

---

HOUSE BILL 1851

---

State of Washington

62nd Legislature

2011 Regular Session

By Representative Hunt

Read first time 02/07/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to calculating service credit for school  
2 administrators for alternate early retirement eligibility; and amending  
3 RCW 41.32.765, 41.35.680, 41.35.420, and 41.32.875.

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

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

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

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

19 (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 (3)(a) shall have the retirement allowance reduced by three  
6 percent per year to reflect the difference in the number of years  
7 between age 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 (3)(b) 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 (c)(i) An active school administrator is eligible to retire under  
27 (a) or (b) of this subsection (3), subject to (e) of this subsection  
28 (3), if the member meets the following requirements:

29 (A) Has completed twenty-nine service credit years, plus ten  
30 additional service credit months through June 30th of the school  
31 administrator's thirtieth service credit year; and

32 (B) Has attained age fifty-five.

33 (ii) For the purposes of this subsection (3)(c), "school  
34 administrator" means a member who serves in a managerial role relating  
35 to the administration of a public school or who is involved in the

1 exercise of direction over employees of the public school. This  
2 includes, but is not limited to, service as: Principal, assistant  
3 principal, superintendent, assistant superintendent, directors and  
4 coordinators, such as those persons covered under RCW 28A.150.203(2)  
5 and 28A.410.120; and both classified and certificated employees serving  
6 in positions such as business manager and personnel manager.

7 (iii) The right to retire under this subsection (3)(c) is  
8 noncontractual and the legislature reserves the right to amend or  
9 repeal this subsection (3)(c).

10 (d) Any member who retires under the provisions of (b) or (c) of  
11 this subsection (3) is ineligible for the postretirement employment  
12 provisions of RCW 41.32.802(2) until the retired member has reached  
13 sixty-five years of age. For purposes of (b) or (c) of this subsection  
14 (3), employment with an employer also includes any personal service  
15 contract, service by an employer as a temporary or project employee, or  
16 any other similar compensated relationship with any employer included  
17 under the provisions of RCW 41.32.800(1).

18 (e) Except for (a) of this subsection (3), the subsidized  
19 reductions for alternate early retirement in (b) of this subsection (3)  
20 as set forth in section 2, chapter 491, Laws of 2007 and (c) of this  
21 subsection (3) as set forth in section 1, chapter . . . (this act),  
22 Laws of 2011 were intended by the legislature as replacement benefits  
23 for gain-sharing. Until there is legal certainty with respect to the  
24 repeal of chapter 41.31A RCW, the right to retire under (b) or (c) of  
25 this subsection (3) is noncontractual, and the legislature reserves the  
26 right to amend or repeal (b) or (c) of this subsection (3). Legal  
27 certainty includes, but is not limited to, the expiration of any:  
28 Applicable limitations on actions; and periods of time for seeking  
29 appellate review, up to and including reconsideration by the Washington  
30 supreme court and the supreme court of the United States. Until that  
31 time, eligible members may still retire under (b) or (c) of this  
32 subsection (3), and upon receipt of the first installment of a  
33 retirement allowance computed under (b) or (c) of this subsection (3),  
34 the resulting benefit becomes contractual for the recipient. If the  
35 repeal of chapter 41.31A RCW is held to be invalid in a final  
36 determination of a court of law, and the court orders reinstatement of  
37 gain-sharing or other alternate benefits as a remedy, then retirement  
38 benefits for any member who has completed at least thirty service

1 credit years and has attained age fifty-five but has not yet received  
2 the first installment of a retirement allowance under (b) or (c) of  
3 this subsection (3) shall be computed using the reductions in (a) of  
4 this subsection (3).

