
SENATE BILL 5490

State of Washington

61st Legislature

2009 Regular Session

By Senators Fraser, McAuliffe, Regala, Keiser, Hatfield, Carrell, and Shin

Read first time 01/23/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to postretirement employment; and amending RCW
2 41.32.765, 41.32.875, 41.35.420, 41.35.680, 41.40.630, and 41.40.820.

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

4 **Sec. 1.** RCW 41.32.765 and 2007 c 491 s 2 are each amended to read
5 as follows:

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

10 (2) EARLY RETIREMENT. Any member who has completed at least twenty
11 service credit years of service who has attained at least age fifty-
12 five shall be eligible to retire and to receive a retirement allowance
13 computed according to the provisions of RCW 41.32.760, except that a
14 member retiring pursuant to this subsection shall have the retirement
15 allowance actuarially reduced to reflect the difference in the number
16 of years between age at retirement and the attainment of age sixty-
17 five.

18 (3) ALTERNATE EARLY RETIREMENT.

1 (a) Any member who has completed at least thirty service credit
2 years and has attained age fifty-five shall be eligible to retire and
3 to receive a retirement allowance computed according to the provisions
4 of RCW 41.32.760, except that a member retiring pursuant to this
5 subsection shall have the retirement allowance reduced by three percent
6 per year to reflect the difference in the number of years between age
7 at retirement and the attainment of age sixty-five.

8 (b) On or after September 1, 2008, any member who has completed at
9 least thirty service credit years and has attained age fifty-five shall
10 be eligible to retire and to receive a retirement allowance computed
11 according to the provisions of RCW 41.32.760, except that a member
12 retiring pursuant to this subsection shall have the retirement
13 allowance reduced as follows:

14	Retirement	Percent
15	Age	Reduction
16	55	20%
17	56	17%
18	57	14%
19	58	11%
20	59	8%
21	60	5%
22	61	2%
23	62	0%
24	63	0%
25	64	0%

26 ~~((Any member who retires under the provisions of this subsection is
27 ineligible for the postretirement employment provisions of RCW
28 41.32.802(2) until the retired member has reached sixty five years of
29 age. For purposes of this subsection, employment with an employer also
30 includes any personal service contract, service by an employer as a
31 temporary or project employee, or any other similar compensated
32 relationship with any employer included under the provisions of RCW
33 41.32.800(1).))~~

34 The subsidized reductions for alternate early retirement in this
35 subsection as set forth in section 2, chapter 491, Laws of 2007 were
36 intended by the legislature as replacement benefits for gain-sharing.

1 Until there is legal certainty with respect to the repeal of chapter
2 41.31A RCW, the right to retire under this subsection is
3 noncontractual, and the legislature reserves the right to amend or
4 repeal this subsection. Legal certainty includes, but is not limited
5 to, the expiration of any: Applicable limitations on actions; and
6 periods of time for seeking appellate review, up to and including
7 reconsideration by the Washington supreme court and the supreme court
8 of the United States. Until that time, eligible members may still
9 retire under this subsection, and upon receipt of the first installment
10 of a retirement allowance computed under this subsection, the resulting
11 benefit becomes contractual for the recipient. If the repeal of
12 chapter 41.31A RCW is held to be invalid in a final determination of a
13 court of law, and the court orders reinstatement of gain-sharing or
14 other alternate benefits as a remedy, then retirement benefits for any
15 member who has completed at least thirty service credit years and has
16 attained age fifty-five but has not yet received the first installment
17 of a retirement allowance under this subsection shall be computed using
18 the reductions in (a) of this subsection.

19 **Sec. 2.** RCW 41.32.875 and 2007 c 491 s 4 are each amended to read
20 as follows:

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

23 (a) Completed ten service credit years; or

24 (b) Completed five service credit years, including twelve service
25 credit months after attaining age forty-four; or

26 (c) Completed five service credit years by July 1, 1996, under plan
27 2 and who transferred to plan 3 under RCW 41.32.817;

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

30 (2) EARLY RETIREMENT. Any member who has attained at least age
31 fifty-five and has completed at least ten years of service shall be
32 eligible to retire and to receive a retirement allowance computed
33 according to the provisions of RCW 41.32.840, except that a member
34 retiring pursuant to this subsection shall have the retirement
35 allowance actuarially reduced to reflect the difference in the number
36 of years between age at retirement and the attainment of age sixty-
37 five.

