
ENGROSSED SUBSTITUTE HOUSE BILL 1699

State of Washington

67th Legislature

2022 Regular Session

By House Appropriations (originally sponsored by Representatives Bergquist, Volz, Ryu, Leavitt, Chase, Robertson, Graham, Springer, Sells, Valdez, Dolan, Paul, Callan, Gilday, Goodman, Taylor, Macri, Ramos, Santos, Pollet, Griffey, Riccelli, Frame, and Kloba)

READ FIRST TIME 01/28/22.

1 AN ACT Relating to permitting individuals retired from the public
2 employees retirement system, the teachers retirement system, and the
3 school employees retirement system additional opportunities to work
4 for a school district for up to 1,040 hours per school year while in
5 receipt of pension benefits until July 1, 2025; amending RCW
6 41.32.570, 41.32.802, 41.32.862, 41.35.060, and 41.40.037; repealing
7 RCW 41.35.065 and 41.32.068; and declaring an emergency.

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

9 **Sec. 1.** RCW 41.32.570 and 2011 1st sp.s. c 47 s 10 are each
10 amended to read as follows:

11 (1)(a) If a retiree enters employment with an employer sooner
12 than one calendar month after his or her accrual date, the retiree's
13 monthly retirement allowance will be reduced by five and one-half
14 percent for every seven hours worked during that month. This
15 reduction will be applied each month until the retiree remains absent
16 from employment with an employer for one full calendar month.

17 (b) The benefit reduction provided in (a) of this subsection will
18 accrue for a maximum of one hundred forty hours per month. Any
19 monthly benefit reduction over one hundred percent will be applied to
20 the benefit the retiree is eligible to receive in subsequent months.

1 (2) Any retired teacher or retired administrator who enters
2 service in any public educational institution in Washington state at
3 least one calendar month after his or her accrual date shall cease to
4 receive pension payments while engaged in such service, after the
5 retiree has rendered service for more than eight hundred sixty-seven
6 hours in a school year.

7 (3) (a) Between the effective date of this section and July 1,
8 2025, a retiree who reenters employment more than one calendar month
9 after his or her accrual date, and who enters service in a school
10 district in a nonadministrative position shall continue to receive
11 pension payments while engaged in such service, until the retiree has
12 rendered service for more than 1,040 hours in a school year.

13 (b) Between the effective date of this section and July 1, 2025,
14 a retiree that retired before January 1, 2022, and who enters service
15 in a second-class school district, as defined in RCW 28A.300.065, as
16 either a district superintendent or an in-school administrator shall
17 continue to receive pension payments while engaged in such service,
18 until the retiree has rendered service for more than 1,040 hours in a
19 school year.

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

23 ~~((4))~~ (5) The legislature reserves the right to amend or repeal
24 this section in the future and no member or beneficiary has a
25 contractual right to be employed for more than five hundred twenty-
26 five hours per year without a reduction of his or her pension.

27 **Sec. 2.** RCW 41.32.802 and 2011 1st sp.s. c 47 s 12 are each
28 amended to read as follows:

29 (1) (a) If a retiree enters employment with an employer sooner
30 than one calendar month after his or her accrual date, the retiree's
31 monthly retirement allowance will be reduced by five and one-half
32 percent for every seven hours worked during that month. This
33 reduction will be applied each month until the retiree remains absent
34 from employment with an employer for one full calendar month.

35 (b) The benefit reduction provided in (a) of this subsection will
36 accrue for a maximum of one hundred forty hours per month. Any
37 benefit reduction over one hundred percent will be applied to the
38 benefit the retiree is eligible to receive in subsequent months.

1 (2)(a) A retiree who has satisfied the break in employment
2 requirement of subsection (1) of this section, may work up to eight
3 hundred sixty-seven hours per calendar year in an eligible position,
4 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or
5 as a firefighter or law enforcement officer, as defined in RCW
6 41.26.030, or in a position covered by annuity and retirement income
7 plans offered by institutions of higher education pursuant to RCW
8 28B.10.400, without suspension of his or her benefit.

9 (b) A retiree who has retired under the alternate early
10 retirement provisions of RCW 41.32.765(3)(b) may be employed with an
11 employer for up to 867 hours per calendar year without suspension of
12 his or her benefit, provided that: (i) The retired teacher reenters
13 employment more than one calendar month after his or her accrual date
14 and after June 9, 2016; and (ii) the retired teacher is employed in a
15 nonadministrative capacity.

