

SHB 1056 - S COMM AMD

By Committee on Ways & Means

ADOPTED 04/12/2023

1 Strike everything after the enacting clause and insert the  
2 following:

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

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

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

17 (3) ALTERNATE EARLY RETIREMENT.

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

25 (b) On or after September 1, 2008, any member who has completed  
26 at 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 41.32.760, except that a  
29 member retiring pursuant to this subsection shall have the retirement  
30 allowance reduced as follows:

	Retirement	Percent
	Age	Reduction
1		
2		
3	55	20%
4	56	17%
5	57	14%
6	58	11%
7	59	8%
8	60	5%
9	61	2%
10	62	0%
11	63	0%
12	64	0%

13        ~~(Any)~~ (i) Until December 31, 2023, any member who retires under  
14        the provisions of this subsection is ineligible for the  
15        postretirement employment provisions of RCW 41.32.802(2) until the  
16        retired member has reached sixty-five years of age.

17        (ii) Beginning January 1, 2024, any current or future retiree  
18        under the provisions of this subsection may utilize the  
19        postretirement employment provisions of RCW 41.32.802(2) for up to  
20        867 hours per year.

21        (iii) For purposes of this subsection, employment with an  
22        employer prior to the retired member reaching sixty-five years of age  
23        also includes any personal service contract, service ~~((by))~~ for an  
24        employer as a temporary or project employee, or any other similar  
25        compensated relationship with any employer included under the  
26        provisions of RCW 41.32.800(1). After reaching sixty-five years of  
27        age, employment with an employer only includes employers as defined  
28        in RCW 41.32.010.

29        The subsidized reductions for alternate early retirement in this  
30        subsection as set forth in section 2, chapter 491, Laws of 2007 were  
31        intended by the legislature as replacement benefits for gain-sharing.  
32        Until there is legal certainty with respect to the repeal of chapter  
33        41.31A RCW, the right to retire under this subsection is  
34        noncontractual, and the legislature reserves the right to amend or  
35        repeal this subsection. Legal certainty includes, but is not limited  
36        to, the expiration of any: Applicable limitations on actions; and

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

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

27 **Sec. 2.** RCW 41.32.802 and 2022 c 110 s 2 are each amended to  
28 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 ~~(e))~~ (i) Between March 23, 2022, and July 1, 2025, a retiree who  
17 reenters employment more than one month after his or her accrual  
18 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.

22 (ii) Between March 23, 2022, and July 1, 2025, a retiree that  
23 retired before January 1, 2022, and who enters service in a second-  
24 class school district, as defined in RCW 28A.300.065, as either a  
25 district superintendent or an in-school administrator shall continue  
26 to receive pension payments while engaged in such service, until the  
27 retiree has rendered service for more than 1,040 hours in a calendar  
28 year.

29 (iii) The legislature reserves the right to amend or repeal this  
30 subsection (2) ~~((e))~~ (b) in the future and no member or beneficiary  
31 has a contractual right to be employed for more than 867 hours in a  
32 calendar year without a reduction of his or her pension.

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 2022 c 110 s 3 are each amended to  
2 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       ~~(e))~~(i) Between March 23, 2022, and July 1, 2025, a retired  
29 teacher or retired administrator who reenters employment more than  
30 one month after his or her accrual date, and who enters service in a  
31 school district in a nonadministrative position shall continue to  
32 receive pension payments while engaged in such service, until the  
33 retiree has rendered service for more than 1,040 hours in a calendar  
34 year.

35       (ii) Between March 23, 2022, and July 1, 2025, a retiree that  
36 retired before January 1, 2022, and who enters service in a second-  
37 class school district, as defined in RCW 28A.300.065, as either a  
38 district superintendent or an in-school administrator shall continue  
39 to receive pension payments while engaged in such service, until the

1 retiree has rendered service for more than 1,040 hours in a calendar  
2 year.

3 (iii) The legislature reserves the right to amend or repeal this  
4 subsection (2) (~~(e)~~) (b) in the future and no member or beneficiary  
5 has a contractual right to be employed for more than 867 hours in a  
6 calendar year without a reduction of his or her pension.

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

13 **Sec. 4.** RCW 41.32.875 and 2012 1st sp.s. c 7 s 2 are each  
14 amended to read as follows:

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

17 (a) Completed ten service credit years; or

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

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

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

32 (3) ALTERNATE EARLY RETIREMENT.

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

1 (b) On or after September 1, 2008, any member who has completed  
2 at least thirty service credit years and has attained age fifty-five  
3 shall be eligible to retire and to receive a retirement allowance  
4 computed according to the provisions of RCW 41.32.840, except that a  
5 member retiring pursuant to this subsection 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 ~~((Any))~~ (i) Until December 31, 2023, any member who retires under  
20 the provisions of this subsection is ineligible for the  
21 postretirement employment provisions of RCW 41.32.862(2) until the  
22 retired member has reached sixty-five years of age.

