
SENATE BILL 5349

State of Washington

68th Legislature

2023 Regular Session

By Senators Conway, Robinson, C. Wilson, Keiser, Hasegawa, Cleveland, Holy, Hunt, Kuderer, Nobles, Saldaña, Shewmake, Trudeau, and Valdez; by request of Select Committee on Pension Policy

Read first time 01/12/23. Referred to Committee on Ways & Means.

1 AN ACT Relating to repealing some postretirement employment
2 restrictions; amending RCW 41.32.765, 41.32.802, 41.32.862,
3 41.32.875, 41.35.060, 41.35.420, 41.35.680, 41.40.630, and 41.40.820;
4 and providing an effective date.

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

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

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

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

20 (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 41.32.760, 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 41.32.760, except that a
12 member retiring pursuant to this subsection shall have the retirement
13 allowance reduced as follows:

Retirement Age	Percent Reduction
55	20%
56	17%
57	14%
58	11%
59	8%
60	5%
61	2%
62	0%
63	0%
64	0%

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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 41.32.802(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 41.32.802(2) for up to
33 867 hours per year.

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

1 employer as a temporary or project employee, or any other similar
2 compensated relationship with any employer included under the
3 provisions of RCW 41.32.800(1). After reaching sixty-five years of
4 age, employment with an employer only includes employers as defined
5 in RCW 41.32.010.

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

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

1 **Sec. 2.** RCW 41.32.802 and 2022 c 110 s 2 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 41.32.765(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 retiree who
29 reenters employment more than one month after his or her accrual
30 date, and who enters service in a school district in a
31 nonadministrative position shall continue to receive pension payments
32 while engaged in such service, until the retiree has rendered service
33 for more than 1,040 hours in a calendar year.

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

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

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. 3.** RCW 41.32.862 and 2022 c 110 s 3 are each amended to
12 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 seven 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 forty 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 who has retired under the alternate early
32 retirement provisions of RCW 41.32.875(3)(b) may be employed with an
33 employer for up to 867 hours per calendar year without suspension of
34 his or her benefit, provided that: (i) The retired teacher reenters
35 employment more than one calendar month after his or her accrual date
36 and after June 9, 2016; and (ii) the retired teacher is employed in a
37 nonadministrative capacity.~~

38 ~~(e))~~ (i) Between March 23, 2022, and July 1, 2025, a retired
39 teacher or retired administrator who reenters employment more than

1 one month after his or her accrual date, and who enters service in a
2 school district in a nonadministrative position shall continue to
3 receive pension payments while engaged in such service, until the
4 retiree has rendered service for more than 1,040 hours in a calendar
5 year.

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

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

17 (3) If the retiree opts to reestablish membership under RCW
18 41.32.044, he or she terminates his or her retirement status and
19 immediately becomes a member. Retirement benefits shall not accrue
20 during the period of membership and the individual shall make
21 contributions and receive membership credit. Such a member shall have
22 the right to again retire if eligible.

23 **Sec. 4.** RCW 41.32.875 and 2012 1st sp.s. c 7 s 2 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 July 1, 1996, under
31 plan 2 and who transferred to plan 3 under RCW 41.32.817;

32 shall be eligible to retire and to receive a retirement allowance
33 computed according to the provisions of RCW 41.32.840.

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

1 of years between age at retirement and the attainment of age sixty-
2 five.

3 (3) ALTERNATE EARLY RETIREMENT.

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

11 (b) On or after September 1, 2008, any member who has completed
12 at 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 41.32.840, except that a
15 member retiring pursuant to this subsection shall have the retirement
16 allowance reduced as follows:

17	Retirement	Percent
18	Age	Reduction
19	55	20%
20	56	17%
21	57	14%
22	58	11%
23	59	8%
24	60	5%
25	61	2%
26	62	0%
27	63	0%
28	64	0%

29 ~~((Any))~~ (i) Until December 31, 2023, any member who retires under
30 the provisions of this subsection is ineligible for the
31 postretirement employment provisions of RCW 41.32.862(2) until the
32 retired member has reached sixty-five years of age.

33 (ii) Beginning January 1, 2024, any current or future retiree
34 under the provisions of this subsection may utilize the
35 postretirement employment provisions of RCW 41.32.862(2) for up to
36 867 hours per year.