1 (3) ALTERNATE EARLY RETIREMENT.

2 (a) Any member who has completed at least thirty service credit
3 years and has attained age fifty-five shall be eligible to retire and
4 to receive a retirement allowance computed according to the provisions
5 of RCW 41.32.840, except that a member retiring pursuant to this
6 subsection shall have the retirement allowance reduced by three percent
7 per year to reflect the difference in the number of years between age
8 at retirement and the attainment of age sixty-five.

9 (b) On or after September 1, 2008, any member who has completed at
10 least thirty service credit years and has attained age fifty-five shall
11 be eligible to retire and to receive a retirement allowance computed
12 according to the provisions of RCW 41.32.840, except that a member
13 retiring pursuant to this subsection shall have the retirement
14 allowance reduced as follows:

15	Retirement	Percent
16	Age	Reduction
17	55	20%
18	56	17%
19	57	14%
20	58	11%
21	59	8%
22	60	5%
23	61	2%
24	62	0%
25	63	0%
26	64	0%

27 ~~((Any member who retires under the provisions of this subsection is
28 ineligible for the postretirement employment provisions of RCW
29 41.32.862(2) until the retired member has reached sixty five years of
30 age. For purposes of this subsection, employment with an employer also
31 includes any personal service contract, service by an employer as a
32 temporary or project employee, or any other similar compensated
33 relationship with any employer included under the provisions of RCW
34 41.32.860(1).))~~

35 The subsidized reductions for alternate early retirement in this
36 subsection as set forth in section 4, chapter 491, Laws of 2007 were

1 intended by the legislature as replacement benefits for gain-sharing.
2 Until there is legal certainty with respect to the repeal of chapter
3 41.31A RCW, the right to retire under this subsection is
4 noncontractual, and the legislature reserves the right to amend or
5 repeal this subsection. Legal certainty includes, but is not limited
6 to, the expiration of any: Applicable limitations on actions; and
7 periods of time for seeking appellate review, up to and including
8 reconsideration by the Washington supreme court and the supreme court
9 of the United States. Until that time, eligible members may still
10 retire under this subsection, and upon receipt of the first installment
11 of a retirement allowance computed under this subsection, the resulting
12 benefit becomes contractual for the recipient. If the repeal of
13 chapter 41.31A RCW is held to be invalid in a final determination of a
14 court of law, and the court orders reinstatement of gain-sharing or
15 other alternate benefits as a remedy, then retirement benefits for any
16 member who has completed at least thirty service credit years and has
17 attained age fifty-five but has not yet received the first installment
18 of a retirement allowance under this subsection shall be computed using
19 the reductions in (a) of this subsection.

20 **Sec. 3.** RCW 41.35.420 and 2007 c 491 s 6 are each amended to read
21 as follows:

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

26 (2) EARLY RETIREMENT. Any member who has completed at least twenty
27 service credit years and has attained age fifty-five shall be eligible
28 to retire and to receive a retirement allowance computed according to
29 the provisions of RCW 41.35.400, except that a member retiring pursuant
30 to this subsection shall have the retirement allowance actuarially
31 reduced to reflect the difference in the number of years between age at
32 retirement and the attainment of age sixty-five.

33 (3) ALTERNATE EARLY RETIREMENT.

34 (a) Any member who has completed at least thirty service credit
35 years and has attained age fifty-five shall be eligible to retire and
36 to receive a retirement allowance computed according to the provisions
37 of RCW 41.35.400, except that a member retiring pursuant to this

1 subsection shall have the retirement allowance reduced by three percent
2 per year to reflect the difference in the number of years between age
3 at retirement and the attainment of age sixty-five.