5 **Sec. 2.** RCW 41.35.680 and 2007 c 491 s 8 are each amended to read  
6 as follows:

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

9 (a) Completed ten service credit years; or

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

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

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

17 (2) EARLY RETIREMENT. Any member who has attained at least age  
18 fifty-five and has completed at least ten years of service shall be  
19 eligible to retire and to receive a retirement allowance computed  
20 according to the provisions of RCW 41.35.620, except that a member  
21 retiring pursuant to this subsection shall have the retirement  
22 allowance actuarially reduced to reflect the difference in the number  
23 of years between age at retirement and the attainment of age sixty-  
24 five.

25 (3) ALTERNATE EARLY RETIREMENT.

26 (a) Any member who has completed at least thirty service credit  
27 years and has attained age fifty-five shall be eligible to retire and  
28 to receive a retirement allowance computed according to the provisions  
29 of RCW 41.35.620, except that a member retiring pursuant to this  
30 subsection (3)(a) shall have the retirement allowance reduced by three  
31 percent per year to reflect the difference in the number of years  
32 between age at retirement and the attainment of age sixty-five.

33 (b) On or after September 1, 2008, any member who has completed at  
34 least thirty service credit years and has attained age fifty-five shall  
35 be eligible to retire and to receive a retirement allowance computed  
36 according to the provisions of RCW 41.35.620, except that a member

1 retiring pursuant to this subsection (3)(b) shall have the retirement  
2 allowance reduced as follows:

3	Retirement	Percent
4	Age	Reduction
5	55	20%
6	56	17%
7	57	14%
8	58	11%
9	59	8%
10	60	5%
11	61	2%
12	62	0%
13	63	0%
14	64	0%

15 (c)(i) An active school administrator is eligible to retire under  
16 (a) or (b) of this subsection (3), subject to (e) of this subsection  
17 (3), if the member meets the following requirements:

18 (A) Has completed twenty-nine service credit years, plus ten  
19 additional service credit months through June 30th of the school  
20 administrator's thirtieth service credit year; and

21 (B) Has attained age fifty-five.

22 (ii) For the purposes of this subsection (3)(c), "school  
23 administrator" means a member who serves in a managerial role relating  
24 to the administration of a public school or who is involved in the  
25 exercise of direction over employees of the public school. This  
26 includes, but is not limited to, service as: Principal, assistant  
27 principal, superintendent, assistant superintendent, directors and  
28 coordinators, such as those persons covered under RCW 28A.150.203(2)  
29 and 28A.410.120; and both classified and certificated employees serving  
30 in positions such as business manager and personnel manager.

31 (iii) The right to retire under this subsection (3)(c) is  
32 noncontractual and the legislature reserves the right to amend or  
33 repeal this subsection (3)(c).

34 (d) Any member who retires under the provisions of (b) or (c) of  
35 this subsection (3) is ineligible for the postretirement employment

1 provisions of RCW 41.35.060(2) until the retired member has reached  
2 sixty-five years of age. For purposes of (b) or (c) of this subsection  
3 (3), employment with an employer also includes any personal service  
4 contract, service by an employer as a temporary or project employee, or  
5 any other similar compensated relationship with any employer included  
6 under the provisions of RCW 41.35.230(1).

7 (e) Except for (a) of this subsection (3), the subsidized  
8 reductions for alternate early retirement in (b) of this subsection (3)  
9 as set forth in section 8, chapter 491, Laws of 2007 and (c) of this  
10 subsection (3) as set forth in section 2, chapter . . . (this act),  
11 Laws of 2011 were intended by the legislature as replacement benefits  
12 for gain-sharing. Until there is legal certainty with respect to the  
13 repeal of chapter 41.31A RCW, the right to retire under (b) or (c) of  
14 this subsection (3) is noncontractual, and the legislature reserves the  
15 right to amend or repeal (b) or (c) of this subsection (3). Legal  
16 certainty includes, but is not limited to, the expiration of any:  
17 Applicable limitations on actions; and periods of time for seeking  
18 appellate review, up to and including reconsideration by the Washington  
19 supreme court and the supreme court of the United States. Until that  
20 time, eligible members may still retire under (b) or (c) of this  
21 subsection (3), and upon receipt of the first installment of a  
22 retirement allowance computed under (b) or (c) of this subsection (3),  
23 the resulting benefit becomes contractual for the recipient. If the  
24 repeal of chapter 41.31A RCW is held to be invalid in a final  
25 determination of a court of law, and the court orders reinstatement of  
26 gain-sharing or other alternate benefits as a remedy, then retirement  
27 benefits for any member who has completed at least thirty service  
28 credit years and has attained age fifty-five but has not yet received  
29 the first installment of a retirement allowance under (b) or (c) of  
30 this subsection (3) shall be computed using the reductions in (a) of  
31 this subsection (3).

