

SENATE BILL REPORT

ESHB 1699

As of February 25, 2022

Title: An act relating to permitting individuals retired from the public employees retirement system, the teachers retirement system, and the school employees retirement system additional opportunities to work for a school district for up to 1,040 hours per school year while in receipt of pension benefits until July 1, 2025.

Brief Description: Permitting individuals retired from the public employees retirement system, the teachers retirement system, and the school employees retirement system additional opportunities to work for a school district for up to 1,040 hours per school year while in receipt of pension benefits until July 1, 2025.

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

Brief History: Passed House: 2/8/22, 93-3.

Committee Activity: Ways & Means: 2/26/22.

Brief Summary of Bill

- Allows retirees in certain state retirement system to work in a nonadministrative position for up to 1040 hours per year while continuing to receive retirement benefits, until July 1, 2025.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Amanda Cecil (786-7460)

Background: Retirees of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) may work up to 867 hours per year in a position covered by any of the state's pension system

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while receiving a retirement benefit. A retiree that works more than 867 hours is reinstated as an active member and their retirement benefit ceases.

Members of TRS and PERS plans 1 are eligible for retirement after 30 years of service or at age 55 with 25 years of service. Plans 2 and 3 of the PERS, TRS, and SERS have a normal retirement age of 65 and may retire as early as age 55 with a reduced benefit if they meet certain service credit requirements.

Members of PERS 2 and 3 that took a specific early retirement option that allowed for a lower reduction in benefits, called alternate early retirement, are ineligible to continue to receive a pension benefit and to return to work in covered position until they reach age 65, at which point they can work for up to 867 hours per year like other retirees. Prior to 2016 this restriction also applied to retirees of TRS Plans 2 and 3 that took alternate early retirement, when that restriction was temporarily suspended to allow to work for up to 867 hours per year as substitute teachers. This temporary suspension was made permanent in 2019 and it was expanded to cover more positions and retirees of SERS Plan 2 and 3.

Summary of Bill: Until July 1, 2025, all PERS, TRS, and SERS retirees may work for a school district for up to 1040 hours per year in a non-administrative position while continuing to receive a pension benefit. The Legislature reserves the right to amend or repeal this benefit in the future and no member or beneficiary has a contractual right to be employed for more than 867 hours in a year without a reduction of their pension.

Also until July 1, 2025, a TRS retiree that retired prior to January 1, 2022, may work up to 1040 hours per year for a school district with less than 2000 students as a District Superintendent or an in-school administrator.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.