
SENATE BILL 5512

State of Washington

63rd Legislature

2013 Regular Session

By Senators Conway, Hobbs, Nelson, Delvin, Schlicher, McAuliffe, Hatfield, and Shin

Read first time 02/01/13. 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, 41.32.875, 41.35.420, and 41.35.680.

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

5 **Sec. 1.** RCW 41.32.765 and 2012 1st sp.s. c 7 s 1 are each amended
6 to read 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 (2) shall have the
16 retirement allowance actuarially reduced to reflect the difference in
17 the number of years between age at retirement and the attainment of age
18 sixty-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 2013 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 ~~((e))~~ (f) Members who first become employed by an employer in an
6 eligible position on or after May 1, 2013, are not eligible for the
7 alternate early retirement provisions of (a) or (b) of this subsection
8 (3). Any member who first becomes employed by an employer in an
9 eligible position on or after May 1, 2013, and has completed at least
10 thirty service credit years and has attained age fifty-five shall be
11 eligible to retire and to receive a retirement allowance computed
12 according to the provisions of RCW 41.32.760, except that a member
13 retiring pursuant to this subsection (3) shall have the retirement
14 allowance reduced by five percent per year to reflect the difference in
15 the number of years between age at retirement and the attainment of age
16 sixty-five.

17 **Sec. 2.** RCW 41.32.875 and 2012 1st sp.s. c 7 s 2 are each amended
18 to read as follows:

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

21 (a) Completed ten service credit years; or

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

24 (c) Completed five service credit years by July 1, 1996, under plan
25 2 and who transferred to plan 3 under RCW 41.32.817;
26 shall be eligible to retire and to receive a retirement allowance
27 computed according to the provisions of RCW 41.32.840.

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

36 (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 41.32.840, 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 41.32.840, 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 41.32.862(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 41.32.860(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 4, chapter 491, Laws of 2007 and (c) of this
21 subsection (3) as set forth in section 2, chapter . . . (this act),
22 Laws of 2013 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 ~~((e))~~ (f) Members who first become employed by an employer in an
6 eligible position on or after May 1, 2013, are not eligible for the
7 alternate early retirement provisions of (a) or (b) of this subsection
8 (3). Any member who first becomes employed by an employer in an
9 eligible position on or after May 1, 2013, and has completed at least
10 thirty service credit years and has attained age fifty-five shall be
11 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 (3) shall have the retirement
14 allowance reduced by five percent per year to reflect the difference in
15 the number of years between age at retirement and the attainment of age
16 sixty-five.

17 **Sec. 3.** RCW 41.35.420 and 2012 1st sp.s. c 7 s 3 are each amended
18 to read 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 41.35.400.

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 41.35.400, except that a member retiring pursuant
27 to this subsection (2) 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 41.35.400, except that a member retiring pursuant to this
35 subsection (3)(a) shall have the retirement allowance reduced by three
36 percent per year to reflect the difference in the number of years
37 between age at retirement and the attainment of age sixty-five.

1 (b) On or after September 1, 2008, any member who has completed at
2 least thirty service credit years and has attained age fifty-five shall
3 be eligible to retire and to receive a retirement allowance computed
4 according to the provisions of RCW 41.35.400, except that a member
5 retiring pursuant to this subsection (3)(b) 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 (c)(i) An active school administrator is eligible to retire under
20 (a) or (b) of this subsection (3), subject to (e) of this subsection
21 (3), if the member meets the following requirements:

- 22 (A) Has completed twenty-nine service credit years, plus ten
23 additional service credit months through June 30th of the school
24 administrator's thirtieth service credit year; and
- 25 (B) Has attained age fifty-five.

