
HOUSE BILL 1705

State of Washington 62nd Legislature 2011 Regular Session

By Representatives Moscoso, Sullivan, Reykdal, Stanford, Sells, Appleton, and Hunt

Read first time 01/31/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing retirement benefits at earlier ages in
2 the plans 2 and 3 of the public employees' retirement system, the
3 teachers' retirement system, and the school employees' retirement
4 system; amending RCW 41.40.630, 41.40.820, 41.32.765, 41.32.875,
5 41.35.420, and 41.35.680; providing an effective date; and declaring an
6 emergency.

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

8 **Sec. 1.** RCW 41.40.630 and 2007 c 491 s 9 are each amended to read
9 as follows:

10 (1) NORMAL RETIREMENT. Any member with at least five service
11 credit years who has attained at least age sixty-five shall be eligible
12 to retire and to receive a retirement allowance computed according to
13 the provisions of RCW 41.40.620.

14 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
15 five and has completed at least five service credit years and for whom
16 the sum of the number of years of the member's age and the number of
17 years of the member's service credit equals eighty-five or more shall
18 be eligible to retire and receive a retirement allowance computed
19 according to the provisions of RCW 41.40.620.

1 (3) EARLY RETIREMENT. Any member who has completed at least twenty
2 service credit years and has attained age fifty-five shall be eligible
3 to retire and to receive a retirement allowance computed according to
4 the provisions of RCW 41.40.620, except that a member retiring pursuant
5 to this subsection shall have the retirement allowance actuarially
6 reduced to reflect the difference in the number of years between age at
7 retirement and the attainment of age sixty-five.

8 (~~(3)~~) (4) ALTERNATE EARLY RETIREMENT.

9 (a) Any member who has completed at least thirty service credit
10 years and has attained age fifty-five shall be eligible to retire and
11 to receive a retirement allowance computed according to the provisions
12 of RCW 41.40.620, except that a member retiring pursuant to this
13 subsection shall have the retirement allowance reduced by three percent
14 per year to reflect the difference in the number of years between age
15 at retirement and the attainment of age sixty-five.

16 (b) On or after July 1, 2008, any member who has completed at least
17 thirty service credit years and has attained age fifty-five shall be
18 eligible to retire and to receive a retirement allowance computed
19 according to the provisions of RCW 41.40.620, except that a member
20 retiring pursuant to this subsection shall have the retirement
21 allowance reduced as follows:

Retirement	Percent
Age	Reduction
55	20%
56	17%
57	14%
58	11%
59	8%
60	5%
61	2%
62	0%
63	0%
64	0%

22
23
24
25
26
27
28
29
30
31
32
33
34 Any member who retires under the provisions of this subsection is
35 ineligible for the postretirement employment provisions of RCW
36 41.40.037(2)(d) until the retired member has reached sixty-five years

1 of age. For purposes of this subsection, employment with an employer
2 also includes any personal service contract, service by an employer as
3 a temporary or project employee, or any other similar compensated
4 relationship with any employer included under the provisions of RCW
5 41.40.690(1).

6 The subsidized reductions for alternate early retirement in this
7 subsection as set forth in section 9, chapter 491, Laws of 2007 were
8 intended by the legislature as replacement benefits for gain-sharing.
9 Until there is legal certainty with respect to the repeal of chapter
10 41.31A RCW, the right to retire under this subsection is
11 noncontractual, and the legislature reserves the right to amend or
12 repeal this subsection. Legal certainty includes, but is not limited
13 to, the expiration of any: Applicable limitations on actions; and
14 periods of time for seeking appellate review, up to and including
15 reconsideration by the Washington supreme court and the supreme court
16 of the United States. Until that time, eligible members may still
17 retire under this subsection, and upon receipt of the first installment
18 of a retirement allowance computed under this subsection, the resulting
19 benefit becomes contractual for the recipient. If the repeal of
20 chapter 41.31A RCW is held to be invalid in a final determination of a
21 court of law, and the court orders reinstatement of gain-sharing or
22 other alternate benefits as a remedy, then retirement benefits for any
23 member who has completed at least thirty service credit years and has
24 attained age fifty-five but has not yet received the first installment
25 of a retirement allowance under this subsection shall be computed using
26 the reductions in (a) of this subsection.

