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SENATE BILL 6778

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State of Washington 57th Legislature

2002 Regular Session

By Senator Swecker

Read first time 02/04/2002. Referred to Committee on Ways & Means.

1 AN ACT Relating to postretirement employment for members of the  
2 public employees' retirement system; amending RCW 41.40.037 and  
3 41.40.037; providing an effective date; and providing an expiration  
4 date.

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

6 **Sec. 1.** RCW 41.40.037 and 2001 2nd sp.s. c 10 s 4 are each amended  
7 to read as follows:

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

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

18 (2)(a) A retiree from plan 1 who has satisfied the break in  
19 employment requirement of subsection (1) of this section and who enters

1 employment with an employer may continue to receive pension payments  
2 while engaged in such service for up to one thousand five hundred hours  
3 of service in a calendar year without a reduction of pension, and may  
4 enter into a contract with the employing agency that guarantees the  
5 retiree's continued employment for a period not to exceed one year.  
6 When a plan 1 member renders service beyond eight hundred sixty-seven  
7 hours, the department shall collect from the employer the applicable  
8 employer retirement contributions for the entire duration of the  
9 member's employment during that calendar year.

10 (b) A retiree from plan 2 or plan 3 who has satisfied the break in  
11 employment requirement of subsection (1) of this section may work up to  
12 eight hundred sixty-seven hours in a calendar year in an eligible  
13 position, as defined in RCW 41.32.010, 41.35.010, or 41.40.010, or as  
14 a fire fighter or law enforcement officer, as defined in RCW 41.26.030,  
15 without suspension of his or her benefit, and may enter into a contract  
16 with the employing agency that guarantees the retiree's continued  
17 employment for a period not to exceed one year.

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

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

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

35 (6) This section expires December 31, 2004.

36 **Sec. 2.** RCW 41.40.037 and 2001 2nd sp.s. c 10 s 12 are each  
37 amended to read as follows:

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

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

11 (2) A retiree who has satisfied the break in employment requirement  
12 of subsection (1) of this section, may work up to eight hundred sixty-  
13 seven hours per calendar year in an eligible position, as defined in  
14 RCW 41.32.010, 41.35.010, or 41.40.010, or as a fire fighter or law  
15 enforcement officer, as defined in RCW 41.26.030, without suspension of  
16 his or her benefit, and may enter into a contract with the employing  
17 agency that guarantees the retiree's continued employment for a period  
18 not to exceed one year.

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 NEW SECTION. **Sec. 3.** Section 2 of this act takes effect December  
30 31, 2004.

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