
SENATE BILL 6662

State of Washington 66th Legislature 2020 Regular Session

By Senators Saldaña, Hunt, Hasegawa, Nguyen, and Wilson, C.

Read first time 01/31/20. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing retirement benefits at earlier ages
2 in the plans 2 and 3 of the public employees' retirement system, the
3 teachers' retirement system, and the school employees' retirement
4 system; amending RCW 41.32.4992, 41.32.765, 41.32.875, 41.35.420,
5 41.35.680, 41.40.1987, 41.40.630, and 41.40.820; and providing an
6 effective date.

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

8 **Sec. 1.** RCW 41.32.4992 and 2018 c 151 s 1 are each amended to
9 read as follows:

10 (1) Beneficiaries who are receiving a monthly benefit from the
11 teachers' retirement system plan 1 on July 1, 2017, shall receive,
12 effective July 1, 2018, an increase to their monthly benefit of one
13 and one-half percent multiplied by the beneficiaries' monthly
14 benefit, not to exceed sixty-two dollars and fifty cents.

15 (2) Beneficiaries who are receiving a monthly benefit from the
16 teachers' retirement system plan 1 on July 1, 2019, shall receive,
17 effective July 1, 2020, an increase to their monthly benefit of three
18 percent multiplied by the beneficiaries' monthly benefit, not to
19 exceed sixty-two dollars and fifty cents.

20 (3) This section does not apply to those receiving benefits
21 pursuant to RCW 41.32.489 or 41.32.540.

1 **Sec. 2.** RCW 41.32.765 and 2012 1st sp.s. c 7 s 1 are each
2 amended to read as follows:

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

7 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
8 five and has completed at least five service credit years and for
9 whom the sum of the number of years of the member's age and the
10 number of years of the member's service credit equals eighty-five or
11 more shall be eligible to retire and receive a retirement allowance
12 computed according to the provisions of RCW 41.32.760.

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

21 (~~(3)~~) (4) ALTERNATE EARLY RETIREMENT.

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

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

Retirement Age	Percent Reduction
55	20%
56	17%

1	57	14%
2	58	11%
3	59	8%
4	60	5%
5	61	2%
6	62	0%
7	63	0%
8	64	0%

9 (ii) On or after July 1, 2020, any member who has completed at
10 least thirty service credit years and has attained age fifty-five
11 shall be eligible to retire and to receive a retirement allowance
12 computed according to the provisions of RCW 41.32.760, except that a
13 member retiring pursuant to this subsection shall have the retirement
14 allowance reduced as follows:

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

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

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

23 (c) Members who first become employed by an employer in an
24 eligible position on or after May 1, 2013, are not eligible for the
25 alternate early retirement provisions of (a) or (b) of this
26 subsection. Any member who first becomes employed by an employer in
27 an eligible position on or after May 1, 2013, and has completed at
28 least thirty service credit years and has attained age fifty-five
29 shall be eligible to retire and to receive a retirement allowance
30 computed according to the provisions of RCW 41.32.760, except that a
31 member retiring pursuant to this subsection shall have the retirement
32 allowance reduced by five percent per year to reflect the difference
33 in the number of years between age at retirement and the attainment
34 of age sixty-five.

35 **Sec. 3.** RCW 41.32.875 and 2012 1st sp.s. c 7 s 2 are each
36 amended to read as follows:

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

1 (a) Completed ten service credit years; or
2 (b) Completed five service credit years, including twelve service
3 credit months after attaining age forty-four; or
4 (c) Completed five service credit years by July 1, 1996, under
5 plan 2 and who transferred to plan 3 under RCW 41.32.817;
6 shall be eligible to retire and to receive a retirement allowance
7 computed according to the provisions of RCW 41.32.840.

8 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
9 five and has completed the number of service credit years required in
10 subsection (1) of this section and for whom the sum of the number of
11 years of the member's age and the number of years of the member's
12 service credit equals eighty-five or more shall be eligible to retire
13 and receive a retirement allowance computed according to the
14 provisions of RCW 41.32.840.

15 (3) EARLY RETIREMENT. Any member who has attained at least age
16 fifty-five and has completed at least ten years of service shall be
17 eligible to retire and to receive a retirement allowance computed
18 according to the provisions of RCW 41.32.840, except that a member
19 retiring pursuant to this subsection shall have the retirement
20 allowance actuarially reduced to reflect the difference in the number
21 of years between age at retirement and the attainment of age sixty-
22 five.