4 (b) On or after September 1, 2008, any member who has completed at
5 least thirty service credit years and has attained age fifty-five shall
6 be eligible to retire and to receive a retirement allowance computed
7 according to the provisions of RCW 41.35.400, except that a member
8 retiring pursuant to this subsection shall have the retirement
9 allowance reduced as follows:

10	Retirement	Percent
11	Age	Reduction
12	55	20%
13	56	17%
14	57	14%
15	58	11%
16	59	8%
17	60	5%
18	61	2%
19	62	0%
20	63	0%
21	64	0%

22 ~~((Any member who retires under the provisions of this subsection is~~
23 ~~ineligible for the postretirement employment provisions of RCW~~
24 ~~41.35.060(2) until the retired member has reached sixty five years of~~
25 ~~age. For purposes of this subsection, employment with an employer also~~
26 ~~includes any personal service contract, service by an employer as a~~
27 ~~temporary or project employee, or any other similar compensated~~
28 ~~relationship with any employer included under the provisions of RCW~~
29 ~~41.35.230(1).))~~

30 The subsidized reductions for alternate early retirement in this
31 subsection as set forth in section 6, chapter 491, Laws of 2007 were
32 intended by the legislature as replacement benefits for gain-sharing.
33 Until there is legal certainty with respect to the repeal of chapter
34 41.31A RCW, the right to retire under this subsection is
35 noncontractual, and the legislature reserves the right to amend or
36 repeal this subsection. Legal certainty includes, but is not limited

1 to, the expiration of any: Applicable limitations on actions; and
2 periods of time for seeking appellate review, up to and including
3 reconsideration by the Washington supreme court and the supreme court
4 of the United States. Until that time, eligible members may still
5 retire under this subsection, and upon receipt of the first installment
6 of a retirement allowance computed under this subsection, the resulting
7 benefit becomes contractual for the recipient. If the repeal of
8 chapter 41.31A RCW is held to be invalid in a final determination of a
9 court of law, and the court orders reinstatement of gain-sharing or
10 other alternate benefits as a remedy, then retirement benefits for any
11 member who has completed at least thirty service credit years and has
12 attained age fifty-five but has not yet received the first installment
13 of a retirement allowance under this subsection shall be computed using
14 the reductions in (a) of this subsection.

15 **Sec. 4.** RCW 41.35.680 and 2007 c 491 s 8 are each amended to read
16 as follows:

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

19 (a) Completed ten service credit years; or

20 (b) Completed five service credit years, including twelve service
21 credit months after attaining age forty-four; or

22 (c) Completed five service credit years by September 1, 2000, under
23 the public employees' retirement system plan 2 and who transferred to
24 plan 3 under RCW 41.35.510;

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

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 41.35.620, except that a member
31 retiring pursuant to this subsection shall have the retirement
32 allowance actuarially reduced to reflect the difference in the number
33 of years between age at retirement and the attainment of age sixty-
34 five.

35 (3) ALTERNATE EARLY RETIREMENT.

36 (a) Any member who has completed at least thirty service credit
37 years and has attained age fifty-five shall be eligible to retire and

1 to receive a retirement allowance computed according to the provisions
2 of RCW 41.35.620, except that a member retiring pursuant to this
3 subsection shall have the retirement allowance reduced by three percent
4 per year to reflect the difference in the number of years between age
5 at retirement and the attainment of age sixty-five.

6 (b) On or after September 1, 2008, any member who has completed at
7 least thirty service credit years and has attained age fifty-five shall
8 be eligible to retire and to receive a retirement allowance computed
9 according to the provisions of RCW 41.35.620, except that a member
10 retiring pursuant to this subsection shall have the retirement
11 allowance reduced as follows:

12	Retirement	Percent
13	Age	Reduction
14	55	20%
15	56	17%
16	57	14%
17	58	11%
18	59	8%
19	60	5%
20	61	2%
21	62	0%
22	63	0%
23	64	0%

24 ~~((Any member who retires under the provisions of this subsection is
25 ineligible for the postretirement employment provisions of RCW
26 41.35.060(2) until the retired member has reached sixty five years of
27 age. For purposes of this subsection, employment with an employer also
28 includes any personal service contract, service by an employer as a
29 temporary or project employee, or any other similar compensated
30 relationship with any employer included under the provisions of RCW
31 41.35.230(1).))~~

