
HOUSE BILL 1226

State of Washington

63rd Legislature

2013 Regular Session

By Representatives Ormsby, Alexander, Sullivan, Haigh, and Ryu; by request of Select Committee on Pension Policy

Read first time 01/21/13. Referred to Committee on Appropriations.

1 AN ACT Relating to restrictions on collecting a pension in the
2 public employees' retirement system for retirees returning to work in
3 an ineligible position or a position covered by another state
4 retirement system; and amending RCW 41.40.037.

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

6 **Sec. 1.** RCW 41.40.037 and 2011 1st sp.s. c 47 s 19 are each
7 amended 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 retiree from plan 1, plan 2, or plan 3 who ~~((enters~~
19 ~~employment with an employer at least one calendar month after his or~~

1 ~~her accrual date may continue to receive pension payments while engaged~~
2 ~~in such service for)) has satisfied the break in employment requirement~~
3 ~~of subsection (1) of this section may work up to eight hundred sixty-~~
4 ~~seven hours ((of service in a)) per calendar year ((without a reduction~~
5 ~~of pension. For purposes of this section, employment includes~~
6 ~~positions covered by annuity and retirement income plans offered by~~
7 ~~institutions of higher education pursuant to RCW 28B.10.400)) in an~~
8 ~~eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010,~~
9 ~~or 41.40.010, or as a firefighter or law enforcement officer, as~~
10 ~~defined in RCW 41.26.030, or in a position covered by annuity and~~
11 ~~retirement income plans offered by institutions of higher education~~
12 ~~pursuant to RCW 28B.10.400, without suspension of his or her benefit.~~

13 (3) If the retiree opts to reestablish membership under RCW
14 41.40.023(12), he or she terminates his or her retirement status and
15 becomes a member. Retirement benefits shall not accrue during the
16 period of membership and the individual shall make contributions and
17 receive membership credit. Such a member shall have the right to again
18 retire if eligible in accordance with RCW 41.40.180. However, if the
19 right to retire is exercised to become effective before the member has
20 rendered two uninterrupted years of service, the retirement formula and
21 survivor options the member had at the time of the member's previous
22 retirement shall be reinstated.

23 (4) The department shall collect and provide the state actuary with
24 information relevant to the use of this section for the select
25 committee on pension policy.

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

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