS has reported that it has entered that employment information into its
6 system and has transmitted information to the State Actuary.

7 5. As in the previous Settlement Agreement, paragraph 78, except for those Class
8 Members already enrolled in PERS 1 or PERS 3, the Class Members are to receive service
9 credit in PERS plan 2 and will not have the option of joining PERS plan 3 because they have
10 chosen PERS Plan 2 through this action. Those Class Members already enrolled in PERS 1 or
11 3 are to receive service credit under the PERS plan in which they are enrolled.

12 6. King County shall pay all the PERS contributions for the retroactive service credit
13 for Class Members set forth in paragraphs 1 and 2 and these contributions from King County
14 include employer contributions and pick-up contributions, *i.e.*, the amounts that could have been
15 deducted from each Class Member's pay, except that for Class Members who are former King
16 County public defense employees as of April 1, 2012, who are not active members of PERS as of
17 April 1, 2012, and whose PERS service as a King County public defense employee totaled less
18 than 60 months, King County shall make the PERS contributions for retroactive PERS-eligible
19 service back to January 1, 1978, only if (a) the Class Member obtains a PERS-eligible job after
20 April 1, 2012, and (b) the eligible service that the Class Member obtains in that PERS-eligible
21 job, coupled with the Class Member's retroactive PERS-eligible service, gives the Class Member
22 sixty or more months of PERS-eligible service. King County will pay any interest and/or other
23 charges relating to the service credit or retroactive contributions for the Class Members,
24 including any that DRS may assert the Class owes DRS, as may be required by an agreement
25 between King County and DRS or a final court order. King County's agreement to (a) the terms
26 regarding service credit in Paragraphs 1, 2 and 5 above and (b) the payment obligations set forth
27 in this paragraph are each conditioned on the service credit being finally resolved without any

1 further available appeal. If for any reason that relief to the Class does not become final, King
2 County's agreements in Paragraphs 1, 2, 5 and 6 of this Stipulation will not be effective.

3 7. The PERS contributions (plus, if applicable, interest and/or other charges) will
4 be determined by agreement of the parties, including DRS, or as determined by the Court.

5 8. As in the previous Settlement Agreement, paragraph 55, in exchange for King
6 County being responsible for all PERS contributions (including, if applicable, interest,
7 employer contributions, pick-up or employee contributions and/or other charges including any
8 that DRS might assert the Class owes DRS), the Class is relinquishing and releasing its claims
9 for other non-PERS benefits, including pay parity, for the time period before the July 1, 2013
10 (the date that the Class Members were recognized by King County as County employees). By
11 relinquishing and releasing these claims the Class Members have reimbursed King County for
12 the Employee Contributions plus if applicable, interest, lost investment gains and/or any other
13 charges DRS contends may be owed in connection with the PERS contributions. The Class's
14 relinquishing and releasing of its other benefit claims, including pay parity, is conditioned on
15 the service credit being finally resolved without any further available appeal. If for any reason
16 the Class does not obtain that relief, the Class will not have relinquished its other benefit claims
17 including pay parity.

18 9. King County relinquishes its statute of limitations defense and its counterclaims
19 against the plaintiffs.

20 10. Initially, King County will pay DRS the employer contributions attributable to
21 the retroactive PERS service credit of the Class Members. King County shall pay to DRS only
22 the employer contribution amounts (without interest thereon). These amounts are estimated to
23 be in excess of \$19 million. King County shall hold back the pick-up contribution, estimated to
24 be nearly \$13 million, until further order of the Court. This Stipulation does not resolve the
25 Class Members' obligation to pay fees or a method of paying attorney fees.

26 11. Class members were previously given notice and opportunity to be heard
27 concerning the provisions of the Settlement Agreement that are the subject of this stipulation.

1 The Court's Order Preliminarily Approving the Settlement approved the content of that notice
2 and the mechanisms by which it was delivered to the Class Members. The Court subsequently
3 determined that the notice had been provided in compliance with the Preliminary Approval
4 Order. No Class Member appealed from those orders, no Class Member objected to these
5 provisions in the previous Settlement Agreement and many Class Members affirmatively
6 stated that they approved the settlement including the provisions in paragraph 55 where the
7 Class relinquished and released its other benefit claims in exchange for King County being
8 responsible for all PERS contributions and the Class receiving service credit as specified in the
9 settlement agreement. Class Notice of the terms of this Stipulation and the attached proposed
10 order modifying the Court's permanent injunction is not required.

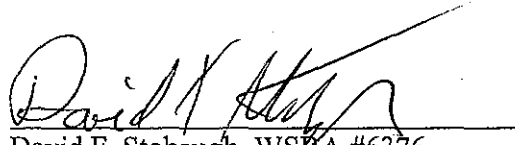
11 12. King County and the Class agree that the Court should enter the proposed order
12 modifying the Court's permanent injunction.

13 Dated this 3rd day of June, 2015.

14 FOSTER PEPPER PLLC

BENDICH STOBAUGH & STRONG, P.C.

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18 Tim J. Filer, WSBA #16285
19 Foster Pepper, PLLC
20 Attorneys for King County

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22 Attorneys for Kevin Dolan and the Plaintiff Class

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CERTIFICATE OF SERVICE

I certify under penalty of perjury in accordance with the laws of the State of Washington that the Stipulation by King County and the Plaintiff Class was filed with the Pierce County Superior Court on June 3, 2015.

I further certify that on Wednesday, June 3, 2015, one copy of the aforementioned document was served as follows to opposing counsel:

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I certify under penalty of perjury of the laws in the State of Washington that the foregoing is true and correct.

DATED: June 3, 2015.



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