32 The subsidized reductions for alternate early retirement in this
33 subsection as set forth in section 8, chapter 491, Laws of 2007 were
34 intended by the legislature as replacement benefits for gain-sharing.
35 Until there is legal certainty with respect to the repeal of chapter
36 41.31A RCW, the right to retire under this subsection is

1 noncontractual, and the legislature reserves the right to amend or
2 repeal this subsection. Legal certainty includes, but is not limited
3 to, the expiration of any: Applicable limitations on actions; and
4 periods of time for seeking appellate review, up to and including
5 reconsideration by the Washington supreme court and the supreme court
6 of the United States. Until that time, eligible members may still
7 retire under this subsection, and upon receipt of the first installment
8 of a retirement allowance computed under this subsection, the resulting
9 benefit becomes contractual for the recipient. If the repeal of
10 chapter 41.31A RCW is held to be invalid in a final determination of a
11 court of law, and the court orders reinstatement of gain-sharing or
12 other alternate benefits as a remedy, then retirement benefits for any
13 member who has completed at least thirty service credit years and has
14 attained age fifty-five but has not yet received the first installment
15 of a retirement allowance under this subsection shall be computed using
16 the reductions in (a) of this subsection.

17 **Sec. 5.** RCW 41.40.630 and 2007 c 491 s 9 are each amended to read
18 as follows:

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

23 (2) EARLY RETIREMENT. Any member who has completed at least twenty
24 service credit years and has attained age fifty-five shall be eligible
25 to retire and to receive a retirement allowance computed according to
26 the provisions of RCW 41.40.620, except that a member retiring pursuant
27 to this subsection shall have the retirement allowance actuarially
28 reduced to reflect the difference in the number of years between age at
29 retirement and the attainment of age sixty-five.

30 (3) ALTERNATE EARLY RETIREMENT.

31 (a) Any member who has completed at least thirty service credit
32 years and has attained age fifty-five shall be eligible to retire and
33 to receive a retirement allowance computed according to the provisions
34 of RCW 41.40.620, except that a member retiring pursuant to this
35 subsection shall have the retirement allowance reduced by three percent
36 per year to reflect the difference in the number of years between age
37 at retirement and the attainment of age sixty-five.

1 (b) On or after July 1, 2008, any member who has completed at least
2 thirty service credit years and has attained age fifty-five shall be
3 eligible to retire and to receive a retirement allowance computed
4 according to the provisions of RCW 41.40.620, except that a member
5 retiring pursuant to this subsection shall have the retirement
6 allowance reduced as follows:

7	Retirement	Percent
8	Age	Reduction
9	55	20%
10	56	17%
11	57	14%
12	58	11%
13	59	8%
14	60	5%
15	61	2%
16	62	0%
17	63	0%
18	64	0%

19 ~~((Any member who retires under the provisions of this subsection is
20 ineligible for the postretirement employment provisions of RCW
21 41.40.037(2)(d) until the retired member has reached sixty five years
22 of age. For purposes of this subsection, employment with an employer
23 also includes any personal service contract, service by an employer as
24 a temporary or project employee, or any other similar compensated
25 relationship with any employer included under the provisions of RCW
26 41.40.690(1).))~~

27 The subsidized reductions for alternate early retirement in this
28 subsection as set forth in section 9, chapter 491, Laws of 2007 were
29 intended by the legislature as replacement benefits for gain-sharing.
30 Until there is legal certainty with respect to the repeal of chapter
31 41.31A RCW, the right to retire under this subsection is
32 noncontractual, and the legislature reserves the right to amend or
33 repeal this subsection. Legal certainty includes, but is not limited
34 to, the expiration of any: Applicable limitations on actions; and
35 periods of time for seeking appellate review, up to and including
36 reconsideration by the Washington supreme court and the supreme court

1 of the United States. Until that time, eligible members may still
2 retire under this subsection, and upon receipt of the first installment
3 of a retirement allowance computed under this subsection, the resulting
4 benefit becomes contractual for the recipient. If the repeal of
5 chapter 41.31A RCW is held to be invalid in a final determination of a
6 court of law, and the court orders reinstatement of gain-sharing or
7 other alternate benefits as a remedy, then retirement benefits for any
8 member who has completed at least thirty service credit years and has
9 attained age fifty-five but has not yet received the first installment
10 of a retirement allowance under this subsection shall be computed using
11 the reductions in (a) of this subsection.