23 (ii) Beginning January 1, 2024, any current or future retiree  
24 under the provisions of this subsection may utilize the  
25 postretirement employment provisions of RCW 41.32.862(2) for up to  
26 867 hours per year.

27 (iii) For purposes of this subsection, employment with an  
28 employer prior to the retired member reaching sixty-five years of age  
29 also includes any personal service contract, service (~~by~~) for 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 41.32.860(1). After reaching sixty-five years of  
33 age, employment with an employer only includes employers as defined  
34 in RCW 41.32.010.

35 The subsidized reductions for alternate early retirement in this  
36 subsection as set forth in section 4, chapter 491, Laws of 2007 were

1 intended by the legislature as replacement benefits for gain-sharing.  
2 Until there is legal certainty with respect to the repeal of chapter  
3 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 41.32.840, 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 41.35.060 and 2022 c 110 s 4 are each amended to  
34 read as follows:

35 (1)(a) If a retiree enters employment with an employer sooner  
36 than one calendar month after his or her accrual date, the retiree's  
37 monthly retirement allowance will be reduced by five and one-half  
38 percent for every eight hours worked during that month. This



1 reduction will be applied each month until the retiree remains absent  
2 from employment with an employer for one full calendar month.

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

7 (2)(a) A retiree who has satisfied the break in employment  
8 requirement of subsection (1) of this section may work up to eight  
9 hundred sixty-seven hours per calendar year in an eligible position,  
10 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or  
11 as a firefighter or law enforcement officer, as defined in RCW  
12 41.26.030, or in a position covered by annuity and retirement income  
13 plans offered by institutions of higher education pursuant to RCW  
14 28B.10.400, without suspension of his or her benefit.

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

22 ~~(e))~~ Between March 23, 2022, and July 1, 2025, a retiree,  
23 including a retiree who has retired under the alternate early  
24 retirement provisions of RCW 41.35.420(3)(b) or 41.35.680(3)(b), who  
25 reenters employment more than one month after his or her accrual  
26 date, and who enters service in a school district in a  
27 nonadministrative position shall continue to receive pension payments  
28 while engaged in such service, until the retiree has rendered service  
29 for more than 1,040 hours in a calendar year. The legislature  
30 reserves the right to amend or repeal this subsection (2)((~~e~~)) (b)  
31 in the future and no member or beneficiary has a contractual right to  
32 be employed for more than 867 hours in a calendar year without a  
33 reduction of his or her pension.

34 (3) If the retiree opts to reestablish membership under RCW  
35 41.35.030, he or she terminates his or her retirement status and  
36 becomes a member. Retirement benefits shall not accrue during the  
37 period of membership and the individual shall make contributions and  
38 receive membership credit. Such a member shall have the right to  
39 again retire if eligible in accordance with RCW 41.35.420 or  
40 41.35.680. However, if the right to retire is exercised to become

1 effective before the member has rendered two uninterrupted years of  
2 service, the retirement formula and survivor options the member had  
3 at the time of the member's previous retirement shall be reinstated.

4 **Sec. 6.** RCW 41.35.420 and 2012 1st sp.s. c 7 s 3 are each  
5 amended to read as follows:

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

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

18 (3) ALTERNATE EARLY RETIREMENT.

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

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

32	Retirement	Percent
33	Age	Reduction
34	55	20%
35	56	17%
36	57	14%
37	58	11%

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

7        ((Any)) (i) Until December 31, 2023, any member who retires under  
8 the provisions of this subsection is ineligible for the  
9 postretirement employment provisions of RCW 41.35.060(2) until the  
10 retired member has reached sixty-five years of age.

11        (ii) Beginning January 1, 2024, any current or future retiree  
12 under the provisions of this subsection may utilize the  
13 postretirement provisions of RCW 41.35.060(2) for up to 867 hours per  
14 year.

15        (iii) For purposes of this subsection, employment with an  
16 employer prior to the retired member reaching sixty-five years of age  
17 also includes any personal service contract, service ((by)) for an  
18 employer as a temporary or project employee, or any other similar  
19 compensated relationship with any employer included under the  
20 provisions of RCW 41.35.230(1). After reaching sixty-five years of  
21 age, employment with an employer only includes employers as defined  
22 in RCW 41.35.010.

