

HOUSE BILL REPORT

SB 5151

As Reported by House Committee On:
Appropriations

Title: An act relating to increasing the number of hours that teachers' retirement system plan retirees may work in an eligible position to eight hundred forty without a reduction in their retirement benefits.

Brief Description: Increasing the number of hours that teachers' retirement system plan retirees may work in an eligible position to eight hundred forty without a reduction in their retirement benefits.

Sponsors: By Senators Carlson, Winsley, Honeyford, Franklin, Long, Fraser, McAuliffe, Kohl-Welles, Rasmussen, Haugen and Parlette; by request of Joint Committee on Pension Policy.

Brief History:

Committee Activity:

Appropriations: 3/26/01, 3/28/01 [DP].

Brief Summary of Bill

- Increases to 840 hours the amount that a Teachers' Retirement System plan 1 retiree may work without a reduction in benefits.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 30 members: Representatives Sehlin, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; Alexander, Benson, Boldt, Buck, Clements, Cody, Cox, Dunshee, Fromhold, 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:

The Teachers' Retirement System plan 1 (TRS 1) includes teachers and school

administrators first hired prior to October 1, 1977. For many years the general rule regarding TRS 1 post-retirement employment was that a retiree could work no more than 75 days (525 hours) each school year in a public educational institution in Washington State without a reduction in retirement benefits.

Over the years the Legislature has gradually expanded the amount that TRS 1 retirees can work in certain settings without a reduction in their benefits. In a school district that has passed a resolution declaring a shortage of substitute teachers, a TRS 1 retiree can work an additional 315 hours, for a total of 840 hours or about 120 days, as a substitute teacher. Only persons who substitute on a day-to-day basis are eligible for this extended period of employment. Persons who sign contracts for a school year are still limited to the 525 hour limit. A resolution declaring a shortage of substitutes is valid only for the school year in which it is adopted. A copy of the resolution, with a list of retirees who have been hired, must be provided to the Department of Retirement Systems (DRS).

In a school district that has passed a resolution declaring an inability to find a replacement administrator to fill a vacancy, a TRS 1 retiree may serve as a substitute administrator for an additional 105 hours, for a total of 630 hours or about 90 days. In 1999 the limit was also amended to provide that a retired principal working for a school district that had a shortage of principals may work an additional 315 hours as a substitute principal. The ability to work these additional hours without a reduction in retirement benefits is available only to TRS 1 retirees who work as substitute teachers, substitute principals, or substitute administrators, and only in those school districts that have passed the required resolution.

Summary of Bill:

All TRS 1 retirees are permitted to work up to 840 hours per school year in any public education institution in Washington without a reduction in their retirement benefits. The DRS must provide the state actuary data relevant to TRS 1 post-retirement employment for the Joint Committee on Pension Policy. The Legislature reserves the right to amend in the future the provisions related to TRS 1 post-retirement employment.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: There is a significant teacher shortage in Washington. This bill will help because teachers who could provide their significant expertise to districts throughout the state will have more liberty to do so. This bill will also help to attract retired

teachers back to teaching, and will help to retain experienced teachers by giving them the incentive, after they retire, to return to work so that the schools may benefit from their talents. This bill will provide a standard post-retirement allotment of hours across all districts in Washington, as opposed to allowing only certain districts with declared shortages to have employees work the longer hourly allotment.

Testimony Against: None.

Testified: Senator Carlson, prime sponsor; Karen Davis, Washington Education Association; John Kuamme, Washington Association of School Administrators and Association of Washington Principals; and Leslie Mair, Washington School Retirees' Association.