23 (~~(3)~~) (4) ALTERNATE EARLY RETIREMENT.

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

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

Retirement Age	Percent Reduction
55	20%

1	56	17%
2	57	14%
3	58	11%
4	59	8%
5	60	5%
6	61	2%
7	62	0%
8	63	0%
9	64	0%

10 (ii) On or after July 1, 2020, any member who has completed at
11 least thirty service credit years and has attained age fifty-five
12 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 reduced as follows:

16	<u>Retirement</u>	<u>Percent</u>
17	<u>Age</u>	<u>Reduction</u>
18	<u>55</u>	<u>20%</u>
19	<u>56</u>	<u>17%</u>
20	<u>57</u>	<u>14%</u>
21	<u>58</u>	<u>11%</u>
22	<u>59</u>	<u>8%</u>
23	<u>60</u>	<u>0%</u>
24	<u>61</u>	<u>0%</u>
25	<u>62</u>	<u>0%</u>
26	<u>63</u>	<u>0%</u>
27	<u>64</u>	<u>0%</u>

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

1 compensated relationship with any employer included under the
2 provisions of RCW 41.32.860(1).

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

25 (c) Members who first become employed by an employer in an
26 eligible position on or after May 1, 2013, are not eligible for the
27 alternate early retirement provisions of (a) or (b) of this
28 subsection. Any member who first becomes employed by an employer in
29 an eligible position on or after May 1, 2013, and has completed at
30 least thirty service credit years and has attained age fifty-five
31 shall be eligible to retire and to receive a retirement allowance
32 computed according to the provisions of RCW 41.32.840, except that a
33 member retiring pursuant to this subsection shall have the retirement
34 allowance reduced by five percent per year to reflect the difference
35 in the number of years between age at retirement and the attainment
36 of age sixty-five.

37 **Sec. 4.** RCW 41.35.420 and 2012 1st sp.s. c 7 s 3 are each
38 amended to read as follows:

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

5 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
6 five and has completed at least five service credit years and for
7 whom the sum of the number of years of the member's age and the
8 number of years of the member's service credit equals eighty-five or
9 more shall be eligible to retire and receive a retirement allowance
10 computed according to the provisions of RCW 41.35.400.

11 (3) EARLY RETIREMENT. Any member who has completed at least
12 twenty service credit years and has attained age fifty-five shall be
13 eligible to retire and to receive a retirement allowance computed
14 according to the provisions of RCW 41.35.400, except that a member
15 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)~~) (4) ALTERNATE EARLY RETIREMENT.

20 (a) Any member who has completed at least thirty service credit
21 years and has attained age fifty-five shall be eligible to retire and
22 to receive a retirement allowance computed according to the
23 provisions of RCW 41.35.400, except that a member retiring pursuant
24 to this subsection shall have the retirement allowance reduced by
25 three percent per year to reflect the difference in the number of
26 years between age at retirement and the attainment of age sixty-five.

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

Retirement	Percent
Age	Reduction
55	20%
56	17%
57	14%
58	11%

1	59	8%
2	60	5%
3	61	2%
4	62	0%
5	63	0%
6	64	0%

7 (ii) On or after July 1, 2020, any member who has completed at
8 least thirty service credit years and has attained age fifty-five
9 shall be eligible to retire and to receive a retirement allowance
10 computed according to the provisions of RCW 41.32.760, except that a
11 member retiring pursuant to this subsection shall have the retirement
12 allowance reduced as follows:

13	<u>Retirement</u>	<u>Percent</u>
14	<u>Age</u>	<u>Reduction</u>
15	<u>55</u>	<u>20%</u>
16	<u>56</u>	<u>17%</u>
17	<u>57</u>	<u>14%</u>
18	<u>58</u>	<u>11%</u>
19	<u>59</u>	<u>8%</u>
20	<u>60</u>	<u>0%</u>
21	<u>61</u>	<u>0%</u>
22	<u>62</u>	<u>0%</u>
23	<u>63</u>	<u>0%</u>
24	<u>64</u>	<u>0%</u>

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

33 (B) The subsidized reductions for alternate early retirement in
34 this subsection as set forth in section 6, chapter 491, Laws of 2007

1 were intended by the legislature as replacement benefits for gain-
2 sharing. Until there is legal certainty with respect to the repeal of
3 chapter 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
11 installment of a retirement allowance computed under this subsection,
12 the resulting benefit becomes contractual for the recipient. If the
13 repeal of chapter 41.31A RCW is held to be invalid in a final
14 determination of a court of law, and the court orders reinstatement
15 of gain-sharing or other alternate benefits as a remedy, then
16 retirement benefits for any member who has completed at least thirty
17 service credit years and has attained age fifty-five but has not yet
18 received the first installment of a retirement allowance under this
19 subsection shall be computed using the reductions in (a) of this
20 subsection.

