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ENGROSSED HOUSE BILL 2122

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State of Washington

53rd Legislature

1993 Regular Session

By Representatives Linville, Locke, Peery, Lemmon, Dellwo and Anderson;  
by request of Office of Financial Management

Read first time 4/02/93. Referred to Committee on APPROPRIATIONS.

1 AN ACT Relating to early retirement under the public employees' and  
2 teachers' retirement systems; amending RCW 43.01.170 and 28A.400.212;  
3 creating new sections; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** (1) Subject to subsection (2) of this  
6 section, in addition to members eligible to retire under RCW 41.40.180,  
7 any member of the public employees' retirement system plan I who meets  
8 the following criteria may retire after providing written notification  
9 to the member's employer and submitting the required application to  
10 the director on a form provided by the department:

11 (a) The member is employed by an employer in an eligible position  
12 on March 1, 1993; and

13 (b) The member has: (i) Attained the age of fifty-five years and  
14 completed five service credit years of service; (ii) completed twenty-  
15 five service credit years of service; or (iii) attained the age of  
16 fifty years and completed twenty service credit years of service.

17 (2) A member who wishes to apply for retirement under subsection  
18 (1) of this section who is employed by a school district must submit  
19 the required notification and application form no later than July 1,

1 1993, setting forth that the member shall be retired no later than  
2 August 31, 1993. A member employed by any employer other than a school  
3 district must submit the required notification and application no later  
4 than August 31, 1993, setting forth that the member shall be retired no  
5 later than December 31, 1993.

6 NEW SECTION. **Sec. 2.** Section 1 of this act is added to chapter  
7 41.40 RCW, but because of its temporary nature, shall not be codified.

8 NEW SECTION. **Sec. 3.** (1) Subject to subsection (2) of this  
9 section, in addition to members eligible to retire under RCW 41.32.480,  
10 any member of the teachers' retirement system plan I who meets the  
11 following criteria may retire after providing written notification to  
12 the member's employer and submitting the required application to the  
13 director on a form provided by the department:

14 (a) The member is employed by an employer on March 1, 1993, and is  
15 not a substitute teacher; and

16 (b) The member has: (i) Attained the age of fifty-five years and  
17 completed five service credit years of service; (ii) completed twenty-  
18 five service credit years of service; or (iii) attained the age of  
19 fifty years and completed twenty service credit years of service.

20 (2) A member who wishes to apply for retirement under subsection  
21 (1) of this section who is employed by a school district must submit  
22 the required notification and application form no later than July 1,  
23 1993, setting forth that the member shall be retired no later than  
24 August 31, 1993. A member employed by any employer other than a school  
25 district shall submit the required notification and application form no  
26 later than August 31, 1993, setting forth that the member shall be  
27 retired no later than December 31, 1993.

28 NEW SECTION. **Sec. 4.** Section 3 of this act is added to chapter  
29 41.32 RCW, but because of its temporary nature, shall not be codified.

30 NEW SECTION. **Sec. 5.** The office of the state actuary shall study  
31 the actual utilization of the early retirement offered by this act, the  
32 replacement of persons who utilized the early retirement, and the  
33 fiscal and programmatic impact of early retirement on the state, local  
34 governments, and school districts. The office of financial management  
35 and the office of the superintendent of public instruction shall

1 provide technical assistance and information to the office of the state  
2 actuary for the study required in this section. An initial report on  
3 the study shall be submitted to the joint committee on pension policy  
4 and the fiscal committees of the legislature by December 31, 1993, and  
5 the final report on the study shall be submitted to the same committees  
6 by October 1, 1994.

7 NEW SECTION. **Sec. 6.** In order to ensure that the state derives  
8 the expected benefits from the early retirement provisions of this act,  
9 no state agency may engage through personal service contracts persons  
10 who retire from service under the provisions of this act. Exceptions  
11 to this section may be granted by written approval from the director of  
12 the office of financial management if the director finds that the  
13 proposed contract is necessary to protect the public safety, protect  
14 against the loss of federal certification or loss of critical federal  
15 funds, or carry out functions so essential to the agency that even  
16 temporary suspension or delay of services would have a significant  
17 negative impact on the public. At the end of each three-month period  
18 in which exceptions are approved, the director shall forward a copy of  
19 any approvals, together with justification for the exceptions, to the  
20 fiscal committees of the legislature. Each forwarded approval shall  
21 include the name of the proposed contractor, the agency and division or  
22 department requesting the contract, duration and cost of the proposed  
23 contract, and specific functions and duties to be carried out under the  
24 contract. This section shall expire June 30, 1995.