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

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

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

8 (3) ALTERNATE EARLY RETIREMENT.

9 (a) Any member who has completed at least thirty service credit  
10 years and has attained age fifty-five shall be eligible to retire and  
11 to receive a retirement allowance computed according to the provisions  
12 of RCW 41.35.400, except that a member retiring pursuant to this  
13 subsection (3)(a) shall have the retirement allowance reduced by three  
14 percent per year to reflect the difference in the number of years  
15 between age at retirement and the attainment of age sixty-five.

16 (b) On or after September 1, 2008, any member who has completed at  
17 least thirty service credit years and has attained age fifty-five shall  
18 be eligible to retire and to receive a retirement allowance computed  
19 according to the provisions of RCW 41.35.400, except that a member  
20 retiring pursuant to this subsection (3)(b) shall have the retirement  
21 allowance reduced as follows:

Retirement	Percent
Age	Reduction
55	20%
56	17%
57	14%
58	11%
59	8%
60	5%
61	2%
62	0%
63	0%
64	0%

22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34 (c)(i) An active school administrator is eligible to retire under

1 (a) or (b) of this subsection (3), subject to (e) of this subsection  
2 (3), if the member meets the following requirements:

3 (A) Has completed twenty-nine service credit years, plus ten  
4 additional service credit months through June 30th of the school  
5 administrator's thirtieth service credit year; and

6 (B) Has attained age fifty-five.

7 (ii) For the purposes of this subsection (3)(c), "school  
8 administrator" means a member who serves in a managerial role relating  
9 to the administration of a public school or who is involved in the  
10 exercise of direction over employees of the public school. This  
11 includes, but is not limited to, service as: Principal, assistant  
12 principal, superintendent, assistant superintendent, directors and  
13 coordinators, such as those persons covered under RCW 28A.150.203(2)  
14 and 28A.410.120; and both classified and certificated employees serving  
15 in positions such as business manager and personnel manager.

16 (iii) The right to retire under this subsection (3)(c) is  
17 noncontractual and the legislature reserves the right to amend or  
18 repeal this subsection (3)(c).

19 (d) Any member who retires under the provisions of (b) or (c) of  
20 this subsection (3) is ineligible for the postretirement employment  
21 provisions of RCW 41.35.060(2) until the retired member has reached  
22 sixty-five years of age. For purposes of (b) or (c) of this subsection  
23 (3), employment with an employer also includes any personal service  
24 contract, service by an employer as a temporary or project employee, or  
25 any other similar compensated relationship with any employer included  
26 under the provisions of RCW 41.35.230(1).

27 (e) Except for (a) of this subsection, the subsidized reductions  
28 for alternate early retirement in (b) of this subsection (3) as set  
29 forth in section 6, chapter 491, Laws of 2007 and (c) of this  
30 subsection (3) as set forth in section 3, chapter . . . (this act),  
31 Laws of 2011 were intended by the legislature as replacement benefits  
32 for gain-sharing. Until there is legal certainty with respect to the  
33 repeal of chapter 41.31A RCW, the right to retire under (b) or (c) of  
34 this subsection (3) is noncontractual, and the legislature reserves the  
35 right to amend or repeal (b) or (c) of this subsection (3). Legal  
36 certainty includes, but is not limited to, the expiration of any:  
37 Applicable limitations on actions; and periods of time for seeking  
38 appellate review, up to and including reconsideration by the Washington