27 **Sec. 2.** RCW 41.40.820 and 2007 c 491 s 10 are each amended to read
28 as follows:

29 (1) NORMAL RETIREMENT. Any member who is at least age sixty-five
30 and who has:

- 31 (a) Completed ten service credit years; or
- 32 (b) Completed five service credit years, including twelve service
33 credit months after attaining age forty-four; or
- 34 (c) Completed five service credit years by the transfer payment
35 date specified in RCW 41.40.795, under the public employees' retirement
36 system plan 2 and who transferred to plan 3 under RCW 41.40.795;

1 shall be eligible to retire and to receive a retirement allowance
2 computed according to the provisions of RCW 41.40.790.

3 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
4 five and has completed the number of service credit years required in
5 subsection (1) of this section and for whom the sum of the number of
6 years of the member's age and the number of years of the member's
7 service credit equals eighty-five or more shall be eligible to retire
8 and receive a retirement allowance computed according to the provisions
9 of RCW 41.40.790.

10 (3) EARLY RETIREMENT. Any member who has attained at least age
11 fifty-five and has completed at least ten years of service shall be
12 eligible to retire and to receive a retirement allowance computed
13 according to the provisions of RCW 41.40.790, except that a member
14 retiring pursuant to this subsection shall have the retirement
15 allowance actuarially reduced to reflect the difference in the number
16 of years between age at retirement and the attainment of age sixty-
17 five.

18 ((+3)) (4) ALTERNATE EARLY RETIREMENT.

19 (a) Any member who has completed at least thirty service credit
20 years and has attained age fifty-five shall be eligible to retire and
21 to receive a retirement allowance computed according to the provisions
22 of RCW 41.40.790, except that a member retiring pursuant to this
23 subsection shall have the retirement allowance reduced by three percent
24 per year to reflect the difference in the number of years between age
25 at retirement and the attainment of age sixty-five.

26 (b) On or after July 1, 2008, any member who has completed at least
27 thirty service credit years and has attained age fifty-five shall be
28 eligible to retire and to receive a retirement allowance computed
29 according to the provisions of RCW 41.40.790, except that a member
30 retiring pursuant to this subsection shall have the retirement
31 allowance reduced as follows:

Retirement	Percent
Age	Reduction
55	20%
56	17%
57	14%

1	58	11%
2	59	8%
3	60	5%
4	61	2%
5	62	0%
6	63	0%
7	64	0%

8 Any member who retires under the provisions of this subsection is
9 ineligible for the postretirement employment provisions of RCW
10 41.40.037(2)(d) until the retired member has reached sixty-five years
11 of age. For purposes of this subsection, employment with an employer
12 also includes any personal service contract, service by an employer as
13 a temporary or project employee, or any other similar compensated
14 relationship with any employer included under the provisions of RCW
15 41.40.850(1).

16 The subsidized reductions for alternate early retirement in this
17 subsection as set forth in section 10, chapter 491, Laws of 2007 were
18 intended by the legislature as replacement benefits for gain-sharing.
19 Until there is legal certainty with respect to the repeal of chapter
20 41.31A RCW, the right to retire under this subsection is
21 noncontractual, and the legislature reserves the right to amend or
22 repeal this subsection. Legal certainty includes, but is not limited
23 to, the expiration of any: Applicable limitations on actions; and
24 periods of time for seeking appellate review, up to and including
25 reconsideration by the Washington supreme court and the supreme court
26 of the United States. Until that time, eligible members may still
27 retire under this subsection, and upon receipt of the first installment
28 of a retirement allowance computed under this subsection, the resulting
29 benefit becomes contractual for the recipient. If the repeal of
30 chapter 41.31A RCW is held to be invalid in a final determination of a
31 court of law, and the court orders reinstatement of gain-sharing or
32 other alternate benefits as a remedy, then retirement benefits for any
33 member who has completed at least thirty service credit years and has
34 attained age fifty-five but has not yet received the first installment
35 of a retirement allowance under this subsection shall be computed using
36 the reductions in (a) of this subsection.

