

SENATE BILL REPORT

SB 5538

As Reported by Senate Committee On:
Ways & Means, February 14, 2023

Title: An act relating to postretirement employment in nursing positions for a state agency.

Brief Description: Concerning postretirement employment in nursing positions for a state agency.

Sponsors: Senators Cleveland, Dhingra and Wilson, C..

Brief History:

Committee Activity: Ways & Means: 1/30/23, 2/14/23 [DPS, DNP, w/oRec].

Brief Summary of First Substitute Bill

- Allows certain retirees of the state's pension systems returning to work in a nursing position for a state agency to work up to 1040 hours while collecting a retirement benefit.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5538 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Robinson, Vice Chair, Operating & Revenue; Mullet, Vice Chair, Capital; Billig, Conway, Dhingra, Hasegawa, Hunt, Keiser, Nguyen, Pedersen, Saldaña and Wellman.

Minority Report: Do not pass.

Signed by Senators Muzzall and Wagoner.

Minority Report: That it be referred without recommendation.

Signed by Senators Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Rivers, Assistant

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Boehnke, Braun and Torres.

Staff: Amanda Cecil (786-7460)

Background: Retirees of the Public Employees' Retirement System (PERS) and the Public Safety Employees' Retirement System (PSERS) are generally able to work up to 867 hours per year in a position covered by any of the state's pension systems while receiving a retirement benefit. A retiree that works more than 867 hours is reinstated as an active member and their retirement benefit ceases.

Members of PERS Plans 2 and 3 have a normal retirement age of 65 and may retire as early as age 55 with a reduced benefit if they meet service credit requirements. Members of PSERS with more than ten years of service have a normal retirement age of 60, and may retire as early as age 53 with a reduced benefit if they meet service credit requirements.

Summary of Bill (First Substitute): Until July 1, 2026, PERS and PSERS retirees may work for a state agency for up to 1040 hours per year in a non-administrative position as a licensed nurse position while continuing to receive a pension benefit.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

Provides that in order to be eligible to return to work the position must be nonadministrative as a licensed nurse.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: There are widespread workforce shortages across many sectors. Healthcare and nursing are the most critical. This bill is part of a solution and can be implemented quickly. There is a penalty for coming back to work after retirement that can reduce benefits for life. This bill gets rid of that penalty and encourages retired nurses to return to patient care. This issue has been addressed in the Legislature for the shortage of educators. Removing this barrier is one step toward fixing the nursing shortage. It will help alleviate workforce challenges for nurses in state agencies. There is a cost to doing nothing.

Persons Testifying: PRO: Senator Annette Cleveland, Prime Sponsor; Melissa Johnson, Washington State Nurses Association; Dane Austreng, SEIU Healthcare 1199NW.

Persons Signed In To Testify But Not Testifying: No one.