
HOUSE BILL 1032

State of Washington

67th Legislature

2021 Regular Session

By Representative Harris

Prefiled 12/17/20.

1 AN ACT Relating to early retirement options for members of the
2 teachers' retirement system and school employees' retirement system
3 plans 2 and 3; amending RCW 41.32.765, 41.32.875, 41.35.420, and
4 41.35.680; creating a new section; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature intends to provide an
7 enhanced retirement benefit for members of the teachers' retirement
8 system and school employees' retirement system plans 2 and 3 during
9 the extraordinary COVID-19 global pandemic. Enhanced retirement
10 provisions under this act are only in effect while the governor's
11 emergency COVID-19 proclamations 20.05 and 20.09 are in effect. No
12 members of the teachers' retirement system or school employees'
13 retirement system plans 2 and 3 are eligible to apply for retirement
14 under this act after the governor's emergency COVID-19 proclamations
15 20.05 and 20.09 are rescinded.

16 **Sec. 2.** RCW 41.32.765 and 2012 1st sp.s. c 7 s 1 are each
17 amended to read as follows:

18 (1) NORMAL RETIREMENT. Any member with at least five service
19 credit years of service who has attained at least age sixty-five

1 shall be eligible to retire and to receive a retirement allowance
2 computed according to the provisions of RCW 41.32.760.

3 (2) EARLY RETIREMENT. Any member who has completed at least
4 twenty service credit years of service who has attained at least age
5 fifty-five shall be eligible to retire and to receive a retirement
6 allowance computed according to the provisions of RCW 41.32.760,
7 except that a member retiring pursuant to this subsection shall have
8 the retirement allowance actuarially reduced to reflect the
9 difference in the number of years between age at retirement and the
10 attainment of age sixty-five. While the governor's emergency COVID-19
11 proclamations 20.05 and 20.09 are in effect, the annual actuarial
12 reduction is three percent per year for members over the age of
13 sixty.

14 (3) ALTERNATE EARLY RETIREMENT.

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

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

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

1	63	0%
2	64	0%

3 (ii) While the governor's emergency COVID-19 proclamations 20.05
4 and 20.09 are in effect, any member who has completed at least thirty
5 service credit years and has attained age fifty-five is eligible to
6 retire and to receive a retirement allowance computed according to
7 RCW 41.32.760. However, a member retiring under this subsection shall
8 have the retirement allowance as follows:

9	<u>Retirement</u>	<u>Percent</u>
10	<u>Age</u>	<u>Reduction</u>
11	<u>55</u>	<u>20%</u>
12	<u>56</u>	<u>17%</u>
13	<u>57</u>	<u>14%</u>
14	<u>58</u>	<u>11%</u>
15	<u>59</u>	<u>8%</u>
16	<u>60</u>	<u>0%</u>
17	<u>61</u>	<u>0%</u>
18	<u>62</u>	<u>0%</u>
19	<u>63</u>	<u>0%</u>
20	<u>64</u>	<u>0%</u>

21 (iii) (A) Any member who retires under the provisions of this
22 subsection is ineligible for the postretirement employment provisions
23 of RCW 41.32.802(2) until the retired member has reached sixty-five
24 years of age. For purposes of this subsection, employment with an
25 employer also includes any personal service contract, service by an
26 employer as a temporary or project employee, or any other similar
27 compensated relationship with any employer included under the
28 provisions of RCW 41.32.800(1).

29 (B) The subsidized reductions for alternate early retirement in
30 this subsection as set forth in section 2, chapter 491, Laws of 2007
31 were intended by the legislature as replacement benefits for gain-
32 sharing. Until there is legal certainty with respect to the repeal of
33 chapter 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

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

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

28 **Sec. 3.** RCW 41.32.875 and 2012 1st sp.s. c 7 s 2 are each
29 amended to read 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
36 plan 2 and who transferred to plan 3 under RCW 41.32.817;

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

1 (2) EARLY RETIREMENT. Any member who has attained at least age
2 fifty-five and has completed at least ten years of service shall be
3 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 actuarially reduced to reflect the difference in the number
7 of years between age at retirement and the attainment of age sixty-
8 five. While the governor's emergency COVID-19 proclamations 20.05 and
9 20.09 are in effect, the annual actuarial reduction is three percent
10 per year for members over the age of sixty.

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
15 provisions of RCW 41.32.840, except that a member retiring pursuant
16 to this subsection shall have the retirement allowance reduced by
17 three percent per year to reflect the difference in the number of
18 years between age at retirement and the attainment of age sixty-five.

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

25	Retirement	Percent
26	Age	Reduction
27	55	20%
28	56	17%
29	57	14%
30	58	11%
31	59	8%
32	60	5%
33	61	2%
34	62	0%
35	63	0%
36	64	0%

(ii) While the governor's emergency COVID-19 proclamations 20.05 and 20.09 are in effect, any member who has completed at least thirty service credit years and has attained age fifty-five is eligible to retire and to receive a retirement allowance computed according to RCW 41.32.840. However, a member retiring under this subsection shall have the retirement allowance as follows:

<u>Retirement</u>	<u>Percent</u>
<u>Age</u>	<u>Reduction</u>
<u>55</u>	<u>20%</u>
<u>56</u>	<u>17%</u>
<u>57</u>	<u>14%</u>
<u>58</u>	<u>11%</u>
<u>59</u>	<u>8%</u>
<u>60</u>	<u>0%</u>
<u>61</u>	<u>0%</u>
<u>62</u>	<u>0%</u>
<u>63</u>	<u>0%</u>
<u>64</u>	<u>0%</u>

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

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

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

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

25 **Sec. 4.** RCW 41.35.420 and 2012 1st sp.s. c 7 s 3 are each
26 amended to read as follows:

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

31 (2) EARLY RETIREMENT. Any member who has completed at least
32 twenty service credit years and has attained age fifty-five shall be
33 eligible to retire and to receive a retirement allowance computed
34 according to the provisions of RCW 41.35.400, 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. While the governor's emergency COVID-19 proclamations 20.05 and

1 20.09 are in effect, the annual actuarial reduction is three percent
2 per year for members over the age of sixty.

