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SENATE BILL 5743

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State of Washington

58th Legislature

2003 Regular Session

By Senators Benton, Honeyford, T. Sheldon, Rasmussen, Schmidt, Stevens and Esser

Read first time 02/10/2003. Referred to Committee on Ways & Means.

1 AN ACT Relating to procedures for rehiring public employee  
2 retirees; amending RCW 41.40.037 and 43.09.050; adding a new section to  
3 chapter 41.04 RCW; adding new sections to chapter 43.09 RCW; repealing  
4 2001 c 317 s 1; and providing expiration dates.

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

6 **Sec. 1.** RCW 41.40.037 and 2001 2nd sp.s. c 10 s 4 are each amended  
7 to read as follows:

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

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

18 (2)(a) A retiree from plan 1 who has satisfied the break in  
19 employment requirement of subsection (1) of this section, has been

1 separated for less than three months, and who enters employment with an  
2 employer may continue to receive pension payments while engaged in such  
3 service for up to (~~one thousand five~~) eight hundred sixty-seven hours  
4 of service in a calendar year without a reduction of pension.

5 (b) A retiree from plan 1 who has been separated for at least three  
6 months and who enters employment with an employer may continue to  
7 receive pension payments while engaged in such service for up to one  
8 thousand five hundred hours of service in a calendar year without a  
9 reduction of pension.

10 (c) When a plan 1 member renders service beyond eight hundred  
11 sixty-seven hours, the department shall collect from the employer the  
12 applicable employer retirement contributions for the entire duration of  
13 the member's employment during that calendar year.

14 (~~(b)~~) (d) A retiree from plan 2 or plan 3 who has satisfied the  
15 break in employment requirement of subsection (1) of this section may  
16 work up to eight hundred sixty-seven hours in a calendar year in an  
17 eligible position, as defined in RCW 41.32.010, 41.35.010, or  
18 41.40.010, or as a fire fighter or law enforcement officer, as defined  
19 in RCW 41.26.030, without suspension of his or her benefit.

20 (3) If the retiree opts to reestablish membership under RCW  
21 41.40.023(12), he or she terminates his or her retirement status and  
22 becomes a member. Retirement benefits shall not accrue during the  
23 period of membership and the individual shall make contributions and  
24 receive membership credit. Such a member shall have the right to again  
25 retire if eligible in accordance with RCW 41.40.180. However, if the  
26 right to retire is exercised to become effective before the member has  
27 rendered two uninterrupted years of service, the retirement formula and  
28 survivor options the member had at the time of the member's previous  
29 retirement shall be reinstated.

30 (4) The department shall collect and provide the state actuary with  
31 information relevant to the use of this section for the joint committee  
32 on pension policy.

33 (5) The legislature reserves the right to amend or repeal this  
34 section in the future and no member or beneficiary has a contractual  
35 right to be employed for more than five months in a calendar year  
36 without a reduction of his or her pension.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 41.04 RCW  
2 to read as follows:

3        (1) Employers as defined in RCW 41.32.010 and 41.40.010 shall  
4 establish specific human resource policies regarding the hiring of  
5 retirees and publish those policies in their human resource manual and  
6 attach a document containing those policies to each job announcement.  
7 Among those policies shall be the requirement that final approval for  
8 the hiring of a retiree returning to the employer from which they  
9 retired must come from the highest public officer of the employer.

10        (2) Employers shall keep recruitment and interviewing records of  
11 each human resource transaction in which a retiree was rehired. These  
12 records may be subject to audit under chapter 43.09 RCW.

13        **Sec. 3.**    RCW 43.09.050 and 1992 c 118 s 6 are each amended to read  
14 as follows:

15        The auditor shall:

16        (1) Except as otherwise specifically provided by law, audit the  
17 accounts of all collectors of the revenue and other holders of public  
18 money required by law to pay the same into the treasury;

19        (2) In his or her discretion, inspect the books of any person  
20 charged with the receipt, safekeeping, and disbursement of public  
21 moneys;

22        (3) Investigate improper governmental activity under chapter 42.40  
23 RCW;

24        (4) Audit human resource practices under section 2 of this act;

