

2 **SSB 5937** - S AMD 156  
3 By Senators Brown and Long

4  
5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. Sec. 1. (1) The department of retirement systems,  
8 the office of the superintendent of public instruction, the department  
9 of personnel, and the health care authority shall jointly develop  
10 publications for use during the 2001-03 biennium to explain options  
11 for, and implications of, postretirement employment for members and  
12 retirees of the teachers' retirement system plan 1 and the public  
13 employees' retirement system plan 1.

14 (2) The publications shall address such issues as: (a) Health  
15 insurance coverage upon reemployment; (b) health benefit options upon  
16 termination of postretirement employment; (c) sick leave, annual leave,  
17 and other compensation practices; (d) options for, and implications of,  
18 reentry into active retirement system membership; (e) hiring procedures  
19 for retirees; and (f) collective bargaining rights and  
20 responsibilities.

21 **Sec. 2.** RCW 28A.405.900 and 1990 c 33 s 404 are each amended to  
22 read as follows:

23 Certificated employees subject to the provisions of RCW  
24 28A.310.250, 28A.405.010 through 28A.405.240, 28A.405.400 through  
25 28A.405.410, 28A.415.250, and 28A.405.900 shall not include those  
26 certificated employees hired to replace certificated employees who have  
27 been granted sabbatical, regular, or other leave by school districts,  
28 and shall not include retirees hired for postretirement employment  
29 under the provisions of this act.

30 It is not the intention of the legislature that this section apply  
31 to any regularly hired certificated employee or that the legal or  
32 constitutional rights of such employee be limited, abridged, or  
33 abrogated.

1       **Sec. 3.** RCW 41.32.570 and 1999 c 387 s 1 are each amended to read  
2 as follows:

3       (1)(a) If a retiree enters employment with an employer sooner than  
4 one calendar month after his or her accrual date, the retiree's monthly  
5 retirement allowance will be reduced by five and one-half percent for  
6 every seven hours worked during that month. This reduction will be  
7 applied each month until the retiree remains absent from employment  
8 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 monthly  
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) Any retired teacher or retired administrator who enters service  
14 in any public educational institution in Washington state and who has  
15 satisfied the break in employment requirement of subsection (1) of this  
16 section shall cease to receive pension payments while engaged in such  
17 service(~~(: PROVIDED, That service may be rendered up to five hundred~~  
18 ~~twenty-five hours per school year without reduction of pension.~~

19       ~~(3) In addition to the five hundred twenty-five hours of service~~  
20 ~~permitted under subsection (2) of this section, a retired teacher or~~  
21 ~~retired administrator may also serve only as a substitute teacher for~~  
22 ~~up to an additional three hundred fifteen hours per school year without~~  
23 ~~reduction of pension if:~~

24       ~~(a) A school district, which is not a member of a multidistrict~~  
25 ~~substitute cooperative, determines that it has exhausted or can~~  
26 ~~reasonably anticipate that it will exhaust its list of qualified and~~  
27 ~~available substitutes and the school board of the district adopts a~~  
28 ~~resolution to make its substitute teachers who are retired teachers or~~  
29 ~~retired administrators eligible for the extended service once the list~~  
30 ~~of qualified and available substitutes has been exhausted.—The~~  
31 ~~resolution by the school district shall state that the services of~~  
32 ~~retired teachers and retired administrators are necessary to address~~  
33 ~~the shortage of qualified and available substitutes.—The resolution~~  
34 ~~shall be valid only for the school year in which it is adopted.—The~~  
35 ~~district shall forward a copy of the resolution with a list of retired~~  
36 ~~teachers and retired administrators who have been employed as~~  
37 ~~substitute teachers to the department and may notify the retired~~  
38 ~~teachers and retired administrators included on the list of their right~~  
39 ~~to take advantage of the provisions of this subsection; or~~

1       ~~(b) A multidistrict substitute cooperative determines that the~~  
2 ~~school districts have exhausted or can reasonably anticipate that they~~  
3 ~~will exhaust their list of qualified and available substitutes and each~~  
4 ~~of the school boards adopts a resolution to make their substitute~~  
5 ~~teachers who are retired teachers or retired administrators eligible~~  
6 ~~for the extended service once the list of qualified and available~~  
7 ~~substitutes has been exhausted. The resolutions by each of the school~~  
8 ~~districts shall state that the services of retired teachers and retired~~  
9 ~~administrators are necessary to address the shortage of qualified and~~  
10 ~~available substitutes. The resolutions shall be valid only for the~~  
11 ~~school year in which they are adopted. The cooperative shall forward~~  
12 ~~a copy of the resolutions with a list of retired teachers and retired~~  
13 ~~administrators who have been employed as substitute teachers to the~~  
14 ~~department and may notify the retired teachers and retired~~  
15 ~~administrators included on the list of their right to take advantage of~~  
16 ~~the provisions of this subsection.~~