16 (c)(i) Between the effective date of this section and July 1,
17 2025, a retiree who reenters employment more than one month after his
18 or her accrual date, and who enters service in a school district in a
19 nonadministrative position shall continue to receive pension payments
20 while engaged in such service, until the retiree has rendered service
21 for more than 1,040 hours in a calendar year. The legislature
22 reserves the right to amend or repeal this subsection in the future
23 and no member or beneficiary has a contractual right to be employed
24 for more than 867 hours in a calendar year without a reduction of his
25 or her pension.

26 (ii) Between the effective date of this section and July 1, 2025,
27 a retiree that retired before January 1, 2022, and who enters service
28 in a second-class school district, as defined in RCW 28A.300.065, as
29 either a district superintendent or an in-school administrator shall
30 continue to receive pension payments while engaged in such service,
31 until the retiree has rendered service for more than 1,040 hours in a
32 school year.

33 (3) If the retiree opts to reestablish membership under RCW
34 41.32.044, he or she terminates his or her retirement status and
35 immediately becomes a member. Retirement benefits shall not accrue
36 during the period of membership and the individual shall make
37 contributions and receive membership credit. Such a member shall have
38 the right to again retire if eligible.

1 **Sec. 3.** RCW 41.32.862 and 2011 1st sp.s. c 47 s 14 are each
2 amended to read as follows:

3 (1)(a) If a retiree enters employment with an employer sooner
4 than one calendar month after his or her accrual date, the retiree's
5 monthly retirement allowance will be reduced by five and one-half
6 percent for every seven hours worked during that month. This
7 reduction will be applied each month until the retiree remains absent
8 from employment with an employer for one full calendar month.

9 (b) The benefit reduction provided in (a) of this subsection will
10 accrue for a maximum of one hundred forty hours per month. Any
11 benefit reduction over one hundred percent will be applied to the
12 benefit the retiree is eligible to receive in subsequent months.

13 (2)(a) A retiree who has satisfied the break in employment
14 requirement of subsection (1) of this section, may work up to eight
15 hundred sixty-seven hours per calendar year in an eligible position,
16 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or
17 as a firefighter or law enforcement officer, as defined in RCW
18 41.26.030, or in a position covered by annuity and retirement income
19 plans offered by institutions of higher education pursuant to RCW
20 28B.10.400, without suspension of his or her benefit.

21 (b) A retiree who has retired under the alternate early
22 retirement provisions of RCW 41.32.875(3)(b) may be employed with an
23 employer for up to 867 hours per calendar year without suspension of
24 his or her benefit, provided that: (i) The retired teacher reenters
25 employment more than one calendar month after his or her accrual date
26 and after June 9, 2016; and (ii) the retired teacher is employed in a
27 nonadministrative capacity.

28 (c)(i) Between the effective date of this section and July 1,
29 2025, a retired teacher or retired administrator who reenters
30 employment more than one month after his or her accrual date, and who
31 enters service in a school district in a nonadministrative position
32 shall continue to receive pension payments while engaged in such
33 service, until the retiree has rendered service for more than 1,040
34 hours in a calendar year. The legislature reserves the right to amend
35 or repeal this subsection in the future and no member or beneficiary
36 has a contractual right to be employed for more than 867 hours in a
37 calendar year without a reduction of his or her pension.

38 (ii) Between the effective date of this section and July 1, 2025,
39 a retiree that retired before January 1, 2022, and who enters service
40 in a second-class school district, as defined in RCW 28A.300.065, as

1 either a district superintendent or an in-school administrator shall
2 continue to receive pension payments while engaged in such service,
3 until the retiree has rendered service for more than 1,040 hours in a
4 school year.

5 (3) If the retiree opts to reestablish membership under RCW
6 41.32.044, he or she terminates his or her retirement status and
7 immediately becomes a member. Retirement benefits shall not accrue
8 during the period of membership and the individual shall make
9 contributions and receive membership credit. Such a member shall have
10 the right to again retire if eligible.

11 **Sec. 4.** RCW 41.35.060 and 2011 1st sp.s. c 47 s 15 are each
12 amended to read as follows:

13 (1)(a) If a retiree enters employment with an employer sooner
14 than one calendar month after his or her accrual date, the retiree's
15 monthly retirement allowance will be reduced by five and one-half
16 percent for every eight hours worked during that month. This
17 reduction will be applied each month until the retiree remains absent
18 from employment with an employer for one full calendar month.