21 (c) Members who first become employed by an employer in an
22 eligible position on or after May 1, 2013, are not eligible for the
23 alternate early retirement provisions of (a) or (b) of this
24 subsection. Any member who first becomes employed by an employer in
25 an eligible position on or after May 1, 2013, and has completed at
26 least thirty service credit years and has attained age fifty-five
27 shall be eligible to retire and to receive a retirement allowance
28 computed according to the provisions of RCW 41.35.400, except that a
29 member retiring pursuant to this subsection shall have the retirement
30 allowance reduced by five percent per year to reflect the difference
31 in the number of years between age at retirement and the attainment
32 of age sixty-five.

33 **Sec. 5.** RCW 41.35.680 and 2012 1st sp.s. c 7 s 4 are each
34 amended to read as follows:

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

37 (a) Completed ten service credit years; or

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

1 (c) Completed five service credit years by September 1, 2000,
2 under the public employees' retirement system plan 2 and who
3 transferred to plan 3 under RCW 41.35.510;
4 shall be eligible to retire and to receive a retirement allowance
5 computed according to the provisions of RCW 41.35.620.

6 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
7 five and has completed the number of service credit years required in
8 subsection (1) of this section and for whom the sum of the number of
9 years of the member's age and the number of years of the member's
10 service credit equals eighty-five or more shall be eligible to retire
11 and receive a retirement allowance computed according to the
12 provisions of RCW 41.35.620.

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

21 (~~(3)~~) (4) ALTERNATE EARLY RETIREMENT.

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

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

Retirement Age	Percent Reduction
55	20%
56	17%

1	57	14%
2	58	11%
3	59	8%
4	60	5%
5	61	2%
6	62	0%
7	63	0%
8	64	0%

9 (ii) On or after July 1, 2020, any member who has completed at
10 least thirty service credit years and has attained age fifty-five
11 shall be eligible to retire and to receive a retirement allowance
12 computed according to the provisions of RCW 41.32.760, except that a
13 member retiring pursuant to this subsection shall have the retirement
14 allowance reduced as follows:

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

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

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

23 (c) Members who first become employed by an employer in an
24 eligible position on or after May 1, 2013, are not eligible for the
25 alternate early retirement provisions of (a) or (b) of this
26 subsection. Any member who first becomes employed by an employer in
27 an eligible position on or after May 1, 2013, and has completed at
28 least thirty service credit years and has attained age fifty-five
29 shall be eligible to retire and to receive a retirement allowance
30 computed according to the provisions of RCW 41.35.620, except that a
31 member retiring pursuant to this subsection shall have the retirement
32 allowance reduced by five percent per year to reflect the difference
33 in the number of years between age at retirement and the attainment
34 of age sixty-five.

35 **Sec. 6.** RCW 41.40.1987 and 2018 c 151 s 2 are each amended to
36 read as follows:

37 (1) Beneficiaries who are receiving a monthly benefit from the
38 public employees' retirement system plan 1 on July 1, 2017, shall
39 receive, effective July 1, 2018, an increase to their monthly benefit

1 of one and one-half percent multiplied by the beneficiaries' monthly
2 benefit, not to exceed sixty-two dollars and fifty cents.

3 (2) Beneficiaries who are receiving a monthly benefit from the
4 public employees' retirement system plan 1 on July 1, 2019, shall
5 receive, effective July 1, 2020, an increase to their monthly benefit
6 of three percent multiplied by the beneficiaries' monthly benefit,
7 not to exceed sixty-two dollars and fifty cents.

8 (3) This section does not apply to those receiving benefits
9 pursuant to RCW 41.40.1984.