1 **Sec. 3.** RCW 41.32.765 and 2007 c 491 s 2 are each amended to read
2 as follows:

3 (1) NORMAL RETIREMENT. Any member with at least five service
4 credit years of service who has attained at least age sixty-five shall
5 be eligible to retire and to receive a retirement allowance computed
6 according to the provisions of RCW 41.32.760.

7 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
8 five and has completed at least five service credit years and for whom
9 the sum of the number of years of the member's age and the number of
10 years of the member's service credit equals eighty-five or more shall
11 be eligible to retire and receive a retirement allowance computed
12 according to the provisions of RCW 41.32.760.

13 (3) EARLY RETIREMENT. Any member who has completed at least twenty
14 service credit years of service who has attained at least age fifty-
15 five shall be eligible to retire and to receive a retirement allowance
16 computed according to the provisions of RCW 41.32.760, except that a
17 member retiring pursuant to this subsection shall have the retirement
18 allowance actuarially reduced to reflect the difference in the number
19 of years between age at retirement and the attainment of age sixty-
20 five.

21 (~~(3)~~) (4) ALTERNATE EARLY RETIREMENT.

22 (a) Any member who has completed at least thirty service credit
23 years and has attained age fifty-five shall be eligible to retire and
24 to receive a retirement allowance computed according to the provisions
25 of RCW 41.32.760, except that a member retiring pursuant to this
26 subsection shall have the retirement allowance reduced by three percent
27 per year to reflect the difference in the number of years between age
28 at retirement and the attainment of age sixty-five.

29 (b) On or after September 1, 2008, any member who has completed at
30 least thirty service credit years and has attained age fifty-five shall
31 be eligible to retire and to receive a retirement allowance computed
32 according to the provisions of RCW 41.32.760, except that a member
33 retiring pursuant to this subsection shall have the retirement
34 allowance reduced as follows:

Retirement	Percent
Age	Reduction

1	55	20%
2	56	17%
3	57	14%
4	58	11%
5	59	8%
6	60	5%
7	61	2%
8	62	0%
9	63	0%
10	64	0%

11 Any member who retires under the provisions of this subsection is
12 ineligible for the postretirement employment provisions of RCW
13 41.32.802(2) until the retired member has reached sixty-five years of
14 age. For purposes of this subsection, employment with an employer also
15 includes any personal service contract, service by an employer as a
16 temporary or project employee, or any other similar compensated
17 relationship with any employer included under the provisions of RCW
18 41.32.800(1).

19 The subsidized reductions for alternate early retirement in this
20 subsection as set forth in section 2, chapter 491, Laws of 2007 were
21 intended by the legislature as replacement benefits for gain-sharing.
22 Until there is legal certainty with respect to the repeal of chapter
23 41.31A RCW, the right to retire under this subsection is
24 noncontractual, and the legislature reserves the right to amend or
25 repeal this subsection. Legal certainty includes, but is not limited
26 to, the expiration of any: Applicable limitations on actions; and
27 periods of time for seeking appellate review, up to and including
28 reconsideration by the Washington supreme court and the supreme court
29 of the United States. Until that time, eligible members may still
30 retire under this subsection, and upon receipt of the first installment
31 of a retirement allowance computed under this subsection, the resulting
32 benefit becomes contractual for the recipient. If the repeal of
33 chapter 41.31A RCW is held to be invalid in a final determination of a
34 court of law, and the court orders reinstatement of gain-sharing or
35 other alternate benefits as a remedy, then retirement benefits for any
36 member who has completed at least thirty service credit years and has
37 attained age fifty-five but has not yet received the first installment

1 of a retirement allowance under this subsection shall be computed using
2 the reductions in (a) of this subsection.