17       ~~(4) In addition to the five hundred twenty five hours of service~~  
18 ~~permitted under subsection (2) of this section, a retired administrator~~  
19 ~~or retired teacher may also serve as a substitute administrator up to~~  
20 ~~an additional one hundred five hours per school year without reduction~~  
21 ~~of pension if a school district board of directors adopts a resolution~~  
22 ~~declaring that the services of a retired administrator or retired~~  
23 ~~teacher are necessary because it cannot find a replacement~~  
24 ~~administrator to fill a vacancy. The resolution shall be valid only~~  
25 ~~for the school year in which it is adopted. The district shall forward~~  
26 ~~a copy of the resolution with the name of the retired administrator or~~  
27 ~~retired teacher who has been employed as a substitute administrator to~~  
28 ~~the department.~~

29       ~~(5) In addition to the five hundred twenty five hours of service~~  
30 ~~permitted under subsection (2) of this section and the one hundred five~~  
31 ~~hours permitted under subsection (4) of this section, a retired~~  
32 ~~principal may also serve as a substitute principal up to an additional~~  
33 ~~two hundred ten hours per school year without a reduction of pension if~~  
34 ~~a school district board of directors adopts a resolution declaring that~~  
35 ~~the services of a retired principal are necessary because it cannot~~  
36 ~~find a replacement principal to fill a vacancy. The resolution shall~~  
37 ~~be valid only for the school year in which it is adopted. The district~~  
38 ~~shall forward a copy of the resolution with the name of the retired~~

1 principal who has been employed as a substitute principal to the  
2 department.

3 ~~(6) Subsection (2) of this section shall apply to all persons~~  
4 ~~governed by the provisions of plan 1, regardless of the date of their~~  
5 ~~retirement, but shall apply only to benefits payable after June 11,~~  
6 ~~1986.~~

7 ~~(7) Subsection (3) of this section shall apply to all persons~~  
8 ~~governed by the provisions of plan 1, regardless of the date of their~~  
9 ~~retirement, but shall only apply to benefits payable after September 1,~~  
10 ~~1994)), after the retiree has rendered service for more than one~~  
11 ~~thousand five hundred hours in a school year.~~

12 (3) The department shall collect and provide the state actuary with  
13 information relevant to the use of this section for the joint committee  
14 on pension policy.

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

19 **Sec. 4.** RCW 41.40.037 and 1997 c 254 s 14 are each amended to read  
20 as follows:

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

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

31 (2)(a) A retiree from plan 1 who has satisfied the break in  
32 employment requirement of subsection (1) of this section and who enters  
33 employment with an employer may continue to receive pension payments  
34 while engaged in such service for up to one thousand five hundred hours  
35 of service in a calendar year without a reduction of pension.

36 (b) A retiree from plan 2 or plan 3 who has satisfied the break in  
37 employment requirement of subsection (1) of this section((7)) may work  
38 up to ((five months per)) eight hundred sixty-seven hours in a calendar

1 year in an eligible position, as defined in RCW 41.32.010, 41.35.010,  
2 or 41.40.010, or as a fire fighter or law enforcement officer, as  
3 defined in RCW 41.26.030, without suspension of his or her benefit.

4 (3) If the retiree opts to reestablish membership under RCW  
5 41.40.023(12), he or she terminates his or her retirement status and  
6 becomes a member. Retirement benefits shall not accrue during the  
7 period of membership and the individual shall make contributions and  
8 receive membership credit. Such a member shall have the right to again  
9 retire if eligible in accordance with RCW 41.40.180. However, if the  
10 right to retire is exercised to become effective before the member has  
11 rendered two uninterrupted years of service, the retirement formula and  
12 survivor options the member had at the time of the member's previous  
13 retirement shall be reinstated.

14 (4) The department shall collect and provide the state actuary with  
15 information relevant to the use of this section for the joint committee  
16 on pension policy.

