

SHB 1056 - S COMM AMD

By Committee on Ways & Means

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 41.32.765 and 2012 1st sp.s. c 7 s 1 are each
4 amended to read as follows:

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

9 (2) EARLY RETIREMENT. Any member who has completed at least
10 twenty service credit years of service who has attained at least age
11 fifty-five shall be eligible to retire and to receive a retirement
12 allowance computed according to the provisions of RCW 41.32.760,
13 except that a member retiring pursuant to this subsection shall have
14 the retirement allowance actuarially reduced to reflect the
15 difference in the number of years between age at retirement and the
16 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
21 provisions of RCW 41.32.760, except that a member retiring pursuant
22 to this subsection shall have the retirement allowance reduced by
23 three percent per year to reflect the difference in the number of
24 years between age at retirement and the attainment of age sixty-five.

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

	Retirement	Percent
	Age	Reduction
1		
2		
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)~~ (i) Until December 31, 2023, any member who retires under
14 the provisions of this subsection is ineligible for the
15 postretirement employment provisions of RCW 41.32.802(2) until the
16 retired member has reached sixty-five years of age.

17 (ii) Beginning January 1, 2024, any current or future retiree
18 under the provisions of this subsection may utilize the
19 postretirement employment provisions of RCW 41.32.802(2) for up to
20 867 hours per year.

21 (iii) For purposes of this subsection, employment with an
22 employer prior to the retired member reaching sixty-five years of age
23 also includes any personal service contract, service (~~by~~) for an
24 employer as a temporary or project employee, or any other similar
25 compensated relationship with any employer included under the
26 provisions of RCW 41.32.800(1). After reaching sixty-five years of
27 age, employment with an employer only includes employers as defined
28 in RCW 41.32.010.

29 The subsidized reductions for alternate early retirement in this
30 subsection as set forth in section 2, chapter 491, Laws of 2007 were
31 intended by the legislature as replacement benefits for gain-sharing.
32 Until there is legal certainty with respect to the repeal of chapter
33 41.31A RCW, the right to retire under this subsection is
34 noncontractual, and the legislature reserves the right to amend or
35 repeal this subsection. Legal certainty includes, but is not limited
36 to, the expiration of any: Applicable limitations on actions; and

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

15 (c) Members who first become employed by an employer in an
16 eligible position on or after May 1, 2013, are not eligible for the
17 alternate early retirement provisions of (a) or (b) of this
18 subsection. Any member who first becomes employed by an employer in
19 an eligible position on or after May 1, 2013, and has completed at
20 least thirty service credit years and has attained age fifty-five
21 shall be eligible to retire and to receive a retirement allowance
22 computed according to the provisions of RCW 41.32.760, except that a
23 member retiring pursuant to this subsection shall have the retirement
24 allowance reduced by five percent per year to reflect the difference
25 in the number of years between age at retirement and the attainment
26 of age sixty-five.

27 **Sec. 2.** RCW 41.32.802 and 2022 c 110 s 2 are each amended to
28 read as follows:

29 (1)(a) If a retiree enters employment with an employer sooner
30 than one calendar month after his or her accrual date, the retiree's
31 monthly retirement allowance will be reduced by five and one-half
32 percent for every seven hours worked during that month. This
33 reduction will be applied each month until the retiree remains absent
34 from employment with an employer for one full calendar month.

35 (b) The benefit reduction provided in (a) of this subsection will
36 accrue for a maximum of one hundred forty hours per month. Any
37 benefit reduction over one hundred percent will be applied to the
38 benefit the retiree is eligible to receive in subsequent months.

1 (2) (a) A retiree who has satisfied the break in employment
2 requirement of subsection (1) of this section, may work up to eight
3 hundred sixty-seven hours per calendar year in an eligible position,
4 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or
5 as a firefighter or law enforcement officer, as defined in RCW
6 41.26.030, or in a position covered by annuity and retirement income
7 plans offered by institutions of higher education pursuant to RCW
8 28B.10.400, without suspension of his or her benefit.