3 **Sec. 4.** RCW 41.32.875 and 2007 c 491 s 4 are each amended to read
4 as follows:

5 (1) NORMAL RETIREMENT. Any member who is at least age sixty-five
6 and who has:

7 (a) Completed ten service credit years; or

8 (b) Completed five service credit years, including twelve service
9 credit months after attaining age forty-four; or

10 (c) Completed five service credit years by July 1, 1996, under plan
11 2 and who transferred to plan 3 under RCW 41.32.817;
12 shall be eligible to retire and to receive a retirement allowance
13 computed according to the provisions of RCW 41.32.840.

14 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
15 five and has completed the number of service credit years required in
16 subsection (1) of this section and for whom the sum of the number of
17 years of the member's age and the number of years of the member's
18 service credit equals eighty-five or more shall be eligible to retire
19 and receive a retirement allowance computed according to the provisions
20 of RCW 41.32.840.

21 (3) EARLY RETIREMENT. Any member who has attained at least age
22 fifty-five and has completed at least ten years of service shall be
23 eligible to retire and to receive a retirement allowance computed
24 according to the provisions of RCW 41.32.840, except that a member
25 retiring pursuant to this subsection shall have the retirement
26 allowance actuarially reduced to reflect the difference in the number
27 of years between age at retirement and the attainment of age sixty-
28 five.

29 ((+3)) (4) ALTERNATE EARLY RETIREMENT.

30 (a) Any member who has completed at least thirty service credit
31 years and has attained age fifty-five shall be eligible to retire and
32 to receive a retirement allowance computed according to the provisions
33 of RCW 41.32.840, except that a member retiring pursuant to this
34 subsection shall have the retirement allowance reduced by three percent
35 per year to reflect the difference in the number of years between age
36 at retirement and the attainment of age sixty-five.

1 (b) On or after September 1, 2008, any member who has completed at
2 least thirty service credit years and has attained age fifty-five shall
3 be eligible to retire and to receive a retirement allowance computed
4 according to the provisions of RCW 41.32.840, except that a member
5 retiring pursuant to this subsection shall have the retirement
6 allowance reduced as follows:

7	8 Retirement	9 Percent
10	11 Age	12 Reduction
13	14 55	15 20%
16	17 56	18 17%
19	20 57	21 14%
22	23 58	24 11%
25	26 59	27 8%
28	29 60	30 5%
31	32 61	33 2%
34	35 62	36 0%
	37 63	38 0%
	39 64	40 0%

41 Any member who retires under the provisions of this subsection is
42 ineligible for the postretirement employment provisions of RCW
43 41.32.862(2) until the retired member has reached sixty-five years of
44 age. For purposes of this subsection, employment with an employer also
45 includes any personal service contract, service by an employer as a
46 temporary or project employee, or any other similar compensated
47 relationship with any employer included under the provisions of RCW
48 41.32.860(1).

49 The subsidized reductions for alternate early retirement in this
50 subsection as set forth in section 4, chapter 491, Laws of 2007 were
51 intended by the legislature as replacement benefits for gain-sharing.
52 Until there is legal certainty with respect to the repeal of chapter
53 41.31A RCW, the right to retire under this subsection is
54 noncontractual, and the legislature reserves the right to amend or
55 repeal this subsection. Legal certainty includes, but is not limited
56 to, the expiration of any: Applicable limitations on actions; and
57 periods of time for seeking appellate review, up to and including

1 reconsideration by the Washington supreme court and the supreme court
2 of the United States. Until that time, eligible members may still
3 retire under this subsection, and upon receipt of the first installment
4 of a retirement allowance computed under this subsection, the resulting
5 benefit becomes contractual for the recipient. If the repeal of
6 chapter 41.31A RCW is held to be invalid in a final determination of a
7 court of law, and the court orders reinstatement of gain-sharing or
8 other alternate benefits as a remedy, then retirement benefits for any
9 member who has completed at least thirty service credit years and has
10 attained age fifty-five but has not yet received the first installment
11 of a retirement allowance under this subsection shall be computed using
12 the reductions in (a) of this subsection.

