

# HOUSE BILL REPORT

## HB 1044

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### As Passed House:

March 13, 2001

**Title:** An act relating to converting the number of months into hours that teachers' retirement system, public employees' retirement system, and school employees' retirement system retirees may work without a reduction in their retirement allowance.

**Brief Description:** Converting the number of months into hours that teachers' retirement system, public employees' retirement system, and school employees' retirement system retirees may work without a reduction in their retirement allowance.

**Sponsors:** By Representatives Conway, Lambert, H. Sommers, Talcott, Doumit, Pearson, Alexander, Kagi, McIntire, Hurst, Hatfield, Haigh, Kenney, Edmonds, Keiser and Simpson; by request of Joint Committee on Pension Policy.

### Brief History:

#### Committee Activity:

Appropriations: 1/23/01, 3/7/01 [DP].

#### Floor Activity:

Passed House: 3/13/01, 94-0.

### Brief Summary of Bill

For the Public Employees Retirement System, the School Employees Retirement System, and Teachers Retirement System plans 2 and 3 retirees, converts from five months to 867 hours the amount of time the retiree may work without a reduction in retirement allowance.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 31 members: Representatives Sehlin, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; Lisk, Republican Vice Chair; Alexander, Boldt, Buck, Clements, Cody, Cox, Dunshee, Fromhold, Gombosky, Grant, Kagi, Keiser, Kenney, Kessler, Lambert, Linville, Mastin, McIntire, Mulliken, Pearson, Pflug, Ruderman, D. Schmidt, Schual-Berke, Talcott and Tokuda.

**Staff:** Andrea Hardy (786-7349).

**Background:**

Persons who retire from the Public Employees Retirement System (PERS) plans 1 and 2, the School Employees Retirement System (SERS) plans 2 and 3, and the Teachers' Retirement System (TRS) plans 2 and 3 are limited in how much they can work after retirement without having a reduction in their retirement allowance.

A retiree who has taken a break from employment for at least one calendar month may return to work in a position covered by the same retirement system for up to five months in a calendar year. The Department of Retirement Systems has interpreted the limitation in a manner that counts any calendar month in which a retiree works for even one hour as one full month against the five-month limit. There are approximately 867 working hours in five calendar months.

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**Summary of Bill:**

Persons who retire from PERS 1 and 2, SERS 2 and 3, and TRS 2 and 3 may work up to 867 hours in a calendar year, in a position that is included in PERS, SERS, TRS, or the Law Enforcement Officers and Fire Fighters Retirement System (LEOFF), without affecting their retirement allowances.

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**Appropriation:** None.**Fiscal Note:** Available.**Effective Date:** The bill takes effect on January 1, 2002.**Testimony For:** There are several groups whose return to work would be beneficial to both schools and certain fields of public service. Cowlitz County Public Utility District (PUD) has a shortage of available workers who can work as linemen in the PUD.

Similarly, school districts throughout the state have experienced shortages and difficulty in obtaining qualified substitute teachers. The average daily need for substitute teachers is 2,500 substitutes per day statewide. These increased needs are magnified by the lack of qualified teachers. On average, school districts are without enough substitutes one day out of every four, so have to make other arrangements for students. Alternatively, school districts may elect to meet their needs with less qualified people because there are not enough certificated teachers available.

This bill provides greater overall access to the most qualified substitutes (those with more than 30 years of service), less reliance on under-qualified teachers (those with emergency certificates), and gives districts higher quality and more reliable replacement rolls for

long-term substitute needs.

**Testimony Against:** None.

**Testified:** Leland Goeke, Jr., Vancouver School District; Cheryl Stephanie, Department of Social and Health Services; Ike Ikerd, Washington Public Employees Association; John Kvamme, Washington Association of School Administrators and Washington Association of School Principals; Pat Hoban, Washington State Retired Teachers Association; Bob Maier, Washington Education Association; Ken Kanikeberg, Office of the Superintendent of Public Instruction; and Dave Andrew, Cowlitz County Public Utility District.