10 **Sec. 7.** RCW 41.40.630 and 2012 1st sp.s. c 7 s 5 are each
11 amended to read as follows:

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

16 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
17 five and has completed at least five service credit years and for
18 whom the sum of the number of years of the member's age and the
19 number of years of the member's service credit equals eighty-five or
20 more shall be eligible to retire and receive a retirement allowance
21 computed according to the provisions of RCW 41.40.620.

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

30 (~~(3)~~) (4) 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
34 provisions of RCW 41.40.620, except that a member retiring pursuant
35 to this subsection shall have the retirement allowance reduced by
36 three percent per year to reflect the difference in the number of
37 years between age at retirement and the attainment of age sixty-five.

38 (b) On or after July 1, 2008, any member who has completed at
39 least thirty service credit years and has attained age fifty-five

1 shall be eligible to retire and to receive a retirement allowance
2 computed according to the provisions of RCW 41.40.620, except that a
3 member retiring pursuant to this subsection shall have the retirement
4 allowance reduced as follows:

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

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

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

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

11 (c) Members who first become employed by an employer in an
12 eligible position on or after May 1, 2013, are not eligible for the
13 alternate early retirement provisions of (a) or (b) of this
14 subsection. Any member who first becomes employed by an employer in
15 an eligible position on or after May 1, 2013, and has completed at
16 least thirty service credit years and has attained age fifty-five
17 shall be eligible to retire and to receive a retirement allowance
18 computed according to the provisions of RCW 41.40.620, except that a
19 member retiring pursuant to this subsection shall have the retirement
20 allowance reduced by five percent per year to reflect the difference
21 in the number of years between age at retirement and the attainment
22 of age sixty-five.

23 **Sec. 8.** RCW 41.40.820 and 2012 1st sp.s. c 7 s 6 are each
24 amended to read as follows:

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

27 (a) Completed ten service credit years; or

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

30 (c) Completed five service credit years by the transfer payment
31 date specified in RCW 41.40.795, under the public employees'
32 retirement system plan 2 and who transferred to plan 3 under RCW
33 41.40.795;

34 shall be eligible to retire and to receive a retirement allowance
35 computed according to the provisions of RCW 41.40.790.

36 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-
37 five and has completed the number of service credit years required in
38 subsection (1) of this section and for whom the sum of the number of
39 years of the member's age and the number of years of the member's

1 service credit equals eighty-five or more shall be eligible to retire
2 and receive a retirement allowance computed according to the
3 provisions of RCW 41.40.790.

4 (3) EARLY RETIREMENT. Any member who has attained at least age
5 fifty-five and has completed at least ten years of service 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 actuarially reduced to reflect the difference in the number
10 of years between age at retirement and the attainment of age sixty-
11 five.

12 ~~((3))~~ (4) ALTERNATE EARLY RETIREMENT.

13 (a) Any member who has completed at least thirty service credit
14 years and has attained age fifty-five shall be eligible to retire and
15 to receive a retirement allowance computed according to the
16 provisions of RCW 41.40.790, except that a member retiring pursuant
17 to this subsection shall have the retirement allowance reduced by
18 three percent per year to reflect the difference in the number of
19 years between age at retirement and the attainment of age sixty-five.

20 (b) On or after July 1, 2008, any member who has completed at
21 least thirty service credit years and has attained age fifty-five
22 shall be eligible to retire and to receive a retirement allowance
23 computed according to the provisions of RCW 41.40.790, except that a
24 member retiring pursuant to this subsection shall have the retirement
25 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%

1 Any member who retires under the provisions of this subsection is
2 ineligible for the postretirement employment provisions of RCW
3 41.40.037(2)(d) until the retired member has reached sixty-five years
4 of age. For purposes of this subsection, employment with an employer
5 also includes any personal service contract, service by an employer
6 as a temporary or project employee, or any other similar compensated
7 relationship with any employer included under the provisions of RCW
8 41.40.850(1).

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

31 (c) Members who first become employed by an employer in an
32 eligible position on or after May 1, 2013, are not eligible for the
33 alternate early retirement provisions of (a) or (b) of this
34 subsection. Any member who first becomes employed by an employer in
35 an eligible position on or after May 1, 2013, and has completed at
36 least thirty service credit years and has attained age fifty-five
37 shall be eligible to retire and to receive a retirement allowance
38 computed according to the provisions of RCW 41.40.790, except that a
39 member retiring pursuant to this subsection shall have the retirement

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

4 NEW SECTION. **Sec. 9.** This act takes effect July 1, 2020.

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