25 NEW SECTION. **Sec. 7.** Section 6 of this act is added to chapter  
26 39.29 RCW, but because of its temporary nature, shall not be codified.

27 NEW SECTION. **Sec. 8.** In order to ensure that the state derives  
28 the expected benefits from the early retirement provisions of this act,  
29 no board of directors of a school district or educational service  
30 district may engage through personal service contracts persons who  
31 retire from service under the provisions of this act. Exceptions to  
32 this section may be granted by written approval from the superintendent  
33 of public instruction if the superintendent finds that the proposed  
34 contract is necessary to protect student safety, protect against the  
35 loss of school district certification or loss of federal funds, or  
36 carry out functions so essential to the district that even temporary

1 suspension or delay of services would have a significant negative  
2 impact on students. At the end of each three-month period in which  
3 exceptions are approved, the superintendent shall forward a copy of any  
4 approvals, together with justification for the exceptions, to the  
5 office of financial management and the fiscal committees of the  
6 legislature. Each forwarded approval shall include the name of the  
7 proposed contractor, the district requesting the contract, duration and  
8 cost of the proposed contract, and specific functions and duties to be  
9 carried out under the contract. This section shall expire August 31,  
10 1995.

11 NEW SECTION. **Sec. 9.** Section 8 of this act is added to chapter  
12 28A.400 RCW, but because of its temporary nature, shall not be  
13 codified.

14 **Sec. 10.** RCW 43.01.170 and 1992 c 234 s 11 are each amended to  
15 read as follows:

16 In order to ensure that the state derives the expected benefits  
17 from the early retirement provisions of chapter 234, Laws of 1992, and  
18 chapter . . . , Laws of 1993 (this act), no state agency may hire  
19 persons who retire from ((state)) service under the provisions of  
20 chapter 234, Laws of 1992, or chapter . . . , Laws of 1993 (this act),  
21 as temporary or project employees, as defined by the state personnel  
22 board for employees covered under chapter 41.06 RCW ((and)), by the  
23 higher education personnel board for employees covered under chapter  
24 28B.16 RCW, and by the employer for persons not covered under chapter  
25 28B.16 RCW who are employed by institutions of higher education or  
26 community or technical colleges. Exceptions to this section may be  
27 granted by written approval from the director of the office of  
28 financial management if the director finds that the temporary or  
29 project employment of a retiree is necessary to protect the public  
30 safety, protect against the loss of federal certification or loss of  
31 critical federal funds, or carry out functions so essential to the  
32 agency that even temporary suspension or delay of services would have  
33 a significant negative impact on the public. At the end of each three-  
34 month period in which exceptions are approved, the director shall  
35 forward a copy of any approvals, together with justification for the  
36 exceptions, to the fiscal committees of the legislature. Each  
37 forwarded approval shall include the name of the temporary or project

1 employee, the agency and division or department requesting the  
2 employment, duration and cost of the proposed employment, and specific  
3 functions and duties to be carried out during the employment. This  
4 section shall expire June 30, 1995.

5 **Sec. 11.** RCW 28A.400.212 and 1992 c 234 s 13 are each amended to  
6 read as follows:

7 An employee of a school district that has established an attendance  
8 incentive program under RCW 28A.400.210 who retires under section 1 or  
9 3, chapter 234, Laws of 1992, or section 1 or 3 of this act shall  
10 receive, at the time of his or her separation from school district  
11 employment, not less than one-half of the remuneration for accrued  
12 leave for illness or injury payable to him or her under the district's  
13 incentive program. The school district board of directors may, at its  
14 discretion, pay the remainder of such an employee's remuneration for  
15 accrued leave for illness or injury after the time of the employee's  
16 separation from school district employment, but the employee or the  
17 employee's estate is entitled to receive the remainder of the  
18 remuneration no later than the date the employee would have been  
19 eligible to retire under the provisions of RCW 41.40.180 or 41.32.480  
20 had the employee continued to work for the district until eligible to  
21 retire, or three years following the date of the employee's separation  
22 from school district employment, whichever occurs first. A district  
23 exercising its discretion under this section to pay the remainder of  
24 the remuneration after the time of the employee's separation from  
25 school district employment shall establish a policy and procedure for  
26 paying the remaining remuneration that applies to all affected  
27 employees equally and without discrimination. Any remuneration paid  
28 shall be based on the number of days of leave the employee had accrued  
29 and the compensation the employee received at the time he or she  
30 retired under section 1 or 3, chapter 234, Laws of 1992, or section 1  
31 or 3 of this act.

32 NEW SECTION. **Sec. 12.** This act is necessary for the immediate  
33 preservation of the public peace, health, or safety, or support of the  
34 state government and its existing public institutions, and shall take  
35 effect immediately.

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