9 ~~(b) ((A retiree who has retired under the alternate early
10 retirement provisions of RCW 41.32.765(3) (b) may be employed with an
11 employer for up to 867 hours per calendar year without suspension of
12 his or her benefit, provided that: (i) The retired teacher reenters
13 employment more than one calendar month after his or her accrual date
14 and after June 9, 2016; and (ii) the retired teacher is employed in a
15 nonadministrative capacity.~~

16 ~~(e))~~ (i) Between March 23, 2022, and July 1, 2025, a retiree who
17 reenters employment more than one month after his or her accrual
18 date, and who enters service in a school district in a
19 nonadministrative position shall continue to receive pension payments
20 while engaged in such service, until the retiree has rendered service
21 for more than 1,040 hours in a calendar year.

22 (ii) Between March 23, 2022, and July 1, 2025, a retiree that
23 retired before January 1, 2022, and who enters service in a second-
24 class school district, as defined in RCW 28A.300.065, as either a
25 district superintendent or an in-school administrator shall continue
26 to receive pension payments while engaged in such service, until the
27 retiree has rendered service for more than 1,040 hours in a calendar
28 year.

29 (iii) The legislature reserves the right to amend or repeal this
30 subsection (2) ~~((e))~~ (b) in the future and no member or beneficiary
31 has a contractual right to be employed for more than 867 hours in a
32 calendar year without a reduction of his or her pension.

33 (3) If the retiree opts to reestablish membership under RCW
34 41.32.044, he or she terminates his or her retirement status and
35 immediately becomes a member. Retirement benefits shall not accrue
36 during the period of membership and the individual shall make
37 contributions and receive membership credit. Such a member shall have
38 the right to again retire if eligible.

1 **Sec. 3.** RCW 41.32.862 and 2022 c 110 s 3 are each amended to
2 read as follows:

3 (1)(a) If a retiree enters employment with an employer sooner
4 than one calendar month after his or her accrual date, the retiree's
5 monthly retirement allowance will be reduced by five and one-half
6 percent for every seven hours worked during that month. This
7 reduction will be applied each month until the retiree remains absent
8 from employment with an employer for one full calendar month.

9 (b) The benefit reduction provided in (a) of this subsection will
10 accrue for a maximum of one hundred forty hours per month. Any
11 benefit reduction over one hundred percent will be applied to the
12 benefit the retiree is eligible to receive in subsequent months.

13 (2)(a) A retiree who has satisfied the break in employment
14 requirement of subsection (1) of this section, may work up to eight
15 hundred sixty-seven hours per calendar year in an eligible position,
16 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or
17 as a firefighter or law enforcement officer, as defined in RCW
18 41.26.030, or in a position covered by annuity and retirement income
19 plans offered by institutions of higher education pursuant to RCW
20 28B.10.400, without suspension of his or her benefit.

21 (b) ~~((A retiree who has retired under the alternate early
22 retirement provisions of RCW 41.32.875(3)(b) may be employed with an
23 employer for up to 867 hours per calendar year without suspension of
24 his or her benefit, provided that: (i) The retired teacher reenters
25 employment more than one calendar month after his or her accrual date
26 and after June 9, 2016; and (ii) the retired teacher is employed in a
27 nonadministrative capacity.~~

28 ~~(e))~~(i) Between March 23, 2022, and July 1, 2025, a retired
29 teacher or retired administrator who reenters employment more than
30 one month after his or her accrual date, and who enters service in a
31 school district in a nonadministrative position shall continue to
32 receive pension payments while engaged in such service, until the
33 retiree has rendered service for more than 1,040 hours in a calendar
34 year.

35 (ii) Between March 23, 2022, and July 1, 2025, a retiree that
36 retired before January 1, 2022, and who enters service in a second-
37 class school district, as defined in RCW 28A.300.065, as either a
38 district superintendent or an in-school administrator shall continue
39 to receive pension payments while engaged in such service, until the

1 retiree has rendered service for more than 1,040 hours in a calendar
2 year.

3 (iii) The legislature reserves the right to amend or repeal this
4 subsection (2) (~~(e)~~) (b) in the future and no member or beneficiary
5 has a contractual right to be employed for more than 867 hours in a
6 calendar year without a reduction of his or her pension.

7 (3) If the retiree opts to reestablish membership under RCW
8 41.32.044, he or she terminates his or her retirement status and
9 immediately becomes a member. Retirement benefits shall not accrue
10 during the period of membership and the individual shall make
11 contributions and receive membership credit. Such a member shall have
12 the right to again retire if eligible.

