

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1699

67th Legislature
2022 Regular Session

Passed by the House March 10, 2022
Yeas 95 Nays 3

**Speaker of the House of
Representatives**

Passed by the Senate March 10, 2022
Yeas 45 Nays 4

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1699** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1699

AS AMENDED BY THE SENATE

Passed Legislature - 2022 Regular Session

State of Washington 67th Legislature 2022 Regular Session

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

READ FIRST TIME 01/28/22.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (c)(i) Between the effective date of this section and July 1,
17 2025, a retiree who reenters employment more than one month after his
18 or her accrual date, and who enters service in a school district in a
19 nonadministrative position shall continue to receive pension payments
20 while engaged in such service, until the retiree has rendered service
21 for more than 1,040 hours in a calendar year.

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

29 (iii) The legislature reserves the right to amend or repeal this
30 subsection (2)(c) in the future and no member or beneficiary has a
31 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 2011 1st sp.s. c 47 s 14 are each
2 amended to read as follows:

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

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

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

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

28 (c)(i) Between the effective date of this section and July 1,
29 2025, a retired teacher or retired administrator who reenters
30 employment more than one month after his or her accrual date, and who
31 enters service in a school district in a nonadministrative position
32 shall continue to receive pension payments while engaged in such
33 service, until the retiree has rendered service for more than 1,040
34 hours in a calendar year.

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

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

3 (iii) The legislature reserves the right to amend or repeal this
4 subsection (2)(c) in the future and no member or beneficiary has a
5 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 41.35.060 and 2011 1st sp.s. c 47 s 15 are each
14 amended to read as follows:

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

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

25 (2)(a) A retiree who has satisfied the break in employment
26 requirement of subsection (1) of this section may work up to eight
27 hundred sixty-seven hours per calendar year in an eligible position,
28 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or
29 as a firefighter or law enforcement officer, as defined in RCW
30 41.26.030, or in a position covered by annuity and retirement income
31 plans offered by institutions of higher education pursuant to RCW
32 28B.10.400, without suspension of his or her benefit.

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

1 (c) Between the effective date of this section and July 1, 2025,
2 a retiree, including a retiree who has retired under the alternate
3 early retirement provisions of RCW 41.35.420(3)(b) or
4 41.35.680(3)(b), who reenters employment more than one month after
5 his or her accrual date, and who enters service in a school district
6 in a nonadministrative position shall continue to receive pension
7 payments while engaged in such service, until the retiree has
8 rendered service for more than 1,040 hours in a calendar year. The
9 legislature reserves the right to amend or repeal this subsection
10 (2)(c) in the future and no member or beneficiary has a contractual
11 right to be employed for more than 867 hours in a calendar year
12 without a reduction of his or her pension.

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

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

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

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

35 (2)(a) A retiree from plan 1, plan 2, or plan 3 who has satisfied
36 the break in employment requirement of subsection (1) of this section
37 may work up to eight hundred sixty-seven hours per calendar year in
38 an eligible position, as defined in RCW 41.32.010, 41.35.010,
39 41.37.010, or 41.40.010, or as a firefighter or law enforcement

1 officer, as defined in RCW 41.26.030, or in a position covered by
2 annuity and retirement income plans offered by institutions of higher
3 education pursuant to RCW 28B.10.400, without suspension of his or
4 her benefit.

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

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

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

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

30 NEW SECTION. Sec. 6. The following acts or parts of acts are
31 each repealed:

32 (1) RCW 41.35.065 (Postretirement employment options) and 2019 c
33 295 s 308; and

34 (2) RCW 41.32.068 (Postretirement employment options) and 2019 c
35 295 s 307 & 2016 c 233 s 7.

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

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

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