
SENATE BILL 5937

State of Washington

57th Legislature

2001 Regular Session

By Senators Shin, Rasmussen, Jacobsen, Winsley and Kohl-Welles; by request of Governor Locke and Superintendent of Public Instruction

Read first time 02/08/2001. Referred to Committee on Ways & Means.

1 AN ACT Relating to the limits on postretirement employment for
2 teachers' retirement system plan 1 and public employees'
3 retirement system plan 1 retirees; and amending RCW 41.32.570 and
4 41.40.037.

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

6 **Sec. 1.** RCW 41.32.570 and 1999 c 387 s 1 are each amended to read
7 as follows:

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

15 ~~(b) The benefit reduction provided in (a) of this subsection~~
16 ~~will accrue for a maximum of one hundred forty hours per month.~~
17 ~~Any monthly benefit reduction over one hundred percent will be~~

1 applied to the benefit the retiree is eligible to receive in
2 subsequent months.

3 (2)) Any retired teacher or retired administrator who enters
4 service in any public educational institution in Washington state
5 ((and who has satisfied the break in employment requirement of
6 subsection (1) of this section)) shall ((cease)) continue to
7 receive pension payments while engaged in such service((:—PROVIDED,
8 That service may be rendered up to five hundred twenty five hours
9 per school year)) without reduction of pension.

10 ((3) In addition to the five hundred twenty five hours of
11 service permitted under subsection (2) of this section, a retired
12 teacher or retired administrator may also serve only as a
13 substitute teacher for up to an additional three hundred fifteen
14 hours per school year without reduction of pension if:

15 (a) A school district, which is not a member of a multidistrict
16 substitute cooperative, determines that it has exhausted or can
17 reasonably anticipate that it will exhaust its list of qualified
18 and available substitutes and the school board of the district
19 adopts a resolution to make its substitute teachers who are
20 retired teachers or retired administrators eligible for the
21 extended service once the list of qualified and available
22 substitutes has been exhausted.— The resolution by the school
23 district shall state that the services of retired teachers and
24 retired administrators are necessary to address the shortage of
25 qualified and available substitutes.— The resolution shall be valid
26 only for the school year in which it is adopted.— The district shall
27 forward a copy of the resolution with a list of retired teachers
28 and retired administrators who have been employed as substitute
29 teachers to the department and may notify the retired teachers and
30 retired administrators included on the list of their right to take
31 advantage of the provisions of this subsection; or

32 (b) A multidistrict substitute cooperative determines that the
33 school districts have exhausted or can reasonably anticipate that
34 they will exhaust their list of qualified and available
35 substitutes and each of the school boards adopts a resolution to
36 make their substitute teachers who are retired teachers or retired
37 administrators eligible for the extended service once the list of
38 qualified and available substitutes has been exhausted.— The

1 resolutions by each of the school districts shall state that the
2 services of retired teachers and retired administrators are
3 necessary to address the shortage of qualified and available
4 substitutes. The resolutions shall be valid only for the school
5 year in which they are adopted. The cooperative shall forward a
6 copy of the resolutions with a list of retired teachers and
7 retired administrators who have been employed as substitute
8 teachers to the department and may notify the retired teachers and
9 retired administrators included on the list of their right to take
10 advantage of the provisions of this subsection.

11 (4) In addition to the five hundred twenty five hours of
12 service permitted under subsection (2) of this section, a retired
13 administrator or retired teacher may also serve as a substitute
14 administrator up to an additional one hundred five hours per
15 school year without reduction of pension if a school district
16 board of directors adopts a resolution declaring that the services
17 of a retired administrator or retired teacher are necessary
18 because it cannot find a replacement administrator to fill a
19 vacancy. The resolution shall be valid only for the school year in
20 which it is adopted. The district shall forward a copy of the
21 resolution with the name of the retired administrator or retired
22 teacher who has been employed as a substitute administrator to the
23 department.

24 (5) In addition to the five hundred twenty five hours of
25 service permitted under subsection (2) of this section and the one
26 hundred five hours permitted under subsection (4) of this section,
27 a retired principal may also serve as a substitute principal up to
28 an additional two hundred ten hours per school year without a
29 reduction of pension if a school district board of directors
30 adopts a resolution declaring that the services of a retired
31 principal are necessary because it cannot find a replacement
32 principal to fill a vacancy. The resolution shall be valid only for
33 the school year in which it is adopted. The district shall forward
34 a copy of the resolution with the name of the retired principal
35 who has been employed as a substitute principal to the department.

36 (6) Subsection (2) of this section shall apply to all persons
37 governed by the provisions of plan 1, regardless of the date of

1 ~~their retirement, but shall apply only to benefits payable after~~
2 ~~June 11, 1986.~~

3 ~~(7) Subsection (3) of this section shall apply to all persons~~
4 ~~governed by the provisions of plan 1, regardless of the date of~~
5 ~~their retirement, but shall only apply to benefits payable after~~
6 ~~September 1, 1994.)~~

7 **Sec. 2.** RCW 41.40.037 and 1997 c 254 s 14 are each amended to read
8 as follows:

9 (1)(a) If a retiree enters employment with an employer sooner
10 than one calendar month after his or her accrual date, the
11 retiree's monthly retirement allowance will be reduced by five and
12 one-half percent for every eight hours worked during that month.
13 This reduction will be applied each month until the retiree
14 remains absent from employment with an employer for one full
15 calendar month.

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

21 (2)(a) A retiree from plan 1 who enters employment with an
22 employer shall continue to receive pension payments while engaged
23 in such service without reduction of pension.

24 (b) A retiree from plan 2 or plan 3 who has satisfied the break
25 in employment requirement of subsection (1) of this section((7))
26 may work up to five months per calendar year in an eligible
27 position without suspension of his or her benefit.

28 (3) If the retiree opts to reestablish membership under RCW
29 41.40.023(12), he or she terminates his or her retirement status
30 and becomes a member. Retirement benefits shall not accrue during
31 the period of membership and the individual shall make
32 contributions and receive membership credit. Such a member shall
33 have the right to again retire if eligible in accordance with RCW
34 41.40.180. However, if the right to retire is exercised to become
35 effective before the member has rendered two uninterrupted years
36 of service, the retirement formula and survivor options the member

1 had at the time of the member's previous retirement shall be
2 reinstated.

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