
HOUSE BILL 2143

State of Washington

61st Legislature

2009 Regular Session

By Representatives Cox, Ormsby, Wallace, Armstrong, Schmick, Dunshee, Roach, McCune, Chase, and Johnson

Read first time 02/11/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to reducing the postretirement employment
2 restrictions for members of the teachers' retirement system, school
3 employees' retirement system, and the public employees' retirement
4 system that retire after earning thirty or more years of service; and
5 amending RCW 41.32.765, 41.32.875, 41.35.420, 41.35.680, 41.40.630, and
6 41.40.820.

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

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

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

14 (2) EARLY RETIREMENT. Any member who has completed at least twenty
15 service credit years of service who has attained at least age fifty-
16 five shall be eligible to retire and to receive a retirement allowance
17 computed according to the provisions of RCW 41.32.760, except that a
18 member retiring pursuant to this subsection shall have the retirement

1 allowance actuarially reduced to reflect the difference in the number
2 of years between age at retirement and the attainment of age sixty-
3 five.

4 (3) ALTERNATE EARLY RETIREMENT.

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

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

| 18 | Retirement | Percent |
|----|------------|-----------|
| 19 | Age | Reduction |
| 20 | 55 | 20% |
| 21 | 56 | 17% |
| 22 | 57 | 14% |
| 23 | 58 | 11% |
| 24 | 59 | 8% |
| 25 | 60 | 5% |
| 26 | 61 | 2% |
| 27 | 62 | 0% |
| 28 | 63 | 0% |
| 29 | 64 | 0% |

30 Any member who retires under the provisions of this subsection is
31 (~~ineligible~~) eligible on a limited basis for the postretirement
32 employment provisions of RCW 41.32.802(2) (~~until the retired member~~
33 ~~has reached sixty five years of age. For purposes of this subsection,~~
34 ~~employment with an employer also includes any personal service~~
35 ~~contract, service by an employer as a temporary or project employee, or~~

1 ~~any other similar compensated relationship with any employer included~~
2 ~~under the provisions of RCW 41.32.800(1))~~. A member that retires
3 under the provisions of this subsection and meets the postretirement
4 criteria of RCW 41.32.802(2) may work up to four hundred thirty-four
5 hours per calendar year without suspension of his or her benefit,
6 rather than eight hundred sixty-seven hours.

7 The subsidized reductions for alternate early retirement in this
8 subsection as set forth in section 2, chapter 491, Laws of 2007 were
9 intended by the legislature as replacement benefits for gain-sharing.
10 Until there is legal certainty with respect to the repeal of chapter
11 41.31A RCW, the right to retire under this subsection is
12 noncontractual, and the legislature reserves the right to amend or
13 repeal this subsection. Legal certainty includes, but is not limited
14 to, the expiration of any: Applicable limitations on actions; and
15 periods of time for seeking appellate review, up to and including
16 reconsideration by the Washington supreme court and the supreme court
17 of the United States. Until that time, eligible members may still
18 retire under this subsection, and upon receipt of the first installment
19 of a retirement allowance computed under this subsection, the resulting
20 benefit becomes contractual for the recipient. If the repeal of
21 chapter 41.31A RCW is held to be invalid in a final determination of a
22 court of law, and the court orders reinstatement of gain-sharing or
23 other alternate benefits as a remedy, then retirement benefits for any
24 member who has completed at least thirty service credit years and has
25 attained age fifty-five but has not yet received the first installment
26 of a retirement allowance under this subsection shall be computed using
27 the reductions in (a) of this subsection.

28 **Sec. 2.** RCW 41.32.875 and 2007 c 491 s 4 are each amended to read
29 as follows:

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

- 32 (a) Completed ten service credit years; or
- 33 (b) Completed five service credit years, including twelve service
34 credit months after attaining age forty-four; or
- 35 (c) Completed five service credit years by July 1, 1996, under plan
36 2 and who transferred to plan 3 under RCW 41.32.817;

1 shall be eligible to retire and to receive a retirement allowance
2 computed according to the provisions of RCW 41.32.840.

3 (2) EARLY RETIREMENT. Any member who has attained at least age
4 fifty-five and has completed at least ten years of service shall be
5 eligible to retire and to receive a retirement allowance computed
6 according to the provisions of RCW 41.32.840, except that a member
7 retiring pursuant to this subsection shall have the retirement
8 allowance actuarially reduced to reflect the difference in the number
9 of years between age at retirement and the attainment of age sixty-
10 five.

11 (3) ALTERNATE EARLY RETIREMENT.