13 **Sec. 4.** RCW 41.32.875 and 2012 1st sp.s. c 7 s 2 are each
14 amended to read as follows:

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

17 (a) Completed ten service credit years; or

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

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

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

32 (3) 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
36 provisions of RCW 41.32.840, except that a member retiring pursuant
37 to this subsection shall have the retirement allowance reduced by
38 three percent per year to reflect the difference in the number of
39 years between age at retirement and the attainment of age sixty-five.

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

7	Retirement	Percent
8	Age	Reduction
9	55	20%
10	56	17%
11	57	14%
12	58	11%
13	59	8%
14	60	5%
15	61	2%
16	62	0%
17	63	0%
18	64	0%

19 ~~((Any))~~ (i) Until December 31, 2023, any member who retires under
20 the provisions of this subsection is ineligible for the
21 postretirement employment provisions of RCW 41.32.862(2) until the
22 retired member has reached sixty-five years of age.

23 (ii) Beginning January 1, 2024, any current or future retiree
24 under the provisions of this subsection may utilize the
25 postretirement employment provisions of RCW 41.32.862(2) for up to
26 867 hours per year.

27 (iii) For purposes of this subsection, employment with an
28 employer prior to the retired member reaching sixty-five years of age
29 also includes any personal service contract, service (~~by~~) for an
30 employer as a temporary or project employee, or any other similar
31 compensated relationship with any employer included under the
32 provisions of RCW 41.32.860(1). After reaching sixty-five years of
33 age, employment with an employer only includes employers as defined
34 in RCW 41.32.010.

35 The subsidized reductions for alternate early retirement in this
36 subsection as set forth in section 4, chapter 491, Laws of 2007 were

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

21 (c) Members who first become employed by an employer in an
22 eligible position on or after May 1, 2013, are not eligible for the
23 alternate early retirement provisions of (a) or (b) of this
24 subsection. Any member who first becomes employed by an employer in
25 an eligible position on or after May 1, 2013, and has completed at
26 least thirty service credit years and has attained age fifty-five
27 shall be eligible to retire and to receive a retirement allowance
28 computed according to the provisions of RCW 41.32.840, except that a
29 member retiring pursuant to this subsection shall have the retirement
30 allowance reduced by five percent per year to reflect the difference
31 in the number of years between age at retirement and the attainment
32 of age sixty-five.

33 **Sec. 5.** RCW 41.35.060 and 2022 c 110 s 4 are each amended to
34 read as follows:

35 (1)(a) If a retiree enters employment with an employer sooner
36 than one calendar month after his or her accrual date, the retiree's
37 monthly retirement allowance will be reduced by five and one-half
38 percent for every eight hours worked during that month. This

1 reduction will be applied each month until the retiree remains absent
2 from employment with an employer for one full calendar month.

3 (b) The benefit reduction provided in (a) of this subsection will
4 accrue for a maximum of one hundred sixty hours per month. Any
5 benefit reduction over one hundred percent will be applied to the
6 benefit the retiree is eligible to receive in subsequent months.

7 (2)(a) A retiree who has satisfied the break in employment
8 requirement of subsection (1) of this section may work up to eight
9 hundred sixty-seven hours per calendar year in an eligible position,
10 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or
11 as a firefighter or law enforcement officer, as defined in RCW
12 41.26.030, or in a position covered by annuity and retirement income
13 plans offered by institutions of higher education pursuant to RCW
14 28B.10.400, without suspension of his or her benefit.

15 ~~(b) ((A retiree in the school employees' retirement system plan 2
16 or plan 3 who has retired under the alternate early retirement
17 provisions of RCW 41.35.420(3)(b) may be employed with an employer
18 for up to 867 hours per calendar year without suspension of his or
19 her benefit, provided that: (i) The retiree reenters employment more
20 than one calendar month after his or her accrual date; and (ii) the
21 retiree is employed in a nonadministrative position.~~

22 ~~(e))~~ Between March 23, 2022, and July 1, 2025, a retiree,
23 including a retiree who has retired under the alternate early
24 retirement provisions of RCW 41.35.420(3)(b) or 41.35.680(3)(b), who
25 reenters employment more than one month after his or her accrual
26 date, and who enters service in a school district in a
27 nonadministrative position shall continue to receive pension payments
28 while engaged in such service, until the retiree has rendered service
29 for more than 1,040 hours in a calendar year. The legislature
30 reserves the right to amend or repeal this subsection (2)((~~e~~)) (b)
31 in the future and no member or beneficiary has a contractual right to
32 be employed for more than 867 hours in a calendar year without a
33 reduction of his or her pension.