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

14 **Sec. 4.** RCW 41.32.875 and 2007 c 491 s 4 are each amended to read  
15 as follows:

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

18 (a) Completed ten service credit years; or

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

21 (c) Completed five service credit years by July 1, 1996, under plan  
22 2 and who transferred to plan 3 under RCW 41.32.817;

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

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

1 subsection (3)(a) shall have the retirement allowance reduced by three  
2 percent per year to reflect the difference in the number of years  
3 between age 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 41.32.840, except that a member  
8 retiring pursuant to this subsection (3)(b) 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 (c)(i) An active school administrator is eligible to retire under  
23 (a) or (b) of this subsection (3), subject to (e) of this subsection  
24 (3), if the member meets the following requirements:

25 (A) Has completed twenty-nine service credit years, plus ten  
26 additional service credit months through June 30th of the school  
27 administrator's thirtieth service credit year; and

28 (B) Has attained age fifty-five.

29 (ii) For the purposes of this subsection (3)(c), "school  
30 administrator" means a member who serves in a managerial role relating  
31 to the administration of a public school or who is involved in the  
32 exercise of direction over employees of the public school. This  
33 includes, but is not limited to, service as: Principal, assistant  
34 principal, superintendent, assistant superintendent, directors and

1 coordinators, such as those persons covered under RCW 28A.150.203(2)  
2 and 28A.410.120; and both classified and certificated employees serving  
3 in positions such as business manager and personnel manager.

4 (iii) The right to retire under this subsection (3)(c) is  
5 noncontractual and the legislature reserves the right to amend or  
6 repeal this subsection (3)(c).

7 (d) Any member who retires under the provisions of (b) or (c) of  
8 this subsection (3) is ineligible for the postretirement employment  
9 provisions of RCW 41.32.862(2) until the retired member has reached  
10 sixty-five years of age. For purposes of (b) or (c) of this subsection  
11 (3), employment with an employer also includes any personal service  
12 contract, service by an employer as a temporary or project employee, or  
13 any other similar compensated relationship with any employer included  
14 under the provisions of RCW 41.32.860(1).

15 (e) Except for (a) of this subsection (3), the subsidized  
16 reductions for alternate early retirement in (b) of this subsection (3)  
17 as set forth in section 4, chapter 491, Laws of 2007 and (c) of this  
18 subsection (3) as set forth in section 4, chapter . . . (this act),  
19 Laws of 2011 were intended by the legislature as replacement benefits  
20 for gain-sharing. Until there is legal certainty with respect to the  
21 repeal of chapter 41.31A RCW, the right to retire under (b) or (c) of  
22 this subsection (3) is noncontractual, and the legislature reserves the  
23 right to amend or repeal (b) or (c) of this subsection (3). Legal  
24 certainty includes, but is not limited to, the expiration of any:  
25 Applicable limitations on actions; and periods of time for seeking  
26 appellate review, up to and including reconsideration by the Washington  
27 supreme court and the supreme court of the United States. Until that  
28 time, eligible members may still retire under (b) or (c) of this  
29 subsection (3), and upon receipt of the first installment of a  
30 retirement allowance computed under (b) or (c) of this subsection (3),  
31 the resulting benefit becomes contractual for the recipient. If the  
32 repeal of chapter 41.31A RCW is held to be invalid in a final  
33 determination of a court of law, and the court orders reinstatement of  
34 gain-sharing or other alternate benefits as a remedy, then retirement  
35 benefits for any member who has completed at least thirty service  
36 credit years and has attained age fifty-five but has not yet received  
37 the first installment of a retirement allowance under (b) or (c) of

1 this subsection (3) shall be computed using the reductions in (a) of  
2 this subsection (3).

--- END ---