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

19 (b) On or after September 1, 2008, any member who has completed at
20 least thirty service credit years and has attained age fifty-five shall
21 be eligible to retire and to receive a retirement allowance computed
22 according to the provisions of RCW 41.32.840, except that a member
23 retiring pursuant to this subsection shall have the retirement
24 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% |

1 Any member who retires under the provisions of this subsection is
2 (~~ineligible~~) eligible on a limited basis for the postretirement
3 employment provisions of RCW 41.32.862(2) (~~until the retired member~~
4 ~~has reached sixty five years of age. For purposes of this subsection,~~
5 ~~employment with an employer also includes any personal service~~
6 ~~contract, service by an employer as a temporary or project employee, or~~
7 ~~any other similar compensated relationship with any employer included~~
8 ~~under the provisions of RCW 41.32.860(1))~~). A member that retires
9 under the provisions of this subsection and meets the postretirement
10 criteria of RCW 41.32.862(2) may work up to four hundred thirty-four
11 hours per calendar year without suspension of his or her benefit,
12 rather than eight hundred sixty-seven hours.

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

34 **Sec. 3.** RCW 41.35.420 and 2007 c 491 s 6 are each amended to read
35 as follows:

36 (1) NORMAL RETIREMENT. Any member with at least five service

1 credit years who has attained at least age sixty-five shall be eligible
2 to retire and to receive a retirement allowance computed according to
3 the provisions of RCW 41.35.400.

4 (2) EARLY RETIREMENT. Any member who has completed at least twenty
5 service credit years and has attained age fifty-five shall be eligible
6 to retire and to receive a retirement allowance computed according to
7 the provisions of RCW 41.35.400, except that a member retiring pursuant
8 to this subsection shall have the retirement allowance actuarially
9 reduced to reflect the difference in the number of years between age at
10 retirement and the attainment of age sixty-five.

11 (3) ALTERNATE EARLY RETIREMENT.

12 (a) Any member who has completed at least thirty service credit
13 years and has attained age fifty-five shall be eligible to retire and
14 to receive a retirement allowance computed according to the provisions
15 of RCW 41.35.400, except that a member retiring pursuant to this
16 subsection shall have the retirement allowance reduced by three percent
17 per year to reflect the difference in the number of years between age
18 at retirement and the attainment of age sixty-five.

19 (b) On or after September 1, 2008, any member who has completed at
20 least thirty service credit years and has attained age fifty-five shall
21 be eligible to retire and to receive a retirement allowance computed
22 according to the provisions of RCW 41.35.400, except that a member
23 retiring pursuant to this subsection shall have the retirement
24 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% |

1 Any member who retires under the provisions of this subsection is
2 (~~ineligible~~) eligible on a limited basis for the postretirement
3 employment provisions of RCW 41.35.060(2) (~~until the retired member~~
4 ~~has reached sixty five years of age. For purposes of this subsection,~~
5 ~~employment with an employer also includes any personal service~~
6 ~~contract, service by an employer as a temporary or project employee, or~~
7 ~~any other similar compensated relationship with any employer included~~
8 ~~under the provisions of RCW 41.35.230(1))~~). A member that retires
9 under the provisions of this subsection and meets the postretirement
10 criteria of RCW 41.35.060(2) may work up to four hundred thirty-four
11 hours per calendar year without suspension of his or her benefit,
12 rather than eight hundred sixty-seven hours.

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

34 **Sec. 4.** RCW 41.35.680 and 2007 c 491 s 8 are each amended to read
35 as follows:

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

1 (a) Completed ten service credit years; or
 2 (b) Completed five service credit years, including twelve service
 3 credit months after attaining age forty-four; or
 4 (c) Completed five service credit years by September 1, 2000, under
 5 the public employees' retirement system plan 2 and who transferred to
 6 plan 3 under RCW 41.35.510;
 7 shall be eligible to retire and to receive a retirement allowance
 8 computed according to the provisions of RCW 41.35.620.

9 (2) EARLY RETIREMENT. Any member who has attained at least age
 10 fifty-five and has completed at least ten years of service shall be
 11 eligible to retire and to receive a retirement allowance computed
 12 according to the provisions of RCW 41.35.620, except that a member
 13 retiring pursuant to this subsection shall have the retirement
 14 allowance actuarially reduced to reflect the difference in the number
 15 of years between age at retirement and the attainment of age sixty-
 16 five.

17 (3) ALTERNATE EARLY RETIREMENT.

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

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

| Retirement | Percent |
|------------|-----------|
| Age | Reduction |
| 55 | 20% |
| 56 | 17% |
| 57 | 14% |
| 58 | 11% |

| | | |
|---|----|----|
| 1 | 59 | 8% |
| 2 | 60 | 5% |
| 3 | 61 | 2% |
| 4 | 62 | 0% |
| 5 | 63 | 0% |
| 6 | 64 | 0% |

7 Any member who retires under the provisions of this subsection is
8 ~~((ineligible))~~ eligible on a limited basis for the postretirement
9 employment provisions of RCW 41.35.060(2) ~~((until the retired member~~
10 ~~has reached sixty five years of age. For purposes of this subsection,~~
11 ~~employment with an employer also includes any personal service~~
12 ~~contract, service by an employer as a temporary or project employee, or~~
13 ~~any other similar compensated relationship with any employer included~~
14 ~~under the provisions of RCW 41.35.230(1))~~). A member that retires
15 under the provisions of this subsection and meets the postretirement
16 criteria of RCW 41.35.060(2) may work up to four hundred thirty-four
17 hours per calendar year without suspension of his or her benefit,
18 rather than eight hundred sixty-seven hours.