1 (iii) For purposes of this subsection, employment with an
2 employer prior to the retired member reaching sixty-five years of age
3 also includes any personal service contract, service ((by)) for an
4 employer as a temporary or project employee, or any other similar
5 compensated relationship with any employer included under the
6 provisions of RCW 41.32.860(1). After reaching sixty-five years of
7 age, employment with an employer only includes employers as defined
8 in RCW 41.32.010.

9 The subsidized reductions for alternate early retirement in this
10 subsection as set forth in section 4, 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 41.32.840, except that a
39 member retiring pursuant to this subsection shall have the retirement
40 allowance reduced by five percent per year to reflect the difference

1 in the number of years between age at retirement and the attainment
2 of age sixty-five.

3 **Sec. 5.** RCW 41.35.060 and 2022 c 110 s 4 are each amended to
4 read as follows:

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

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

15 (2)(a) A retiree who has satisfied the break in employment
16 requirement of subsection (1) of this section may work up to eight
17 hundred sixty-seven hours per calendar year in an eligible position,
18 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or
19 as a firefighter or law enforcement officer, as defined in RCW
20 41.26.030, or in a position covered by annuity and retirement income
21 plans offered by institutions of higher education pursuant to RCW
22 28B.10.400, without suspension of his or her benefit.

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

30 ~~(e))~~ Between March 23, 2022, and July 1, 2025, a retiree,
31 including a retiree who has retired under the alternate early
32 retirement provisions of RCW 41.35.420(3)(b) or 41.35.680(3)(b), who
33 reenters employment more than one month after his or her accrual
34 date, and who enters service in a school district in a
35 nonadministrative position shall continue to receive pension payments
36 while engaged in such service, until the retiree has rendered service
37 for more than 1,040 hours in a calendar year. The legislature
38 reserves the right to amend or repeal this subsection (2)~~((e))~~ (b)
39 in the future and no member or beneficiary has a contractual right to

1 be employed for more than 867 hours in a calendar year without a
2 reduction of his or her pension.

3 (3) If the retiree opts to reestablish membership under RCW
4 41.35.030, he or she terminates his or her retirement status and
5 becomes a member. Retirement benefits shall not accrue during the
6 period of membership and the individual shall make contributions and
7 receive membership credit. Such a member shall have the right to
8 again retire if eligible in accordance with RCW 41.35.420 or
9 41.35.680. However, if the right to retire is exercised to become
10 effective before the member has rendered two uninterrupted years of
11 service, the retirement formula and survivor options the member had
12 at the time of the member's previous retirement shall be reinstated.

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

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

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

27 (3) ALTERNATE EARLY RETIREMENT.

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

35 (b) On or after September 1, 2008, any member who has completed
36 at 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 41.35.400, except that a

1 member retiring pursuant to this subsection shall have the retirement
2 allowance reduced as follows:

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

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

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

23 (iii) For purposes of this subsection, employment with an
24 employer prior to the retired member reaching sixty-five years of age
25 also includes any personal service contract, service ((by)) for an
26 employer as a temporary or project employee, or any other similar
27 compensated relationship with any employer included under the
28 provisions of RCW 41.35.230(1). After reaching sixty-five years of
29 age, employment with an employer only includes employers as defined
30 in RCW 41.35.010.

31 The subsidized reductions for alternate early retirement in this
32 subsection as set forth in section 6, chapter 491, Laws of 2007 were
33 intended by the legislature as replacement benefits for gain-sharing.
34 Until there is legal certainty with respect to the repeal of chapter
35 41.31A RCW, the right to retire under this subsection is
36 noncontractual, and the legislature reserves the right to amend or

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

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

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

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

33 (a) Completed ten service credit years; or

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

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

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

3 (2) EARLY RETIREMENT. Any member who has attained at least age
4 fifty-five and has completed at least ten years of service shall be
5 eligible to retire and to receive a retirement allowance computed
6 according to the provisions of RCW 41.35.620, except that a member
7 retiring pursuant to this subsection shall have the retirement
8 allowance actuarially reduced to reflect the difference in the number
9 of years between age at retirement and the attainment of age sixty-
10 five.

11 (3) ALTERNATE EARLY RETIREMENT.