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

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

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

12 (e) Except for (a) of this subsection, the subsidized reductions
13 for alternate early retirement in (b) of this subsection (3) as set
14 forth in section 6, chapter 491, Laws of 2007 and (c) of this
15 subsection (3) as set forth in section 3, chapter . . . (this act),
16 Laws of 2013 were intended by the legislature as replacement benefits
17 for gain-sharing. Until there is legal certainty with respect to the
18 repeal of chapter 41.31A RCW, the right to retire under (b) or (c) of
19 this subsection (3) is noncontractual, and the legislature reserves the
20 right to amend or repeal (b) or (c) of this subsection (3). Legal
21 certainty includes, but is not limited to, the expiration of any:
22 Applicable limitations on actions; and periods of time for seeking
23 appellate review, up to and including reconsideration by the Washington
24 supreme court and the supreme court of the United States. Until that
25 time, eligible members may still retire under (b) or (c) of this
26 subsection (3), and upon receipt of the first installment of a
27 retirement allowance computed under (b) or (c) of this subsection (3),
28 the resulting benefit becomes contractual for the recipient. If the
29 repeal of chapter 41.31A RCW is held to be invalid in a final
30 determination of a court of law, and the court orders reinstatement of
31 gain-sharing or other alternate benefits as a remedy, then retirement
32 benefits for any member who has completed at least thirty service
33 credit years and has attained age fifty-five but has not yet received
34 the first installment of a retirement allowance under (b) or (c) of
35 this subsection (3) shall be computed using the reductions in (a) of
36 this subsection (3).

37 ~~((e))~~ (f) Members who first become employed by an employer in an
38 eligible position on or after May 1, 2013, are not eligible for the

1 alternate early retirement provisions of (a) or (b) of this subsection
2 (3). Any member who first becomes employed by an employer in an
3 eligible position on or after May 1, 2013, and has completed at least
4 thirty service credit years and has attained age fifty-five shall be
5 eligible to retire and to receive a retirement allowance computed
6 according to the provisions of RCW 41.35.400, except that a member
7 retiring pursuant to this subsection (3) shall have the retirement
8 allowance reduced by five percent per year to reflect the difference in
9 the number of years between age at retirement and the attainment of age
10 sixty-five.

11 **Sec. 4.** RCW 41.35.680 and 2012 1st sp.s. c 7 s 4 are each amended
12 to read as follows:

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

15 (a) Completed ten service credit years; or

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

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

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

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

31 (3) ALTERNATE EARLY RETIREMENT.

32 (a) Any member who has completed at least thirty service credit
33 years and has attained age fifty-five shall be eligible to retire and
34 to receive a retirement allowance computed according to the provisions
35 of RCW 41.35.620, except that a member retiring pursuant to this
36 subsection (3)(a) shall have the retirement allowance reduced by three

1 percent per year to reflect the difference in the number of years
2 between age at retirement and the attainment of age sixty-five.

3 (b) On or after September 1, 2008, any member who has completed at
4 least thirty service credit years and has attained age fifty-five shall
5 be eligible to retire and to receive a retirement allowance computed
6 according to the provisions of RCW 41.35.620, except that a member
7 retiring pursuant to this subsection (3)(b) shall have the retirement
8 allowance reduced as follows:

9

10
11
12
13
14
15
16
17
18
19
20
21

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 (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 41.35.060(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 41.35.230(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 8, chapter 491, Laws of 2007 and (c) of this
18 subsection (3) as set forth in section 4, chapter . . . (this act),
19 Laws of 2013 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).

3 ~~((e))~~ (f) Members who first become employed by an employer in an
4 eligible position on or after May 1, 2013, are not eligible for the
5 alternate early retirement provisions of (a) or (b) of this subsection
6 (3). Any member who first becomes employed by an employer in an
7 eligible position on or after May 1, 2013, and has completed at least
8 thirty service credit years and has attained age fifty-five shall be
9 eligible to retire and to receive a retirement allowance computed
10 according to the provisions of RCW 41.35.620, except that a member
11 retiring pursuant to this subsection (3) shall have the retirement
12 allowance reduced by five percent per year to reflect the difference in
13 the number of years between age at retirement and the attainment of age
14 sixty-five.

--- END ---