19 (b) The benefit reduction provided in (a) of this subsection will
20 accrue for a maximum of one hundred sixty hours per month. Any
21 benefit reduction over one hundred percent will be applied to the
22 benefit the retiree is eligible to receive in subsequent months.

23 (2)(a) A retiree who has satisfied the break in employment
24 requirement of subsection (1) of this section may work up to eight
25 hundred sixty-seven hours per calendar year in an eligible position,
26 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or
27 as a firefighter or law enforcement officer, as defined in RCW
28 41.26.030, or in a position covered by annuity and retirement income
29 plans offered by institutions of higher education pursuant to RCW
30 28B.10.400, without suspension of his or her benefit.

31 (b) A retiree in the school employees' retirement system plan 2
32 or plan 3 who has retired under the alternate early retirement
33 provisions of RCW 41.35.420(3)(b) may be employed with an employer
34 for up to 867 hours per calendar year without suspension of his or
35 her benefit, provided that: (i) The retiree reenters employment more
36 than one calendar month after his or her accrual date; and (ii) the
37 retiree is employed in a nonadministrative position.

38 (c) Between the effective date of this section and July 1, 2025,
39 a retiree, including a retiree who has retired under the alternate

1 early retirement provisions of RCW 41.35.420(3)(b) or
2 41.35.680(3)(b), who reenters employment more than one month after
3 his or her accrual date, and who enters service in a school district
4 in a nonadministrative position shall continue to receive pension
5 payments while engaged in such service, until the retiree has
6 rendered service for more than 1,040 hours in a calendar year. The
7 legislature reserves the right to amend or repeal this subsection in
8 the future and no member or beneficiary has a contractual right to be
9 employed for more than 867 hours in a calendar year without a
10 reduction of his or her pension.

11 (3) If the retiree opts to reestablish membership under RCW
12 41.35.030, he or she terminates his or her retirement status and
13 becomes a member. Retirement benefits shall not accrue during the
14 period of membership and the individual shall make contributions and
15 receive membership credit. Such a member shall have the right to
16 again retire if eligible in accordance with RCW 41.35.420 or
17 41.35.680. However, if the right to retire is exercised to become
18 effective before the member has rendered two uninterrupted years of
19 service, the retirement formula and survivor options the member had
20 at the time of the member's previous retirement shall be reinstated.

21 **Sec. 5.** RCW 41.40.037 and 2015 c 75 s 1 are each amended to read
22 as follows:

23 (1)(a) If a retiree enters employment with an employer sooner
24 than one calendar month after his or her accrual date, the retiree's
25 monthly retirement allowance will be reduced by five and one-half
26 percent for every eight hours worked during that month. This
27 reduction will be applied each month until the retiree remains absent
28 from employment with an employer for one full calendar month.

29 (b) The benefit reduction provided in (a) of this subsection will
30 accrue for a maximum of one hundred sixty hours per month. Any
31 benefit reduction over one hundred percent will be applied to the
32 benefit the retiree is eligible to receive in subsequent months.

33 (2)(a) A retiree from plan 1, plan 2, or plan 3 who has satisfied
34 the break in employment requirement of subsection (1) of this section
35 may work up to eight hundred sixty-seven hours per calendar year in
36 an eligible position, as defined in RCW 41.32.010, 41.35.010,
37 41.37.010, or 41.40.010, or as a firefighter or law enforcement
38 officer, as defined in RCW 41.26.030, or in a position covered by
39 annuity and retirement income plans offered by institutions of higher

1 education pursuant to RCW 28B.10.400, without suspension of his or
2 her benefit.

3 (b) Between the effective date of this section and July 1, 2025,
4 a retiree, including a retiree who has retired under the alternate
5 early retirement provisions of RCW 41.40.630(3)(b) or
6 41.40.820(3)(b), who reenters employment more than 100 days after his
7 or her accrual date, and who enters service in a school district in a
8 nonadministrative position shall continue to receive pension payments
9 while engaged in such service, until the retiree has rendered service
10 for more than 1,040 hours in a calendar year.

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

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

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

28 NEW SECTION. Sec. 6. The following acts or parts of acts are
29 each repealed:

30 (1) RCW 41.35.065 (Postretirement employment options) and 2019 c
31 295 s 308; and

32 (2) RCW 41.32.068 (Postretirement employment options) and 2019 c
33 295 s 307 & 2016 c 233 s 7.

34 NEW SECTION. Sec. 7. This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes
2 effect immediately.

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