12 **Sec. 6.** RCW 41.40.820 and 2007 c 491 s 10 are each amended to read
13 as follows:

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

16 (a) Completed ten service credit years; or

17 (b) Completed five service credit years, including twelve service
18 credit months after attaining age forty-four; or

19 (c) Completed five service credit years by the transfer payment
20 date specified in RCW 41.40.795, under the public employees' retirement
21 system plan 2 and who transferred to plan 3 under RCW 41.40.795;
22 shall be eligible to retire and to receive a retirement allowance
23 computed according to the provisions of RCW 41.40.790.

24 (2) EARLY RETIREMENT. Any member who has attained at least age
25 fifty-five and has completed at least ten years of service shall be
26 eligible to retire and to receive a retirement allowance computed
27 according to the provisions of RCW 41.40.790, except that a member
28 retiring pursuant to this subsection shall have the retirement
29 allowance actuarially reduced to reflect the difference in the number
30 of years between age at retirement and the attainment of age sixty-
31 five.

32 (3) ALTERNATE EARLY RETIREMENT.

33 (a) Any member who has completed at least thirty service credit
34 years and has attained age fifty-five shall be eligible to retire and
35 to receive a retirement allowance computed according to the provisions
36 of RCW 41.40.790, except that a member retiring pursuant to this

1 subsection shall have the retirement allowance reduced by three percent
2 per year to reflect the difference in the number of years between age
3 at retirement and the attainment of age sixty-five.

4 (b) On or after July 1, 2008, any member who has completed at least
5 thirty service credit years and has attained age fifty-five shall be
6 eligible to retire and to receive a retirement allowance computed
7 according to the provisions of RCW 41.40.790, except that a member
8 retiring pursuant to this subsection shall have the retirement
9 allowance reduced as follows:

10

11	Retirement	Percent
12	Age	Reduction
13	55	20%
14	56	17%
15	57	14%
16	58	11%
17	59	8%
18	60	5%
19	61	2%
20	62	0%
21	63	0%
22	64	0%

23 ~~((Any member who retires under the provisions of this subsection is
24 ineligible for the postretirement employment provisions of RCW
25 41.40.037(2)(d) until the retired member has reached sixty five years
26 of age. For purposes of this subsection, employment with an employer
27 also includes any personal service contract, service by an employer as
28 a temporary or project employee, or any other similar compensated
29 relationship with any employer included under the provisions of RCW
30 41.40.850(1).))~~

31 The subsidized reductions for alternate early retirement in this
32 subsection as set forth in section 10, chapter 491, Laws of 2007 were
33 intended by the legislature as replacement benefits for gain-sharing.
34 Until there is legal certainty with respect to the repeal of chapter
35 41.31A RCW, the right to retire under this subsection is
36 noncontractual, and the legislature reserves the right to amend or

1 repeal this subsection. Legal certainty includes, but is not limited
2 to, the expiration of any: Applicable limitations on actions; and
3 periods of time for seeking appellate review, up to and including
4 reconsideration by the Washington supreme court and the supreme court
5 of the United States. Until that time, eligible members may still
6 retire under this subsection, and upon receipt of the first installment
7 of a retirement allowance computed under this subsection, the resulting
8 benefit becomes contractual for the recipient. If the repeal of
9 chapter 41.31A RCW is held to be invalid in a final determination of a
10 court of law, and the court orders reinstatement of gain-sharing or
11 other alternate benefits as a remedy, then retirement benefits for any
12 member who has completed at least thirty service credit years and has
13 attained age fifty-five but has not yet received the first installment
14 of a retirement allowance under this subsection shall be computed using
15 the reductions in (a) of this subsection.

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