13 **Sec. 5.** RCW 41.35.420 and 2007 c 491 s 6 are each amended to read
14 as follows:

15 (1) NORMAL RETIREMENT. Any member with at least five service
16 credit years who has attained at least age sixty-five shall be eligible
17 to retire and to receive a retirement allowance computed according to
18 the provisions of RCW 41.35.400.

19 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
20 five and has completed at least five service credit years and for whom
21 the sum of the number of years of the member's age and the number of
22 years of the member's service credit equals eighty-five or more shall
23 be eligible to retire and receive a retirement allowance computed
24 according to the provisions of RCW 41.35.400.

25 (3) EARLY RETIREMENT. Any member who has completed at least twenty
26 service credit years and has attained age fifty-five shall be eligible
27 to retire and to receive a retirement allowance computed according to
28 the provisions of RCW 41.35.400, except that a member retiring pursuant
29 to this subsection shall have the retirement allowance actuarially
30 reduced to reflect the difference in the number of years between age at
31 retirement and the attainment of age sixty-five.

32 ((+3)) (4) ALTERNATE EARLY RETIREMENT.

33 (a) Any member who has completed at least thirty service credit
34 years and has attained age fifty-five shall be eligible to retire and
35 to receive a retirement allowance computed according to the provisions
36 of RCW 41.35.400, except that a member retiring pursuant to this

1 subsection shall have the retirement allowance reduced by three percent
2 per year to reflect the difference in the number of years between age
3 at retirement and the attainment of age sixty-five.

4 (b) On or after September 1, 2008, any member who has completed at
5 least thirty service credit years and has attained age fifty-five shall
6 be eligible to retire and to receive a retirement allowance computed
7 according to the provisions of RCW 41.35.400, except that a member
8 retiring pursuant to this subsection shall have the retirement
9 allowance reduced as follows:

10	Retirement	Percent
11	Age	Reduction
12	55	20%
13	56	17%
14	57	14%
15	58	11%
16	59	8%
17	60	5%
18	61	2%
19	62	0%
20	63	0%
21	64	0%

22 Any member who retires under the provisions of this subsection is
23 ineligible for the postretirement employment provisions of RCW
24 41.35.060(2) until the retired member has reached sixty-five years of
25 age. For purposes of this subsection, employment with an employer also
26 includes any personal service contract, service by an employer as a
27 temporary or project employee, or any other similar compensated
28 relationship with any employer included under the provisions of RCW
29 41.35.230(1).

30 The subsidized reductions for alternate early retirement in this
31 subsection as set forth in section 6, chapter 491, Laws of 2007 were
32 intended by the legislature as replacement benefits for gain-sharing.
33 Until there is legal certainty with respect to the repeal of chapter
34 41.31A RCW, the right to retire under this subsection is
35 noncontractual, and the legislature reserves the right to amend or
36 repeal this subsection. Legal certainty includes, but is not limited

1 to, the expiration of any: Applicable limitations on actions; and
2 periods of time for seeking appellate review, up to and including
3 reconsideration by the Washington supreme court and the supreme court
4 of the United States. Until that time, eligible members may still
5 retire under this subsection, and upon receipt of the first installment
6 of a retirement allowance computed under this subsection, the resulting
7 benefit becomes contractual for the recipient. If the repeal of
8 chapter 41.31A RCW is held to be invalid in a final determination of a
9 court of law, and the court orders reinstatement of gain-sharing or
10 other alternate benefits as a remedy, then retirement benefits for any
11 member who has completed at least thirty service credit years and has
12 attained age fifty-five but has not yet received the first installment
13 of a retirement allowance under this subsection shall be computed using
14 the reductions in (a) of this subsection.