34 (3) If the retiree opts to reestablish membership under RCW
35 41.35.030, he or she terminates his or her retirement status and
36 becomes a member. Retirement benefits shall not accrue during the
37 period of membership and the individual shall make contributions and
38 receive membership credit. Such a member shall have the right to
39 again retire if eligible in accordance with RCW 41.35.420 or
40 41.35.680. However, if the right to retire is exercised to become

1 effective before the member has rendered two uninterrupted years of
2 service, the retirement formula and survivor options the member had
3 at the time of the member's previous retirement shall be reinstated.

4 **Sec. 6.** RCW 41.35.420 and 2012 1st sp.s. c 7 s 3 are each
5 amended to read 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
8 eligible to retire and to receive a retirement allowance computed
9 according to the provisions of RCW 41.35.400.

10 (2) EARLY RETIREMENT. Any member who has completed at least
11 twenty service credit years and has attained age fifty-five shall be
12 eligible to retire and to receive a retirement allowance computed
13 according to the provisions of RCW 41.35.400, 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) 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
22 provisions of RCW 41.35.400, except that a member retiring pursuant
23 to this subsection shall have the retirement allowance reduced by
24 three percent per year to reflect the difference in the number of
25 years between age at retirement and the attainment of age sixty-five.

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

32	Retirement	Percent
33	Age	Reduction
34	55	20%
35	56	17%
36	57	14%
37	58	11%

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

7 ((Any)) (i) Until December 31, 2023, any member who retires under
8 the provisions of this subsection is ineligible for the
9 postretirement employment provisions of RCW 41.35.060(2) until the
10 retired member has reached sixty-five years of age.

11 (ii) Beginning January 1, 2024, any current or future retiree
12 under the provisions of this subsection may utilize the
13 postretirement provisions of RCW 41.35.060(2) for up to 867 hours per
14 year.

15 (iii) For purposes of this subsection, employment with an
16 employer prior to the retired member reaching sixty-five years of age
17 also includes any personal service contract, service ((by)) for an
18 employer as a temporary or project employee, or any other similar
19 compensated relationship with any employer included under the
20 provisions of RCW 41.35.230(1). After reaching sixty-five years of
21 age, employment with an employer only includes employers as defined
22 in RCW 41.35.010.

23 The subsidized reductions for alternate early retirement in this
24 subsection as set forth in section 6, chapter 491, Laws of 2007 were
25 intended by the legislature as replacement benefits for gain-sharing.
26 Until there is legal certainty with respect to the repeal of chapter
27 41.31A RCW, the right to retire under this subsection is
28 noncontractual, and the legislature reserves the right to amend or
29 repeal this subsection. Legal certainty includes, but is not limited
30 to, the expiration of any: Applicable limitations on actions; and
31 periods of time for seeking appellate review, up to and including
32 reconsideration by the Washington supreme court and the supreme court
33 of the United States. Until that time, eligible members may still
34 retire under this subsection, and upon receipt of the first
35 installment of a retirement allowance computed under this subsection,
36 the resulting benefit becomes contractual for the recipient. If the
37 repeal of chapter 41.31A RCW is held to be invalid in a final
38 determination of a court of law, and the court orders reinstatement

1 of gain-sharing or other alternate benefits as a remedy, then
2 retirement benefits for any member who has completed at least thirty
3 service credit years and has attained age fifty-five but has not yet
4 received the first installment of a retirement allowance under this
5 subsection shall be computed using the reductions in (a) of this
6 subsection.

7 (c) Members who first become employed by an employer in an
8 eligible position on or after May 1, 2013, are not eligible for the
9 alternate early retirement provisions of (a) or (b) of this
10 subsection. Any member who first becomes employed by an employer in
11 an eligible position on or after May 1, 2013, and has completed at
12 least thirty service credit years and has attained age fifty-five
13 shall be eligible to retire and to receive a retirement allowance
14 computed according to the provisions of RCW 41.35.400, except that a
15 member retiring pursuant to this subsection shall have the retirement
16 allowance reduced by five percent per year to reflect the difference
17 in the number of years between age at retirement and the attainment
18 of age sixty-five.

