
SENATE BILL 6536

State of Washington

56th Legislature

2000 Regular Session

By Senators Fraser, Winsley, Bauer, Franklin, Kohl-Welles, Snyder and Costa; by request of Governor Locke

Read first time . Referred to Committee on .

1 AN ACT Relating to providing for early retirement in the plan 2 and
2 plan 3 pension systems; amending RCW 41.26.430, 41.26.470, 41.35.680,
3 41.35.420, 41.40.630, 41.32.765, and 41.32.875; and providing an
4 effective date.

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

6 **Sec. 1.** RCW 41.26.430 and 1993 c 517 s 3 are each amended to read
7 as follows:

8 (1) NORMAL RETIREMENT. Any member with at least five service
9 credit years of service who has attained at least age fifty-five shall
10 be eligible to retire and to receive a retirement allowance computed
11 according to the provisions of RCW 41.26.420.

12 (2) EARLY RETIREMENT. Any member who has completed at least
13 ((twenty)) fifteen service credit years of service and has attained age
14 fifty shall be eligible to retire and to receive a retirement allowance
15 computed according to the provisions of RCW 41.26.420, except that a
16 member retiring pursuant to this subsection shall have the retirement
17 allowance ((actuarially)) reduced by two percent per year to reflect
18 the difference in the number of years between age at retirement and the
19 attainment of age fifty-five.

1 **Sec. 2.** RCW 41.26.470 and 1999 c 135 s 1 are each amended to read
2 as follows:

3 (1) A member of the retirement system who becomes totally
4 incapacitated for continued employment by an employer as determined by
5 the director shall be eligible to receive an allowance under the
6 provisions of RCW 41.26.410 through 41.26.550. Such member shall
7 receive a monthly disability allowance computed as provided for in RCW
8 41.26.420 and shall have such allowance (~~(actuarially)~~) reduced by two
9 percent per year to reflect the difference in the number of years
10 between age at disability and the attainment of age fifty-five.

11 (2) Any member who receives an allowance under the provisions of
12 this section shall be subject to such comprehensive medical
13 examinations as required by the department. If such medical
14 examinations reveal that such a member has recovered from the
15 incapacitating disability and the member is no longer entitled to
16 benefits under Title 51 RCW, the retirement allowance shall be canceled
17 and the member shall be restored to duty in the same civil service
18 rank, if any, held by the member at the time of retirement or, if
19 unable to perform the duties of the rank, then, at the member's
20 request, in such other like or lesser rank as may be or become open and
21 available, the duties of which the member is then able to perform. In
22 no event shall a member previously drawing a disability allowance be
23 returned or be restored to duty at a salary or rate of pay less than
24 the current salary attached to the rank or position held by the member
25 at the date of the retirement for disability. If the department
26 determines that the member is able to return to service, the member is
27 entitled to notice and a hearing. Both the notice and the hearing
28 shall comply with the requirements of chapter 34.05 RCW, the
29 Administrative Procedure Act.

30 (3) Those members subject to this chapter who became disabled in
31 the line of duty on or after July 23, 1989, and who receive benefits
32 under RCW 41.04.500 through 41.04.530 or similar benefits under RCW
33 41.04.535 shall receive or continue to receive service credit subject
34 to the following:

35 (a) No member may receive more than one month's service credit in
36 a calendar month.

37 (b) No service credit under this section may be allowed after a
38 member separates or is separated without leave of absence.

1 (c) Employer contributions shall be paid by the employer at the
2 rate in effect for the period of the service credited.

3 (d) Employee contributions shall be collected by the employer and
4 paid to the department at the rate in effect for the period of service
5 credited.

6 (e) State contributions shall be as provided in RCW 41.26.450.

7 (f) Contributions shall be based on the regular compensation which
8 the member would have received had the disability not occurred.

9 (g) The service and compensation credit under this section shall be
10 granted for a period not to exceed six consecutive months.

11 (h) Should the legislature revoke the service credit authorized
12 under this section or repeal this section, no affected employee is
13 entitled to receive the credit as a matter of contractual right.

14 (4)(a) If the recipient of a monthly retirement allowance under
15 this section dies before the total of the retirement allowance paid to
16 the recipient equals the amount of the accumulated contributions at the
17 date of retirement, then the balance shall be paid to the member's
18 estate, or such person or persons, trust, or organization as the
19 recipient has nominated by written designation duly executed and filed
20 with the director, or, if there is no such designated person or persons
21 still living at the time of the recipient's death, then to the
22 surviving spouse, or, if there is neither such designated person or
23 persons still living at the time of his or her death nor a surviving
24 spouse, then to his or her legal representative.

25 (b) If a recipient of a monthly retirement allowance under this
26 section died before April 27, 1989, and before the total of the
27 retirement allowance paid to the recipient equaled the amount of his or
28 her accumulated contributions at the date of retirement, then the
29 department shall pay the balance of the accumulated contributions to
30 the member's surviving spouse or, if there is no surviving spouse, then
31 in equal shares to the member's children. If there is no surviving
32 spouse or children, the department shall retain the contributions.