23        The subsidized reductions for alternate early retirement in this  
24 subsection as set forth in section 6, chapter 491, Laws of 2007 were  
25 intended by the legislature as replacement benefits for gain-sharing.  
26 Until there is legal certainty with respect to the repeal of chapter  
27 41.31A RCW, the right to retire under this subsection is  
28 noncontractual, and the legislature reserves the right to amend or  
29 repeal this subsection. Legal certainty includes, but is not limited  
30 to, the expiration of any: Applicable limitations on actions; and  
31 periods of time for seeking appellate review, up to and including  
32 reconsideration by the Washington supreme court and the supreme court  
33 of the United States. Until that time, eligible members may still  
34 retire under this subsection, and upon receipt of the first  
35 installment of a retirement allowance computed under this subsection,  
36 the resulting benefit becomes contractual for the recipient. If the  
37 repeal of chapter 41.31A RCW is held to be invalid in a final  
38 determination of a court of law, and the court orders reinstatement

1 of gain-sharing or other alternate benefits as a remedy, then  
2 retirement benefits for any member who has completed at least thirty  
3 service credit years and has attained age fifty-five but has not yet  
4 received the first installment of a retirement allowance under this  
5 subsection shall be computed using the reductions in (a) of this  
6 subsection.

7 (c) Members who first become employed by an employer in an  
8 eligible position on or after May 1, 2013, are not eligible for the  
9 alternate early retirement provisions of (a) or (b) of this  
10 subsection. Any member who first becomes employed by an employer in  
11 an eligible position on or after May 1, 2013, and has completed at  
12 least thirty service credit years and has attained age fifty-five  
13 shall be eligible to retire and to receive a retirement allowance  
14 computed according to the provisions of RCW 41.35.400, except that a  
15 member retiring pursuant to this subsection shall have the retirement  
16 allowance reduced by five percent per year to reflect the difference  
17 in the number of years between age at retirement and the attainment  
18 of age sixty-five.

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

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

23 (a) Completed ten service credit years; or

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

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

31 (2) EARLY RETIREMENT. Any member who has attained at least age  
32 fifty-five and has completed at least ten years of service shall be  
33 eligible to retire and to receive a retirement allowance computed  
34 according to the provisions of RCW 41.35.620, except that a member  
35 retiring pursuant to this subsection shall have the retirement  
36 allowance actuarially reduced to reflect the difference in the number  
37 of years between age at retirement and the attainment of age sixty-  
38 five.

39 (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  
4 provisions of RCW 41.35.620, except that a member retiring pursuant  
5 to this subsection shall have the retirement allowance reduced by  
6 three percent per year to reflect the difference in the number of  
7 years between age at retirement and the attainment of age sixty-five.

8 (b) On or after September 1, 2008, any member who has completed  
9 at least thirty service credit years and has attained age fifty-five  
10 shall be eligible to retire and to receive a retirement allowance  
11 computed according to the provisions of RCW 41.35.620, except that a  
12 member retiring pursuant to this subsection shall have the retirement  
13 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%

14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26 ~~((Any))~~ (i) Until December 31, 2023, any member who retires under  
27 the provisions of this subsection is ineligible for the  
28 postretirement employment provisions of RCW 41.35.060(2) until the  
29 retired member has reached sixty-five years of age.

30 (ii) Beginning January 1, 2024, any current or future retiree  
31 under the provisions of this subsection may utilize the  
32 postretirement employment provisions of RCW 41.35.060(2).

33 (iii) For purposes of this subsection, employment with an  
34 employer prior to the retired member reaching sixty-five years of age  
35 also includes any personal service contract, service ~~((by))~~ for an  
36 employer as a temporary or project employee, or any other similar

1 compensated relationship with any employer included under the  
2 provisions of RCW 41.35.230(1). After reaching sixty-five years of  
3 age, employment with an employer only includes employers as defined  
4 in RCW 41.35.010.

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

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

1       **Sec. 8.**   RCW 41.40.630 and 2012 1st sp.s. c 7 s 5 are each  
2 amended to read as follows:

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

7       (2) EARLY RETIREMENT. Any member who has completed at least  
8 twenty 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 41.40.620, except that a member  
11 retiring pursuant to this subsection shall have the retirement  
12 allowance actuarially reduced to reflect the difference in the number  
13 of years between age at retirement and the attainment of age sixty-  
14 five.

15       (3) ALTERNATE EARLY RETIREMENT.

16       (a) Any member who has completed at least thirty service credit  
17 years and has attained age fifty-five shall be eligible to retire and  
18 to receive a retirement allowance computed according to the  
19 provisions of RCW 41.40.620, except that a member retiring pursuant  
20 to this subsection shall have the retirement allowance reduced by  
21 three percent per year to reflect the difference in the number of  
22 years between age at retirement and the attainment of age sixty-five.