25        (5) Inform the attorney general in writing of the necessity for the  
26 attorney general to direct prosecutions in the name of the state for  
27 all official delinquencies in relation to the assessment, collection,  
28 and payment of the revenue, against all persons who, by any means,  
29 become possessed of public money or property, and fail to pay over or  
30 deliver the same, and against all debtors of the state;

31        (~~(5)~~) (6) Give information in writing to the legislature,  
32 whenever required, upon any subject relating to the financial affairs  
33 of the state, or touching any duties of his or her office;

34        (~~(6)~~) (7) Report to the director of financial management in  
35 writing the names of all persons who have received any moneys belonging  
36 to the state, and have not accounted therefor;

1       (~~(7)~~) (8) Authenticate with his or her official seal papers  
2 issued from his or her office;

3       (~~(8)~~) (9) Make his or her official report annually on or before  
4 the 31st of December.

5       NEW SECTION. **Sec. 4.** A new section is added to chapter 43.09 RCW  
6 to read as follows:

7       (1) The state auditor has the power to examine the human resource  
8 practices related to section 2 of this act of every local government  
9 and its officers and employees.

10       (2) This section expires December 31, 2007.

11       NEW SECTION. **Sec. 5.** A new section is added to chapter 43.09 RCW  
12 to read as follows:

13       (1) The examination of the human resource practices under section  
14 2 of this act shall be made at such reasonable, periodic intervals as  
15 the state auditor shall determine. The term local governments for  
16 purposes of this chapter includes but is not limited to all counties,  
17 cities, and other political subdivisions, municipal corporations,  
18 school districts, educational service districts, and quasi-municipal  
19 corporations, however denominated.

20       The state auditor shall establish a schedule to govern the auditing  
21 of local governments which shall include: A designation of the various  
22 classifications of local governments; a designation of the frequency  
23 for auditing each type of local government; and a description of events  
24 that cause a more frequent audit to be conducted.

25       On every examination, inquiry shall be made as to the human  
26 resource practices of the local government; whether the Constitution  
27 and laws of the state, the ordinances and orders of the local  
28 government, and the requirements of the state auditor have been  
29 properly complied with; and into the methods and accuracy of the  
30 accounts and reports.

31       A report of the examination shall be made and filed in the office  
32 of the state auditor, and one copy shall be transmitted to the local  
33 government. A copy of any report containing findings of noncompliance  
34 with state law shall be transmitted to the attorney general. If any  
35 report discloses malfeasance, misfeasance, or nonfeasance in office on  
36 the part of any public officer or employee, within thirty days from the

1 receipt of his or her copy of the report, the attorney general shall  
2 institute, in the proper county, legal action as is proper in the  
3 premises by civil process and prosecute the same to final determination  
4 to carry into effect the findings of the examination.

5 It is unlawful for any local government or the responsible head  
6 thereof, to make a settlement or compromise of any claim arising out of  
7 such malfeasance, misfeasance, or nonfeasance, or any action commenced  
8 therefor, or for any court to enter upon any compromise or settlement  
9 of such action, without the written approval and consent of the  
10 attorney general and the state auditor.

11 (2) This section expires December 31, 2007.

12 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.09 RCW  
13 to read as follows:

14 (1) For the purposes of RCW 43.09.290 through 43.09.340 and  
15 43.09.410 through 43.09.418, "postaudit" means an audit of the books,  
16 records, funds, accounts, human resource practices, and financial  
17 transactions of a state agency for a complete fiscal period; "preaudit"  
18 means all other audits and examinations; "state agency" means elective  
19 officers and offices, and every other office, officer, department,  
20 board, council, committee, commission, or authority of the state  
21 government now existing or hereafter created, supported, wholly or in  
22 part, by appropriations from the state treasury or funds under its  
23 control, or by the levy, assessment, collection, or receipt of fines,  
24 penalties, fees, licenses, sales of commodities, service charges,  
25 rentals, grants-in-aid, or other income provided by law, and all state  
26 educational, penal, reformatory, charitable, eleemosynary, or other  
27 institutions, supported, wholly or in part, by appropriations from the  
28 state treasury or funds under its control.

29 (2) This section expires December 31, 2007.

30 NEW SECTION. **Sec. 7.** 2001 c 317 s 1 is repealed.

31 NEW SECTION. **Sec. 8.** Section 3 of this act expires December 31,  
32 2007.

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