
SENATE BILL 5148

State of Washington 64th Legislature 2015 Regular Session

By Senators Parlette, Dammeier, Chase, Conway, McAuliffe, and O'Ban

Read first time 01/14/15. Referred to Committee on Ways & Means.

1 AN ACT Relating to allowing members who retire early under
2 alternate early retirement provisions as set forth in RCW
3 41.32.765(3) and 41.32.875(3) to work as substitute teachers and
4 continue receiving retirement benefits at the same time; and amending
5 RCW 41.32.765 and 41.32.875.

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

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

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

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

21 (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 41.32.760, 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 41.32.760, except that a
12 member retiring pursuant to this subsection shall have the retirement
13 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%

26 Any member who retires under the provisions of this subsection is
27 ineligible for the postretirement employment provisions of RCW
28 41.32.802(2) until the retired member has reached sixty-five years of
29 age. For purposes of this subsection, employment with an employer
30 also includes any personal service contract, service by an employer
31 as a temporary or project employee, or any other similar compensated
32 relationship with any employer included under the provisions of RCW
33 41.32.800(1). Beginning July 1, 2015, employment with an employer for
34 the purposes of this subsection shall not include employment as a
35 substitute teacher as defined in RCW 41.32.010.

1 The subsidized reductions for alternate early retirement in this
2 subsection as set forth in section 2, chapter 491, Laws of 2007 were
3 intended by the legislature as replacement benefits for gain-sharing.
4 Until there is legal certainty with respect to the repeal of chapter
5 41.31A RCW, the right to retire under this subsection is
6 noncontractual, and the legislature reserves the right to amend or
7 repeal this subsection. Legal certainty includes, but is not limited
8 to, the expiration of any: Applicable limitations on actions; and
9 periods of time for seeking appellate review, up to and including
10 reconsideration by the Washington supreme court and the supreme court
11 of the United States. Until that time, eligible members may still
12 retire under this subsection, and upon receipt of the first
13 installment of a retirement allowance computed under this subsection,
14 the resulting benefit becomes contractual for the recipient. If the
15 repeal of chapter 41.31A RCW is held to be invalid in a final
16 determination of a court of law, and the court orders reinstatement
17 of gain-sharing or other alternate benefits as a remedy, then
18 retirement benefits for any member who has completed at least thirty
19 service credit years and has attained age fifty-five but has not yet
20 received the first installment of a retirement allowance under this
21 subsection shall be computed using the reductions in (a) of this
22 subsection.

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

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

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

39 (a) Completed ten service credit years; or

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

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

7 (2) EARLY RETIREMENT. Any member who has attained at least age
8 fifty-five and has completed at least ten years of service shall be
9 eligible to retire and to receive a retirement allowance computed
10 according to the provisions of RCW 41.32.840, 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 41.32.840, 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 September 1, 2008, any member who has completed
24 at 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 41.32.840, except that a
27 member retiring pursuant to this subsection shall have the retirement
28 allowance reduced as follows:

Retirement	Percent
Age	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 member who retires under the provisions of this subsection is
5 ineligible for the postretirement employment provisions of RCW
6 41.32.862(2) until the retired member has reached sixty-five years of
7 age. For purposes of this subsection, employment with an employer
8 also includes any personal service contract, service by an employer
9 as a temporary or project employee, or any other similar compensated
10 relationship with any employer included under the provisions of RCW
11 41.32.860(1). Beginning July 1, 2015, employment with an employer for
12 the purposes of this subsection shall not include employment as a
13 substitute teacher as defined in RCW 41.32.010.

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

36 (c) Members who first become employed by an employer in an
37 eligible position on or after May 1, 2013, are not eligible for the
38 alternate early retirement provisions of (a) or (b) of this

1 subsection. Any member who first becomes employed by an employer in
2 an eligible position on or after May 1, 2013, and has completed at
3 least thirty service credit years and has attained age fifty-five
4 shall be eligible to retire and to receive a retirement allowance
5 computed according to the provisions of RCW 41.32.840, except that a
6 member retiring pursuant to this subsection shall have the retirement
7 allowance reduced by five percent per year to reflect the difference
8 in the number of years between age at retirement and the attainment
9 of age sixty-five.

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