23       (b) On or after July 1, 2008, any member who has completed at  
24 least thirty service credit years and has attained age fifty-five  
25 shall be eligible to retire and to receive a retirement allowance  
26 computed according to the provisions of RCW 41.40.620, except that a  
27 member retiring pursuant to this subsection shall have the retirement  
28 allowance reduced as follows:

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

1	62	0%
2	63	0%
3	64	0%

4 ((Any)) (i) Until December 31, 2023, any member who retires under  
5 the provisions of this subsection is ineligible for the  
6 postretirement employment provisions of RCW 41.40.037(2)(d) until the  
7 retired member has reached sixty-five years of age.

8 (ii) Beginning January 1, 2024, any current or future retiree  
9 under the provisions of this subsection may utilize the  
10 postretirement employment provisions of RCW 41.40.037(2) for up to  
11 867 hours per year.

12 (iii) For purposes of this subsection, employment with an  
13 employer prior to the retired member reaching sixty-five years of age  
14 also includes any personal service contract, service ((by)) for an  
15 employer as a temporary or project employee, or any other similar  
16 compensated relationship with any employer included under the  
17 provisions of RCW 41.40.690(1). After reaching sixty-five years of  
18 age, employment with an employer only includes employers as defined  
19 in RCW 41.40.010.

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



1 received the first installment of a retirement allowance under this  
2 subsection shall be computed using the reductions in (a) of this  
3 subsection.

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

16 **Sec. 9.** RCW 41.40.820 and 2012 1st sp.s. c 7 s 6 are each  
17 amended to read as follows:

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

20 (a) Completed ten service credit years; or

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

23 (c) Completed five service credit years by the transfer payment  
24 date specified in RCW 41.40.795, under the public employees'  
25 retirement system plan 2 and who transferred to plan 3 under RCW  
26 41.40.795;

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

29 (2) EARLY RETIREMENT. Any member who has attained at least age  
30 fifty-five and has completed at least ten years of service shall be  
31 eligible to retire and to receive a retirement allowance computed  
32 according to the provisions of RCW 41.40.790, except that a member  
33 retiring pursuant to this subsection shall have the retirement  
34 allowance actuarially reduced to reflect the difference in the number  
35 of years between age at retirement and the attainment of age sixty-  
36 five.

37 (3) ALTERNATE EARLY RETIREMENT.

38 (a) Any member who has completed at least thirty service credit  
39 years and has attained age fifty-five shall be eligible to retire and

1 to receive a retirement allowance computed according to the  
2 provisions of RCW 41.40.790, except that a member retiring pursuant  
3 to this subsection shall have the retirement allowance reduced by  
4 three percent per year to reflect the difference in the number of  
5 years between age at retirement and the attainment of age sixty-five.

6 (b) On or after July 1, 2008, any member who has completed at  
7 least thirty service credit years and has attained age fifty-five  
8 shall be eligible to retire and to receive a retirement allowance  
9 computed according to the provisions of RCW 41.40.790, except that a  
10 member retiring pursuant to this subsection shall have the retirement  
11 allowance reduced as follows:

12	Retirement	Percent
13	Age	Reduction
14	55	20%
15	56	17%
16	57	14%
17	58	11%
18	59	8%
19	60	5%
20	61	2%
21	62	0%
22	63	0%
23	64	0%

24 ~~((Any))~~ (i) Until December 31, 2023, any member who retires under  
25 the provisions of this subsection is ineligible for the  
26 postretirement employment provisions of RCW 41.40.037(2)(d) until the  
27 retired member has reached sixty-five years of age.

28 (ii) Beginning January 1, 2024, any current or future retiree  
29 under the provisions of this subsection may utilize the  
30 postretirement employment provisions of RCW 41.40.037(2) for up to  
31 867 hours per year.

32 (iii) For purposes of this subsection, employment with an  
33 employer prior to the retired member reaching sixty-five years of age  
34 also includes any personal service contract, service ~~((by))~~ for an  
35 employer as a temporary or project employee, or any other similar  
36 compensated relationship with any employer included under the

1 provisions of RCW 41.40.850(1). After reaching sixty-five years of  
2 age, employment with an employer only includes employers as defined  
3 in RCW 41.40.010.

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

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

38 NEW SECTION. **Sec. 10.** This act takes effect January 1, 2024."

**ADOPTED 04/12/2023**

1        On page 1, line 2 of the title, after "restrictions;" strike the  
2 remainder of the title and insert "amending RCW 41.32.765, 41.32.802,  
3 41.32.862, 41.32.875, 41.35.060, 41.35.420, 41.35.680, 41.40.630, and  
4 41.40.820; and providing an effective date."

EFFECT: Removes the recalculation of retirement benefits for retirees that were eligible to take a 2008 early retirement factor but took a higher reduction in benefits so that they could return to work.

--- END ---