15 **Sec. 6.** RCW 41.35.680 and 2007 c 491 s 8 are each amended to read
16 as follows:

17 (1) NORMAL RETIREMENT. Any member who is at least age sixty-five
18 and who has:

19 (a) Completed ten service credit years; or

20 (b) Completed five service credit years, including twelve service
21 credit months after attaining age forty-four; or

22 (c) Completed five service credit years by September 1, 2000, under
23 the public employees' retirement system plan 2 and who transferred to
24 plan 3 under RCW 41.35.510;

25 shall be eligible to retire and to receive a retirement allowance
26 computed according to the provisions of RCW 41.35.620.

27 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
28 five and has completed the number of service credit years required in
29 subsection (1) of this section and for whom the sum of the number of
30 years of the member's age and the number of years of the member's
31 service credit equals eighty-five or more shall be eligible to retire
32 and receive a retirement allowance computed according to the provisions
33 of RCW 41.35.620.

34 (3) EARLY RETIREMENT. Any member who has attained at least age
35 fifty-five and has completed at least ten years of service shall be
36 eligible to retire and to receive a retirement allowance computed
37 according to the provisions of RCW 41.35.620, except that a member

1 retiring pursuant to this subsection shall have the retirement
2 allowance actuarially reduced to reflect the difference in the number
3 of years between age at retirement and the attainment of age sixty-
4 five.

5 ~~((3))~~ (4) ALTERNATE EARLY RETIREMENT.

6 (a) Any member who has completed at least thirty service credit
7 years and has attained age fifty-five shall be eligible to retire and
8 to receive a retirement allowance computed according to the provisions
9 of RCW 41.35.620, except that a member retiring pursuant to this
10 subsection shall have the retirement allowance reduced by three percent
11 per year to reflect the difference in the number of years between age
12 at retirement and the attainment of age sixty-five.

13 (b) On or after September 1, 2008, any member who has completed at
14 least thirty service credit years and has attained age fifty-five shall
15 be eligible to retire and to receive a retirement allowance computed
16 according to the provisions of RCW 41.35.620, except that a member
17 retiring pursuant to this subsection shall have the retirement
18 allowance reduced as follows:

19	Retirement	Percent
20	Age	Reduction
21	55	20%
22	56	17%
23	57	14%
24	58	11%
25	59	8%
26	60	5%
27	61	2%
28	62	0%
29	63	0%
30	64	0%

31 Any member who retires under the provisions of this subsection is
32 ineligible for the postretirement employment provisions of RCW
33 41.35.060(2) until the retired member has reached sixty-five years of
34 age. For purposes of this subsection, employment with an employer also
35 includes any personal service contract, service by an employer as a

1 temporary or project employee, or any other similar compensated
2 relationship with any employer included under the provisions of RCW
3 41.35.230(1).

4 The subsidized reductions for alternate early retirement in this
5 subsection as set forth in section 8, chapter 491, Laws of 2007 were
6 intended by the legislature as replacement benefits for gain-sharing.
7 Until there is legal certainty with respect to the repeal of chapter
8 41.31A RCW, the right to retire under this subsection is
9 noncontractual, and the legislature reserves the right to amend or
10 repeal this subsection. Legal certainty includes, but is not limited
11 to, the expiration of any: Applicable limitations on actions; and
12 periods of time for seeking appellate review, up to and including
13 reconsideration by the Washington supreme court and the supreme court
14 of the United States. Until that time, eligible members may still
15 retire under this subsection, and upon receipt of the first installment
16 of a retirement allowance computed under this subsection, the resulting
17 benefit becomes contractual for the recipient. If the repeal of
18 chapter 41.31A RCW is held to be invalid in a final determination of a
19 court of law, and the court orders reinstatement of gain-sharing or
20 other alternate benefits as a remedy, then retirement benefits for any
21 member who has completed at least thirty service credit years and has
22 attained age fifty-five but has not yet received the first installment
23 of a retirement allowance under this subsection shall be computed using
24 the reductions in (a) of this subsection.

25 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
26 preservation of the public peace, health, or safety, or support of the
27 state government and its existing public institutions, and takes effect
28 July 1, 2011.

--- END ---