

SENATE BILL REPORT

SB 5151

As Passed Senate, March 9, 2001

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: 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: Ways & Means: 1/30/01, 2/20/01 [DP].

Passed Senate: 3/9/01, 48-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Winsley and Zarelli.

Staff: Pete Cutler (786-7454)

Background: The Teachers' Retirement System (TRS) Plan 1 includes teachers and school administrators first hired prior to October 1, 1977. For many years the general rule regarding TRS Plan 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.

However, 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. Currently, in a school district that has passed a resolution declaring a shortage of substitute teachers, a TRS Plan 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 Plan 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 Plan 1 retirees are permitted to work up to 840 hours per school year in any public education institution in Washington State without a reduction in their retirement benefits. DRS must provide the State Actuary with data relevant to TRS Plan 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 Plan 1 post-retirement employment.

Appropriation: None.

Fiscal Note: Requested on January 22, 2001.

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

Testimony For: This bill would reduce the confusion regarding limits on post-retirement employment for TRS 1 retirees, and would help school districts that have a shortage of teachers, administrators, and substitutes.

Testimony Against: None.

Testified: John Kvamme, WASA and AWSP; Leslie Main, WSSRA; Mary Anne Fast, RPEC; Karen Davis, WEA.