19 **Sec. 7.** RCW 41.35.680 and 2012 1st sp.s. c 7 s 4 are each
20 amended to read as follows:

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

23 (a) Completed ten service credit years; or

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

26 (c) Completed five service credit years by September 1, 2000,
27 under the public employees' retirement system plan 2 and who
28 transferred to plan 3 under RCW 41.35.510;
29 shall be eligible to retire and to receive a retirement allowance
30 computed according to the provisions of RCW 41.35.620.

31 (2) EARLY RETIREMENT. Any member who has attained at least age
32 fifty-five and has completed at least ten years of service shall be
33 eligible to retire and to receive a retirement allowance computed
34 according to the provisions of RCW 41.35.620, except that a member
35 retiring pursuant to this subsection shall have the retirement
36 allowance actuarially reduced to reflect the difference in the number
37 of years between age at retirement and the attainment of age sixty-
38 five.

39 (3) ALTERNATE EARLY RETIREMENT.

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

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

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

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26 ~~((Any))~~ (i) Until December 31, 2023, any member who retires under
27 the provisions of this subsection is ineligible for the
28 postretirement employment provisions of RCW 41.35.060(2) until the
29 retired member has reached sixty-five years of age.

30 (ii) Beginning January 1, 2024, any current or future retiree
31 under the provisions of this subsection may utilize the
32 postretirement employment provisions of RCW 41.35.060(2).

33 (iii) For purposes of this subsection, employment with an
34 employer prior to the retired member reaching sixty-five years of age
35 also includes any personal service contract, service ~~((by))~~ for an
36 employer as a temporary or project employee, or any other similar

1 compensated relationship with any employer included under the
2 provisions of RCW 41.35.230(1). After reaching sixty-five years of
3 age, employment with an employer only includes employers as defined
4 in RCW 41.35.010.

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

27 (c) Members who first become employed by an employer in an
28 eligible position on or after May 1, 2013, are not eligible for the
29 alternate early retirement provisions of (a) or (b) of this
30 subsection. Any member who first becomes employed by an employer in
31 an eligible position on or after May 1, 2013, and has completed at
32 least thirty service credit years and has attained age fifty-five
33 shall be eligible to retire and to receive a retirement allowance
34 computed according to the provisions of RCW 41.35.620, except that a
35 member retiring pursuant to this subsection shall have the retirement
36 allowance reduced by five percent per year to reflect the difference
37 in the number of years between age at retirement and the attainment
38 of age sixty-five.

1 **Sec. 8.** RCW 41.40.630 and 2012 1st sp.s. c 7 s 5 are each
2 amended to read as follows:

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

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

15 (3) ALTERNATE EARLY RETIREMENT.

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

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

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

1	62	0%
2	63	0%
3	64	0%

4 ((Any)) (i) Until December 31, 2023, any member who retires under
5 the provisions of this subsection is ineligible for the
6 postretirement employment provisions of RCW 41.40.037(2)(d) until the
7 retired member has reached sixty-five years of age.

8 (ii) Beginning January 1, 2024, any current or future retiree
9 under the provisions of this subsection may utilize the
10 postretirement employment provisions of RCW 41.40.037(2) for up to
11 867 hours per year.

12 (iii) For purposes of this subsection, employment with an
13 employer prior to the retired member reaching sixty-five years of age
14 also includes any personal service contract, service ((by)) for an
15 employer as a temporary or project employee, or any other similar
16 compensated relationship with any employer included under the
17 provisions of RCW 41.40.690(1). After reaching sixty-five years of
18 age, employment with an employer only includes employers as defined
19 in RCW 41.40.010.

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
32 installment of a retirement allowance computed under this subsection,
33 the resulting benefit becomes contractual for the recipient. If the
34 repeal of chapter 41.31A RCW is held to be invalid in a final
35 determination of a court of law, and the court orders reinstatement
36 of gain-sharing or other alternate benefits as a remedy, then
37 retirement benefits for any member who has completed at least thirty
38 service credit years and has attained age fifty-five but has not yet

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

4 (c) Members who first become employed by an employer in an
5 eligible position on or after May 1, 2013, are not eligible for the
6 alternate early retirement provisions of (a) or (b) of this
7 subsection. Any member who first becomes employed by an employer in
8 an eligible position on or after May 1, 2013, and has completed at
9 least thirty service credit years and has attained age fifty-five
10 shall be eligible to retire and to receive a retirement allowance
11 computed according to the provisions of RCW 41.40.620, except that a
12 member retiring pursuant to this subsection shall have the retirement
13 allowance reduced by five percent per year to reflect the difference
14 in the number of years between age at retirement and the attainment
15 of age sixty-five.

