
SUBSTITUTE HOUSE BILL 2180

State of Washington

58th Legislature

2003 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Romero, Hunt, Sommers, Armstrong, Conway, Kessler, Kenney, Rockefeller and McDermott)

READ FIRST TIME 03/10/03.

1 AN ACT Relating to early retirement; reenacting and amending RCW
2 41.45.061; adding new sections to chapter 41.40 RCW; and adding new
3 sections to chapter 41.35 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.40 RCW
6 under the subchapter heading "plan 1" to read as follows:

7 (1) Any member retiring between September 1, 2003, and February 29,
8 2004, may irrevocably elect, at the time of retirement, to withdraw all
9 or a part of his or her accumulated contributions, other than any
10 amount paid under RCW 41.50.165, and to receive, in lieu of the full
11 retirement allowance provided by RCW 41.40.185, a reduction in the
12 standard two percent allowance, of the actuarially determined amount of
13 monthly annuity which would have been purchased by the contributions.

14 (2) No member electing the option provided in subsection (1) of
15 this section may withdraw an amount of accumulated contributions which
16 would lower his or her retirement allowance below the minimum allowance
17 provided by RCW 41.40.1984 on the date the withdrawal is made.

18 (3) The monthly retirement allowance of a member electing the

1 option provided in subsection (1) of this section may be reduced even
2 further pursuant to the options provided in RCW 41.40.188.

3 (4) If a retiree under this section enters employment with an
4 employer, the retiree's monthly retirement allowance will be reduced by
5 five and one-half percent for every eight hours worked during that
6 month up to a maximum reduction of one hundred percent.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.40 RCW
8 under the subchapter heading "plan 2" to read as follows:

9 (1) Any member with at least five service credit years who has
10 attained at least age sixty shall be eligible to retire between
11 September 1, 2003, and February 29, 2004, and to receive a retirement
12 allowance computed according to RCW 41.40.620, except that a member
13 retiring under this section shall have his or her retirement allowance
14 reduced by three percent per year to reflect the difference in the
15 number of years between age at retirement and the attainment of age
16 sixty-five.

17 (2) The monthly retirement allowance of a member retiring under
18 this section may be reduced even further as provided in RCW 41.40.660.

19 (3) If a retiree under this section enters employment with an
20 employer, the retiree's monthly retirement allowance will be reduced by
21 five and one-half percent for every eight hours worked during that
22 month up to a maximum reduction of one hundred percent.

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.40 RCW
24 under the subchapter heading "plan 3" to read as follows:

25 (1) Any member with at least five service credit years who has
26 attained at least age sixty shall be eligible to retire between
27 September 1, 2003, and February 29, 2004, and to receive a retirement
28 allowance computed according to RCW 41.40.790, except that a member
29 retiring under this section shall have his or her retirement allowance
30 reduced by three percent per year to reflect the difference in the
31 number of years between age at retirement and the attainment of age
32 sixty-five.

33 (2) The monthly retirement allowance of a member retiring under
34 this section may be reduced even further as provided in RCW 41.40.845.

35 (3) If a retiree under this section enters employment with an

1 employer, the retiree's monthly retirement allowance will be reduced by
2 five and one-half percent for every eight hours worked during that
3 month up to a maximum reduction of one hundred percent.

4 **Sec. 4.** RCW 41.45.061 and 2001 2nd sp.s. c 11 s 13, 2001 2nd sp.s.
5 c 11 s 12, and 2001 c 180 s 1 are each reenacted and amended to read as
6 follows:

7 (1) The required contribution rate for members of the plan 2
8 teachers' retirement system shall be fixed at the rates in effect on
9 July 1, 1996, subject to the following:

10 (a) Beginning September 1, 1997, except as provided in (b) of this
11 subsection, the employee contribution rate shall not exceed the
12 employer plan 2 and 3 rates adopted under RCW 41.45.060, 41.45.053, and
13 41.45.070 for the teachers' retirement system;

14 (b) In addition, the employee contribution rate for plan 2 shall be
15 increased by fifty percent of the contribution rate increase caused by
16 any plan 2 benefit increase passed after July 1, 1996;

17 (c) In addition, the employee contribution rate for plan 2 shall
18 not be increased as a result of any distributions pursuant to section
19 309, chapter 341, Laws of 1998 and RCW 41.31A.020.

20 (2) The required contribution rate for members of the school
21 employees' retirement system plan 2 shall equal the school employees'
22 retirement system employer plan 2 and 3 contribution rate adopted under
23 RCW 41.45.060, 41.45.053, and 41.45.070, except as provided in
24 subsection (3) of this section.

25 (3) The member contribution rate for the school employees'
26 retirement system plan 2 shall be increased by fifty percent of the
27 contribution rate increase caused by any plan 2 benefit increase passed
28 after September 1, 2000.

29 (4) The required contribution rate for members of the public
30 employees' retirement system plan 2 shall be set at the same rate as
31 the employer combined plan 2 and plan 3 rate.

32 (5) The required contribution rate for members of the law
33 enforcement officers' and fire fighters' retirement system plan 2 shall
34 be set at fifty percent of the cost of the retirement system.

35 (6) The employee contribution rates for plan 2 under subsections
36 (3) and (4) of this section shall not include any increase as a result
37 of any distributions pursuant to RCW 41.31A.020 and 41.31A.030.

1 (7) The required plan 2 and 3 contribution rates for employers
2 shall be adopted in the manner described in RCW 41.45.060, 41.45.053,
3 and 41.45.070.

4 (8) The employee contribution rate for members of the public
5 employees' retirement system plan 2 and school employees' retirement
6 system plan 2 shall not include any increase as a result of this act.

7 NEW SECTION. Sec. 5. A new section is added to chapter 41.40 RCW
8 to read as follows:

9 (1) The monthly retirement allowance of a person retiring pursuant
10 to this act shall be temporarily increased by ten dollars per month per
11 year of service. This increase shall remain in effect for the first
12 twenty-four months of the person's retirement.

13 (2) Because of the temporary nature of this section it shall not be
14 codified.

15 NEW SECTION. Sec. 6. A new section is added to chapter 41.35 RCW
16 under the subchapter heading "plans 2 and 3" to read as follows:

17 (1) Any member with at least five service credit years who has
18 attained at least age sixty shall be eligible to retire between
19 September 1, 2003, and February 29, 2004, and to receive a retirement
20 allowance computed according to RCW 41.35.400 for plan 2 members or RCW
21 41.35.620 for plan 3 members, except that a member retiring under this
22 section shall have his or her retirement allowance reduced by three
23 percent per year to reflect the difference in the number of years
24 between age at retirement and the attainment of age sixty-five.

25 (2) The monthly retirement allowance of a member retiring under
26 this section may be reduced even further as provided in RCW 41.35.220.

27 (3) If a retiree under this section enters employment with an
28 employer, the retiree's monthly retirement allowance will be reduced by
29 five and one-half percent for every eight hours worked during that
30 month up to a maximum reduction of one hundred percent.

31 NEW SECTION. Sec. 7. A new section is added to chapter 41.35 RCW
32 to read as follows:

33 (1) The monthly retirement allowance of a person retiring pursuant
34 to this act shall be temporarily increased by ten dollars per month per

1 year of service. This increase shall remain in effect for the first
2 twenty-four months of the person's retirement.

3 (2) Because of the temporary nature of this section it shall not be
4 codified.

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