19 The subsidized reductions for alternate early retirement in this
20 subsection as set forth in section 8, 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

1 attained age fifty-five but has not yet received the first installment
2 of a retirement allowance under this subsection shall be computed using
3 the reductions in (a) of this subsection.

4 **Sec. 5.** RCW 41.40.630 and 2007 c 491 s 9 are each amended to read
5 as follows:

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

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

17 (3) ALTERNATE EARLY RETIREMENT.

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

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

| 31 | Retirement | Percent |
|----|------------|-----------|
| 32 | Age | Reduction |
| 33 | 55 | 20% |
| 34 | 56 | 17% |
| 35 | 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))~~ eligible on a limited basis for the postretirement
10 employment provisions of RCW 41.40.037(2)(d) ~~((until the retired member~~
11 ~~has reached sixty five years of age. For purposes of this subsection,~~
12 ~~employment with an employer also includes any personal service~~
13 ~~contract, service by an employer as a temporary or project employee, or~~
14 ~~any other similar compensated relationship with any employer included~~
15 ~~under the provisions of RCW 41.40.690(1))~~). A member that retires
16 under the provisions of this subsection and meets the postretirement
17 criteria of RCW 41.40.037(2) may work up to four hundred thirty-four
18 hours per calendar year without suspension of his or her benefit,
19 rather than eight hundred sixty-seven hours.

20 The subsidized reductions for alternate early retirement in this
21 subsection as set forth in section 9, chapter 491, Laws of 2007 were
22 intended by the legislature as replacement benefits for gain-sharing.
23 Until there is legal certainty with respect to the repeal of chapter
24 41.31A RCW, the right to retire under this subsection is
25 noncontractual, and the legislature reserves the right to amend or
26 repeal this subsection. Legal certainty includes, but is not limited
27 to, the expiration of any: Applicable limitations on actions; and
28 periods of time for seeking appellate review, up to and including
29 reconsideration by the Washington supreme court and the supreme court
30 of the United States. Until that time, eligible members may still
31 retire under this subsection, and upon receipt of the first installment
32 of a retirement allowance computed under this subsection, the resulting
33 benefit becomes contractual for the recipient. If the repeal of
34 chapter 41.31A RCW is held to be invalid in a final determination of a
35 court of law, and the court orders reinstatement of gain-sharing or
36 other alternate benefits as a remedy, then retirement benefits for any
37 member who has completed at least thirty service credit years and has

1 attained age fifty-five but has not yet received the first installment
2 of a retirement allowance under this subsection shall be computed using
3 the reductions in (a) of this subsection.

4 **Sec. 6.** RCW 41.40.820 and 2007 c 491 s 10 are each amended to read
5 as follows:

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

8 (a) Completed ten service credit years; or

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

11 (c) Completed five service credit years by the transfer payment
12 date specified in RCW 41.40.795, under the public employees' retirement
13 system plan 2 and who transferred to plan 3 under RCW 41.40.795;
14 shall be eligible to retire and to receive a retirement allowance
15 computed according to the provisions of RCW 41.40.790.

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

24 (3) ALTERNATE EARLY RETIREMENT.

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

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

| | Retirement | Percent |
|----|------------|-----------|
| 2 | Age | Reduction |
| 3 | 55 | 20% |
| 4 | 56 | 17% |
| 5 | 57 | 14% |
| 6 | 58 | 11% |
| 7 | 59 | 8% |
| 8 | 60 | 5% |
| 9 | 61 | 2% |
| 10 | 62 | 0% |
| 11 | 63 | 0% |
| 12 | 64 | 0% |

13 Any member who retires under the provisions of this subsection is
14 ~~((ineligible))~~ eligible on a limited basis for the postretirement
15 employment provisions of RCW 41.40.037(2)(d) ~~((until the retired member~~
16 ~~has reached sixty five years of age. For purposes of this subsection,~~
17 ~~employment with an employer also includes any personal service~~
18 ~~contract, service by an employer as a temporary or project employee, or~~
19 ~~any other similar compensated relationship with any employer included~~
20 ~~under the provisions of RCW 41.40.850(1)))). A member that retires
21 under the provisions of this subsection and meets the postretirement
22 criteria of RCW 41.40.037(2) may work up to four hundred thirty-four
23 hours per calendar year without suspension of his or her benefit,
24 rather than eight hundred sixty-seven hours.~~

25 The subsidized reductions for alternate early retirement in this
26 subsection as set forth in section 10, chapter 491, Laws of 2007 were
27 intended by the legislature as replacement benefits for gain-sharing.
28 Until there is legal certainty with respect to the repeal of chapter
29 41.31A RCW, the right to retire under this subsection is
30 noncontractual, and the legislature reserves the right to amend or
31 repeal this subsection. Legal certainty includes, but is not limited
32 to, the expiration of any: Applicable limitations on actions; and
33 periods of time for seeking appellate review, up to and including
34 reconsideration by the Washington supreme court and the supreme court
35 of the United States. Until that time, eligible members may still

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

--- END ---