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

21 NEW SECTION. Sec. 5. Sections 2 and 3 of this act expire June 30,  
22 2004.

23 NEW SECTION. Sec. 6. Section 4 of this act expires December 31,  
24 2004.

25 NEW SECTION. Sec. 7. A new section is added to chapter 41.40 RCW  
26 to read as follows:

27 Upon attainment of age seventy and one-half, an employed member  
28 may, subject to this section, apply for the retirement benefit the  
29 member is otherwise eligible to receive. The retirement benefit shall  
30 begin to accrue on the first day of the calendar month following the  
31 month that a member applies for a retirement benefit and has attained  
32 age seventy and one-half. The benefit shall be calculated in  
33 accordance with this chapter, except that the member may continue to be  
34 employed. Upon retirement the retiree shall no longer be an active  
35 member and shall not make contributions, nor receive service credit,

1 for future periods of employment while receiving his or her retirement  
2 allowance.

3 NEW SECTION. **Sec. 8.** The office of the state actuary shall review  
4 the actuarial impact of the temporary expansion of the postretirement  
5 employment limitations provided by sections 3 and 4 of this act. No  
6 later than July 1, 2003, the state actuary shall prepare a report for  
7 the joint committee on pension policy regarding the fiscal and policy  
8 impacts of this act. The joint committee shall solicit information  
9 from the superintendent of public instruction, the department of  
10 personnel, the office of financial management, the department of  
11 retirement systems, and the health care authority regarding the program  
12 impacts of this act and shall report to the legislative fiscal  
13 committees no later than October 1, 2003, on any proposed changes or  
14 improvements to this act. If the state actuary determines the  
15 expansion of postretirement options under sections 3 and 4 of this act  
16 has resulted in increased costs for the state retirement funds, the  
17 joint committee report shall include a proposal for a process to charge  
18 those employers who employ retirees pursuant to an extension of  
19 sections 3 and 4 of this act for the costs incurred by the retirement  
20 funds under the extension.

21 **Sec. 9.** RCW 41.32.802 and 1997 c 254 s 8 are each amended to read  
22 as follows:

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

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

33 (2) A retiree who has satisfied the break in employment requirement  
34 of subsection (1) of this section, may work up to (~~five months~~) eight  
35 hundred sixty-seven hours per calendar year in an eligible position, as  
36 defined in RCW 41.32.010, 41.35.010, or 41.40.010, or as a fire fighter

1 or law enforcement officer, as defined in RCW 41.26.030, without  
2 suspension of his or her benefit.

3 (3) If the retiree opts to reestablish membership under RCW  
4 41.32.044, he or she terminates his or her retirement status and  
5 immediately becomes a member. Retirement benefits shall not accrue  
6 during the period of membership and the individual shall make  
7 contributions and receive membership credit. Such a member shall have  
8 the right to again retire if eligible.

9 **Sec. 10.** RCW 41.32.860 and 1997 c 254 s 7 are each amended to read  
10 as follows:

11 (1) Except under RCW 41.32.862, no retiree shall be eligible to  
12 receive such retiree's monthly retirement allowance if he or she is  
13 employed in an eligible position as defined in RCW 41.40.010 (~~(or)~~),  
14 41.32.010, or 41.35.010, or as a law enforcement officer or fire  
15 fighter as defined in RCW 41.26.030.

16 (2) If a retiree's benefits have been suspended under this section,  
17 his or her benefits shall be reinstated when the retiree terminates the  
18 employment that caused the suspension of benefits. Upon reinstatement,  
19 the retiree's benefits shall be actuarially recomputed pursuant to the  
20 rules adopted by the department.

21 **Sec. 11.** RCW 41.32.862 and 1997 c 254 s 9 are each amended to read  
22 as follows:

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

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

33 (2) A retiree who has satisfied the break in employment requirement  
34 of subsection (1) of this section, may work up to (~~five months~~) eight  
35 hundred sixty-seven hours per calendar year in an eligible position, as  
36 defined in RCW 41.32.010, 41.35.010, or 41.40.010, or as a fire fighter

1 or law enforcement officer, as defined in RCW 41.26.030, without  
2 suspension of his or her benefit.

3 (3) If the retiree opts to reestablish membership under RCW  
4 41.32.044, he or she terminates his or her retirement status and  
5 immediately becomes a member. Retirement benefits shall not accrue  
6 during the period of membership and the individual shall make  
7 contributions and receive membership credit. Such a member shall have  
8 the right to again retire if eligible.

9 **Sec. 12.** RCW 41.35.060 and 1998 c 341 s 7 are each amended to read  
10 as follows:

11 (1)(a) If a retiree enters employment with an employer sooner than  
12 one calendar month after his or her accrual date, the retiree's monthly  
13 retirement allowance will be reduced by five and one-half percent for  
14 every eight hours worked during that month. This reduction will be  
15 applied each month until the retiree remains absent from employment  
16 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 sixty hours per month. Any benefit  
19 reduction over one hundred percent will be applied to the benefit the  
20 retiree is eligible to receive in subsequent months.