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

19 (b) On or after September 1, 2008, any member who has completed
20 at 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 41.35.620, except that a
23 member retiring pursuant to this subsection shall have the retirement
24 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~~) (i) Until December 31, 2023, any member who retires under
2 the provisions of this subsection is ineligible for the
3 postretirement employment provisions of RCW 41.35.060(2) until the
4 retired member has reached sixty-five years of age.

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

8 (iii) For purposes of this subsection, employment with an
9 employer prior to the retired member reaching sixty-five years of age
10 also includes any personal service contract, service (~~by~~) for an
11 employer as a temporary or project employee, or any other similar
12 compensated relationship with any employer included under the
13 provisions of RCW 41.35.230(1). After reaching sixty-five years of
14 age, employment with an employer only includes employers as defined
15 in RCW 41.35.010.

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

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

1 alternate early retirement provisions of (a) or (b) of this
2 subsection. Any member who first becomes employed by an employer in
3 an eligible position on or after May 1, 2013, and has completed at
4 least thirty service credit years and has attained age fifty-five
5 shall be eligible to retire and to receive a retirement allowance
6 computed according to the provisions of RCW 41.35.620, except that a
7 member retiring pursuant to this subsection shall have the retirement
8 allowance reduced by five percent per year to reflect the difference
9 in the number of years between age at retirement and the attainment
10 of age sixty-five.

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

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

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

25 (3) ALTERNATE EARLY RETIREMENT.

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

33 (b) On or after July 1, 2008, any member who has completed at
34 least thirty service credit years and has attained age fifty-five
35 shall be eligible to retire and to receive a retirement allowance
36 computed according to the provisions of RCW 41.40.620, except that a
37 member retiring pursuant to this subsection shall have the retirement
38 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 41.40.037(2)(d) 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 41.40.037(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 41.40.690(1). After reaching sixty-five years of
27 age, employment with an employer only includes employers as defined
28 in RCW 41.40.010.

29 The subsidized reductions for alternate early retirement in this
30 subsection as set forth in section 9, 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
37 periods of time for seeking appellate review, up to and including

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

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

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

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

30 (a) Completed ten service credit years; or

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

33 (c) Completed five service credit years by the transfer payment
34 date specified in RCW 41.40.795, under the public employees'
35 retirement system plan 2 and who transferred to plan 3 under RCW
36 41.40.795;

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

1 (2) EARLY RETIREMENT. Any member who has attained at least age
2 fifty-five and has completed at least ten years of service shall be
3 eligible to retire and to receive a retirement allowance computed
4 according to the provisions of RCW 41.40.790, except that a member
5 retiring pursuant to this subsection shall have the retirement
6 allowance actuarially reduced to reflect the difference in the number
7 of years between age at retirement and the attainment of age sixty-
8 five.

9 (3) ALTERNATE EARLY RETIREMENT.

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

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

35 ~~((Any))~~ (i) Until December 31, 2023, any member who retires under
36 the provisions of this subsection is ineligible for the

1 postretirement employment provisions of RCW 41.40.037(2)(d) until the
2 retired member has reached sixty-five years of age.

3 (ii) Beginning January 1, 2024, any current or future retiree
4 under the provisions of this subsection may utilize the
5 postretirement employment provisions of RCW 41.40.037(2) for up to
6 867 hours per year.

7 (iii) For purposes of this subsection, employment with an
8 employer prior to the retired member reaching sixty-five years of age
9 also includes any personal service contract, service ((by)) for an
10 employer as a temporary or project employee, or any other similar
11 compensated relationship with any employer included under the
12 provisions of RCW 41.40.850(1). After reaching sixty-five years of
13 age, employment with an employer only includes employers as defined
14 in RCW 41.40.010.

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

37 (c) Members who first become employed by an employer in an
38 eligible position on or after May 1, 2013, are not eligible for the
39 alternate early retirement provisions of (a) or (b) of this
40 subsection. Any member who first becomes employed by an employer in

1 an eligible position on or after May 1, 2013, and has completed at
2 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 41.40.790, except that a
5 member retiring pursuant to this subsection shall have the retirement
6 allowance reduced by five percent per year to reflect the difference
7 in the number of years between age at retirement and the attainment
8 of age sixty-five.

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

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