16 **Sec. 9.** RCW 41.40.820 and 2012 1st sp.s. c 7 s 6 are each
17 amended to read as follows:

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

20 (a) Completed ten service credit years; or

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

23 (c) Completed five service credit years by the transfer payment
24 date specified in RCW 41.40.795, under the public employees'
25 retirement system plan 2 and who transferred to plan 3 under RCW
26 41.40.795;

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

29 (2) EARLY RETIREMENT. Any member who has attained at least age
30 fifty-five and has completed at least ten years of service shall be
31 eligible to retire and to receive a retirement allowance computed
32 according to the provisions of RCW 41.40.790, except that a member
33 retiring pursuant to this subsection shall have the retirement
34 allowance actuarially reduced to reflect the difference in the number
35 of years between age at retirement and the attainment of age sixty-
36 five.

37 (3) ALTERNATE EARLY RETIREMENT.

38 (a) Any member who has completed at least thirty service credit
39 years and has attained age fifty-five shall be eligible to retire and

1 to receive a retirement allowance computed according to the
2 provisions of RCW 41.40.790, except that a member retiring pursuant
3 to this subsection shall have the retirement allowance reduced by
4 three percent per year to reflect the difference in the number of
5 years between age at retirement and the attainment of age sixty-five.

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

12	Retirement	Percent
13	Age	Reduction
14	55	20%
15	56	17%
16	57	14%
17	58	11%
18	59	8%
19	60	5%
20	61	2%
21	62	0%
22	63	0%
23	64	0%

24 ~~((Any))~~ (i) Until December 31, 2023, any member who retires under
25 the provisions of this subsection is ineligible for the
26 postretirement employment provisions of RCW 41.40.037(2)(d) until the
27 retired member has reached sixty-five years of age.

28 (ii) Beginning January 1, 2024, any current or future retiree
29 under the provisions of this subsection may utilize the
30 postretirement employment provisions of RCW 41.40.037(2) for up to
31 867 hours per year.

32 (iii) For purposes of this subsection, employment with an
33 employer prior to the retired member reaching sixty-five years of age
34 also includes any personal service contract, service ~~((by))~~ for an
35 employer as a temporary or project employee, or any other similar
36 compensated relationship with any employer included under the

1 provisions of RCW 41.40.850(1). After reaching sixty-five years of
2 age, employment with an employer only includes employers as defined
3 in RCW 41.40.010.

4 The subsidized reductions for alternate early retirement in this
5 subsection as set forth in section 10, 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
16 installment of a retirement allowance computed under this subsection,
17 the resulting benefit becomes contractual for the recipient. If the
18 repeal of chapter 41.31A RCW is held to be invalid in a final
19 determination of a court of law, and the court orders reinstatement
20 of gain-sharing or other alternate benefits as a remedy, then
21 retirement benefits for any member who has completed at least thirty
22 service credit years and has attained age fifty-five but has not yet
23 received the first installment of a retirement allowance under this
24 subsection shall be computed using the reductions in (a) of this
25 subsection.

26 (c) Members who first become employed by an employer in an
27 eligible position on or after May 1, 2013, are not eligible for the
28 alternate early retirement provisions of (a) or (b) of this
29 subsection. Any member who first becomes employed by an employer in
30 an eligible position on or after May 1, 2013, and has completed at
31 least thirty service credit years and has attained age fifty-five
32 shall be eligible to retire and to receive a retirement allowance
33 computed according to the provisions of RCW 41.40.790, except that a
34 member retiring pursuant to this subsection shall have the retirement
35 allowance reduced by five percent per year to reflect the difference
36 in the number of years between age at retirement and the attainment
37 of age sixty-five.

38 NEW SECTION. **Sec. 10.** This act takes effect January 1, 2024."

SHB 1056 - S COMM AMD
By Committee on Ways & Means

1 On page 1, line 2 of the title, after "restrictions;" strike the
2 remainder of the title and insert "amending RCW 41.32.765, 41.32.802,
3 41.32.862, 41.32.875, 41.35.060, 41.35.420, 41.35.680, 41.40.630, and
4 41.40.820; and providing an effective date."

EFFECT: Removes the recalculation of retirement benefits for retirees that were eligible to take a 2008 early retirement factor but took a higher reduction in benefits so that they could return to work.

--- END ---