21 (2) A retiree who has satisfied the break in employment requirement  
22 of subsection (1) of this section may work up to (~~five months~~) eight  
23 hundred sixty-seven hours per calendar year in an eligible position, as  
24 defined in RCW 41.32.010, 41.35.010, or 41.40.010, or as a fire fighter  
25 or law enforcement officer, as defined in RCW 41.26.030, without  
26 suspension of his or her benefit.

27 (3) If the retiree opts to reestablish membership under RCW  
28 41.35.030, he or she terminates his or her retirement status and  
29 becomes a member. Retirement benefits shall not accrue during the  
30 period of membership and the individual shall make contributions and  
31 receive membership credit. Such a member shall have the right to again  
32 retire if eligible in accordance with RCW 41.35.420 or 41.35.680.  
33 However, if the right to retire is exercised to become effective before  
34 the member has rendered two uninterrupted years of service, the  
35 retirement formula and survivor options the member had at the time of  
36 the member's previous retirement shall be reinstated.



1       **Sec. 13.** RCW 41.40.037 and 1997 c 254 s 14 are each amended to  
2 read as follows:

3       (1)(a) If a retiree enters employment with an employer sooner than  
4 one calendar month after his or her accrual date, the retiree's monthly  
5 retirement allowance will be reduced by five and one-half percent for  
6 every eight hours worked during that month. This reduction will be  
7 applied each month until the retiree remains absent from employment  
8 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 sixty hours per month. Any benefit  
11 reduction over one hundred percent will be applied to the benefit the  
12 retiree is eligible to receive in subsequent months.

13       (2) A retiree who has satisfied the break in employment requirement  
14 of subsection (1) of this section, may work up to (~~five months~~) eight  
15 hundred sixty-seven hours per calendar year in an eligible position, as  
16 defined in RCW 41.32.010, 41.35.010, or 41.40.010, or as a fire fighter  
17 or law enforcement officer, as defined in RCW 41.26.030, without  
18 suspension of his or her benefit.

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

29       **Sec. 14.** RCW 41.40.750 and 1998 c 341 s 113 are each amended to  
30 read as follows:

31       (1) Effective September 1, 2000, the membership of all plan 2  
32 members currently employed in eligible positions in a school district  
33 or educational service district and all plan 2 service credit for such  
34 members, is transferred to the Washington school employees' retirement  
35 system plan 2. Plan 2 members who have withdrawn their member  
36 contributions for prior plan 2 service may restore contributions and  
37 service credit to the Washington school employees' retirement system  
38 plan 2 as provided under RCW 41.40.740.

1 (2)(a) The membership and previous service credit of a plan 2  
2 member not employed in an eligible position on September 1, 2000, will  
3 be transferred to the Washington school employees' retirement system  
4 plan 2 when he or she becomes employed in an eligible position. Plan  
5 2 members not employed in an eligible position on September 1, 2000,  
6 who have withdrawn their member contributions for prior plan 2 service  
7 may restore contributions and service credit to the Washington school  
8 employees' retirement system plan 2 as provided under RCW 41.40.740.

9 (b) The membership and previous service credit of a plan 2 member  
10 last employed by a school district or educational service district and  
11 retired prior to September 1, 2000, will be transferred to the  
12 Washington school employees' retirement system plan 2 if the member  
13 opts to reestablish membership.

14 (3) Members who restore contributions and service credit under  
15 subsection (1) or (2) of this section shall have their contributions  
16 and service credit transferred to the Washington school employees'  
17 retirement system.

18 NEW SECTION. Sec. 15. Except for sections 13 of this act which  
19 takes effect December 31, 2004, this act is necessary for the immediate  
20 preservation of the public peace, health, or safety, or support of the  
21 state government and its existing public institutions, and takes effect  
22 July 1, 2001."

23 **SSB 5937** - S AMD 156  
24 By Senators Brown and Long

25  
26 On page 1, line 1 of the title, after "Relating to" strike the  
27 remainder of the title and insert "postretirement employment for  
28 teachers' retirement system, public employees' retirement system, and  
29 school employees' retirement system, retirees; amending RCW  
30 28A.405.900, 41.32.570, 41.40.037, 41.32.802, 41.32.860, 41.32.862,  
31 41.35.060, 41.40.037, and 41.40.750; adding a new section to chapter  
32 41.40 RCW; creating new sections; providing effective dates; providing  
33 expiration dates; and declaring an emergency."

--- END ---