
HOUSE BILL 2735

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Robinson, Sells, Green, Appleton, S. Hunt, Bergquist, Ryu, Gregerson, and Ormsby

Read first time 01/29/14. Referred to Committee on Appropriations.

1 AN ACT Relating to reducing the retirement or early retirement age
2 of members of the public employees' retirement systems plan 2 and plan
3 3; and amending RCW 41.40.630 and 41.40.820.

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

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

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

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

18 (3) ALTERNATE EARLY RETIREMENT.

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

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

14	Retirement	Percent
15	Age	Reduction
16	55	20%
17	56	17%
18	57	14%
19	58	11%
20	59	8%
21	60	5%
22	61	2%
23	62	0%
24	63	0%
25	64	0%

26 Any member who retires under the provisions of this subsection is
27 ineligible for the postretirement employment provisions of RCW
28 41.40.037(2)(d) until the retired member has reached sixty-five years
29 of age. For purposes of this subsection, employment with an employer
30 also includes any personal service contract, service by an employer as
31 a temporary or project employee, or any other similar compensated
32 relationship with any employer included under the provisions of RCW
33 41.40.690(1).

34 The subsidized reductions for alternate early retirement in this
35 subsection as set forth in section 9, 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 installment
11 of a retirement allowance computed under this subsection, the resulting
12 benefit becomes contractual for the recipient. If the repeal of
13 chapter 41.31A RCW is held to be invalid in a final determination of a
14 court of law, and the court orders reinstatement of gain-sharing or
15 other alternate benefits as a remedy, then retirement benefits for any
16 member who has completed at least thirty service credit years and has
17 attained age fifty-five but has not yet received the first installment
18 of a retirement allowance under this subsection shall be computed using
19 the reductions in (a) of this subsection.

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

31 (4) The retirement, early retirement, or alternate early retirement
32 age applied to a member retiring under this section shall be reduced by
33 up to two years for any period that a member served in the uniformed
34 service of the United States.

35 **Sec. 2.** RCW 41.40.820 and 2012 1st sp.s. c 7 s 6 are each amended
36 to read as follows:

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

3 (a) Completed ten service credit years; or

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

6 (c) Completed five service credit years by the transfer payment
7 date specified in RCW 41.40.795, under the public employees' retirement
8 system plan 2 and who transferred to plan 3 under RCW 41.40.795;
9 shall be eligible to retire and to receive a retirement allowance
10 computed according to the provisions of RCW 41.40.790.

11 (2) EARLY RETIREMENT. Any member who has attained at least age
12 fifty-five and has completed at least ten years of service shall be
13 eligible to retire and to receive a retirement allowance computed
14 according to the provisions of RCW 41.40.790, except that a member
15 retiring pursuant to this subsection shall have the retirement
16 allowance actuarially reduced to reflect the difference in the number
17 of years between age at retirement and the attainment of age sixty-
18 five.

19 (3) ALTERNATE EARLY RETIREMENT.

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

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

33	Retirement	Percent
34	Age	Reduction
35	55	20%
36	56	17%

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

9 Any member who retires under the provisions of this subsection is
10 ineligible for the postretirement employment provisions of RCW
11 41.40.037(2)(d) until the retired member has reached sixty-five years
12 of age. For purposes of this subsection, employment with an employer
13 also includes any personal service contract, service by an employer as
14 a temporary or project employee, or any other similar compensated
15 relationship with any employer included under the provisions of RCW
16 41.40.850(1).

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

1 (c) Members who first become employed by an employer in an eligible
2 position on or after May 1, 2013, are not eligible for the alternate
3 early retirement provisions of (a) or (b) of this subsection. Any
4 member who first becomes employed by an employer in an eligible
5 position on or after May 1, 2013, and has completed at least thirty
6 service credit years and has attained age fifty-five shall be eligible
7 to retire and to receive a retirement allowance computed according to
8 the provisions of RCW 41.40.790, except that a member retiring pursuant
9 to this subsection shall have the retirement allowance reduced by five
10 percent per year to reflect the difference in the number of years
11 between age at retirement and the attainment of age sixty-five.

12 (4) The retirement, early retirement, or alternate early retirement
13 age applied to a member retiring under this section shall be reduced by
14 up to two years for any period that a member served in the uniformed
15 service of the United States.

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