33 (5) Should the disability retirement allowance of any disability
34 beneficiary be canceled for any cause other than reentrance into
35 service or retirement for service, he or she shall be paid the excess,
36 if any, of the accumulated contributions at the time of retirement over
37 all payments made on his or her behalf under this chapter.

1 **Sec. 3.** RCW 41.35.680 and 1998 c 341 s 209 are each amended to
2 read as follows:

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

5 (a) Completed ten service credit years; or

6 (b) Completed five service credit years, including twelve service
7 credit months after attaining age fifty-four; or

8 (c) Completed five service credit years by September 1, 2000, under
9 the public employees' retirement system plan II and who transferred to
10 plan III under RCW 41.35.510;

11 shall be eligible to retire and to receive a retirement allowance
12 computed according to the provisions of RCW 41.35.620.

13 (2) EARLY RETIREMENT. Subject to (a) and (b) of this subsection,
14 any member who has attained at least age fifty-five and has completed
15 at least ten years of service shall be eligible to retire and to
16 receive a retirement allowance computed according to the provisions of
17 RCW 41.35.620(~~(, except that)~~).

18 (a) Unless a member meets the conditions of (b) of this subsection,
19 a member retiring pursuant to this subsection shall have the retirement
20 allowance actuarially reduced to reflect the difference in the number
21 of years between age at retirement and the attainment of age sixty-
22 five.

23 (b) Any member of the retirement system who has completed at least
24 thirty service credit years of service and has attained age sixty shall
25 have the retirement allowance reduced by three percent per year to
26 reflect the difference in the number of years between age at retirement
27 and the attainment of age sixty-five.

28 **Sec. 4.** RCW 41.35.420 and 1998 c 341 s 103 are each amended to
29 read as follows:

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

34 (2) EARLY RETIREMENT. Subject to (a) and (b) of this subsection,
35 any member who has completed at least twenty service credit years and
36 has attained age fifty-five shall be eligible to retire and to receive
37 a retirement allowance computed according to the provisions of RCW
38 41.35.400(~~(, except that)~~).

1 (a) Unless a member meets the conditions of (b) of this subsection,
2 a member retiring pursuant to this subsection shall have the retirement
3 allowance actuarially reduced to reflect the difference in the number
4 of years between age at retirement and the attainment of age sixty-
5 five.

6 (b) Any member of the retirement system who has completed at least
7 thirty service credit years of service and has attained age sixty shall
8 have the retirement allowance reduced by three percent per year to
9 reflect the difference in the number of years between age at retirement
10 and the attainment of age sixty-five.

11 **Sec. 5.** RCW 41.40.630 and 1991 c 343 s 11 are each amended to read
12 as follows:

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

17 (2) EARLY RETIREMENT. Subject to (a) and (b) of this subsection,
18 any member who has completed at least twenty service credit years and
19 has attained age fifty-five shall be eligible to retire and to receive
20 a retirement allowance computed according to the provisions of RCW
21 41.40.620(~~(, except that)~~).

22 (a) Unless a member meets the conditions of (b) of this subsection,
23 a member retiring pursuant to this subsection shall have the retirement
24 allowance actuarially reduced to reflect the difference in the number
25 of years between age at retirement and the attainment of age sixty-
26 five.

27 (b) Any member of the retirement system who has completed at least
28 thirty service credit years of service and has attained age sixty shall
29 have the retirement allowance reduced by three percent per year to
30 reflect the difference in the number of years between age at retirement
31 and the attainment of age sixty-five.

32 **Sec. 6.** RCW 41.32.765 and 1991 c 343 s 5 are each amended to read
33 as follows:

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

1 (2) EARLY RETIREMENT. Subject to (a) and (b) of this subsection,
2 any member who has completed at least twenty service credit years of
3 service who has attained at least age fifty-five shall be eligible to
4 retire and to receive a retirement allowance computed according to the
5 provisions of RCW 41.32.760(~~(, except that)~~).

6 (a) Unless a member meets the conditions of (b) of this subsection,
7 a member 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 (b) Any member of the retirement system who has completed at least
12 thirty service credit years of service and has attained age sixty shall
13 have the retirement allowance reduced by three percent per year to
14 reflect the difference in the number of years between age at retirement
15 and the attainment of age sixty-five.

16 **Sec. 7.** RCW 41.32.875 and 1996 c 39 s 6 are each amended to read
17 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 fifty-four; or

23 (c) Completed five service credit years by July 1, 1996, under plan
24 II and who transferred to plan III under RCW 41.32.817;

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

27 (2) EARLY RETIREMENT. Any member who has attained at least age
28 fifty-five and has completed at least ten years of service shall be
29 eligible to retire and to receive a retirement allowance computed
30 according to the provisions of RCW 41.32.840(~~(, except that)~~).

31 (a) Unless a member meets the conditions of (b) of this subsection,
32 a member 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.

36 (b) Any member of the retirement system who has completed at least
37 thirty service credit years of service and has attained age sixty shall
38 have the retirement allowance reduced by three percent per year to

1 reflect the difference in the number of years between age at retirement
2 and the attainment of age sixty-five.

3 NEW SECTION. **Sec. 8.** Sections 3 and 4 of this act take effect
4 September 1, 2000.

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