3 (3) ALTERNATE EARLY RETIREMENT.

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

11 (b) (i) On or after September 1, 2008, any member who has
12 completed at least thirty service credit years and has attained age
13 fifty-five shall be eligible to retire and to receive a retirement
14 allowance computed according to the provisions of RCW 41.35.400,
15 except that a member retiring pursuant to this subsection shall have
16 the retirement 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%

29 (ii) While the governor's emergency COVID-19 proclamations 20.05
30 and 20.09 are in effect, any member who has completed at least thirty
31 service credit years and has attained age fifty-five is eligible to
32 retire and to receive a retirement allowance computed according to
33 RCW 41.35.400. However, a member retiring under this subsection shall
34 have the retirement allowance as follows:

<u>Retirement</u>	<u>Percent</u>
<u>Age</u>	<u>Reduction</u>

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

11 (iii)(A) Any member who retires under the provisions of this
12 subsection is ineligible for the postretirement employment provisions
13 of RCW 41.35.060(2) until the retired member has reached sixty-five
14 years of age. For purposes of this subsection, employment with an
15 employer also includes any personal service contract, service by an
16 employer as a temporary or project employee, or any other similar
17 compensated relationship with any employer included under the
18 provisions of RCW 41.35.230(1).

19 (B) The subsidized reductions for alternate early retirement in
20 this subsection as set forth in section 6, chapter 491, Laws of 2007
21 were intended by the legislature as replacement benefits for gain-
22 sharing. Until there is legal certainty with respect to the repeal of
23 chapter 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
31 installment of a retirement allowance computed under this subsection,
32 the resulting benefit becomes contractual for the recipient. If the
33 repeal of chapter 41.31A RCW is held to be invalid in a final
34 determination of a court of law, and the court orders reinstatement
35 of gain-sharing or other alternate benefits as a remedy, then
36 retirement benefits for any member who has completed at least thirty
37 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 41.35.400, 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. 5.** RCW 41.35.680 and 2012 1st sp.s. c 7 s 4 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 September 1, 2000,
24 under the public employees' retirement system plan 2 and who
25 transferred to plan 3 under RCW 41.35.510;
26 shall be eligible to retire and to receive a retirement allowance
27 computed according to the provisions of RCW 41.35.620.

28 (2) EARLY RETIREMENT. Any member who has attained at least age
29 fifty-five and has completed at least ten years of service shall be
30 eligible to retire and to receive a retirement allowance computed
31 according to the provisions of RCW 41.35.620, except that a member
32 retiring pursuant to this subsection shall have the retirement
33 allowance actuarially reduced to reflect the difference in the number
34 of years between age at retirement and the attainment of age sixty-
35 five. While the governor's emergency COVID-19 proclamations 20.05 and
36 20.09 are in effect, the annual actuarial reduction is three percent
37 per year for members over the age of sixty.

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

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26 (ii) While the governor's emergency COVID-19 proclamations 20.05
27 and 20.09 are in effect, any member who has completed at least thirty
28 service credit years and has attained age fifty-five is eligible to
29 retire and to receive a retirement allowance computed according to
30 RCW 41.35.620. However, a member retiring under this subsection shall
31 have the retirement allowance as follows:

<u>Retirement</u>	<u>Percent</u>
<u>Age</u>	<u>Reduction</u>
<u>55</u>	<u>20%</u>
<u>56</u>	<u>17%</u>

1	<u>57</u>	<u>14%</u>
2	<u>58</u>	<u>11%</u>
3	<u>59</u>	<u>8%</u>
4	<u>60</u>	<u>0%</u>
5	<u>61</u>	<u>0%</u>
6	<u>62</u>	<u>0%</u>
7	<u>63</u>	<u>0%</u>
8	<u>64</u>	<u>0%</u>

9 (iii)(A) Any member who retires under the provisions of this
10 subsection is ineligible for the postretirement employment provisions
11 of RCW 41.35.060(2) until the retired member has reached sixty-five
12 years of age. For purposes of this subsection, employment with an
13 employer also includes any personal service contract, service by an
14 employer as a temporary or project employee, or any other similar
15 compensated relationship with any employer included under the
16 provisions of RCW 41.35.230(1).

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

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

3 (c) Members who first become employed by an employer in an
4 eligible position on or after May 1, 2013, are not eligible for the
5 alternate early retirement provisions of (a) or (b) of this
6 subsection. Any member who first becomes employed by an employer in
7 an eligible position on or after May 1, 2013, and has completed at
8 least thirty service credit years and has attained age fifty-five
9 shall be eligible to retire and to receive a retirement allowance
10 computed according to the provisions of RCW 41.35.620, except that a
11 member retiring pursuant to this subsection shall have the retirement
12 allowance reduced by five percent per year to reflect the difference
13 in the number of years between age at retirement and the attainment
14 of age sixty-five.

15 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of
17 the state government and its existing public institutions, and takes
18 effect immediately.

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