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HOUSE BILL 1599

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State of Washington

61st Legislature

2009 Regular Session

By Representatives Sullivan, Appleton, Hunt, Sells, Simpson, Conway, Williams, White, and Ormsby

Read first time 01/26/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing retirement benefits at earlier ages in  
2 the plans 2 and 3 of the public employees' retirement system, the  
3 teachers' retirement system, and the school employees' retirement  
4 system; amending RCW 41.40.630, 41.40.820, 41.32.765, 41.32.875,  
5 41.35.420, and 41.35.680; providing an effective date; and declaring an  
6 emergency.

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

8 **Sec. 1.** RCW 41.40.630 and 2007 c 491 s 9 are each amended to read  
9 as follows:

10 (1) NORMAL RETIREMENT. Any member with at least five service  
11 credit years who has attained at least age sixty-five shall be eligible  
12 to retire and to receive a retirement allowance computed according to  
13 the provisions of RCW 41.40.620.

14 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-  
15 five and has completed at least five service credit years and for whom  
16 the sum of the number of years of the member's age and the number of  
17 years of the member's service credit equals eighty-five or more shall  
18 be eligible to retire and receive a retirement allowance computed  
19 according to the provisions of RCW 41.40.620.

1        (3) EARLY RETIREMENT. Any member who has completed at least twenty  
2 service credit years and has attained age fifty-five shall be eligible  
3 to retire and to receive a retirement allowance computed according to  
4 the provisions of RCW 41.40.620, except that a member retiring pursuant  
5 to this subsection shall have the retirement allowance actuarially  
6 reduced to reflect the difference in the number of years between age at  
7 retirement and the attainment of age sixty-five.

8        ~~((+3))~~ (4) ALTERNATE EARLY RETIREMENT.

9        (a) Any member who has completed at least thirty service credit  
10 years and has attained age fifty-five shall be eligible to retire and  
11 to receive a retirement allowance computed according to the provisions  
12 of RCW 41.40.620, except that a member retiring pursuant to this  
13 subsection shall have the retirement allowance reduced by three percent  
14 per year to reflect the difference in the number of years between age  
15 at retirement and the attainment of age sixty-five.

16        (b) On or after July 1, 2008, any member who has completed at least  
17 thirty service credit years and has attained age fifty-five shall be  
18 eligible to retire and to receive a retirement allowance computed  
19 according to the provisions of RCW 41.40.620, except that a member  
20 retiring pursuant to this subsection shall have the retirement  
21 allowance reduced as follows:

Retirement	Percent
Age	Reduction
55	20%
56	17%
57	14%
58	11%
59	8%
60	5%
61	2%
62	0%
63	0%
64	0%

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34        Any member who retires under the provisions of this subsection is  
35 ineligible for the postretirement employment provisions of RCW  
36 41.40.037(2)(d) until the retired member has reached sixty-five years

1 of age. For purposes of this subsection, employment with an employer  
2 also includes any personal service contract, service by an employer as  
3 a temporary or project employee, or any other similar compensated  
4 relationship with any employer included under the provisions of RCW  
5 41.40.690(1).

6 The subsidized reductions for alternate early retirement in this  
7 subsection as set forth in section 9, chapter 491, Laws of 2007 were  
8 intended by the legislature as replacement benefits for gain-sharing.  
9 Until there is legal certainty with respect to the repeal of chapter  
10 41.31A RCW, the right to retire under this subsection is  
11 noncontractual, and the legislature reserves the right to amend or  
12 repeal this subsection. Legal certainty includes, but is not limited  
13 to, the expiration of any: Applicable limitations on actions; and  
14 periods of time for seeking appellate review, up to and including  
15 reconsideration by the Washington supreme court and the supreme court  
16 of the United States. Until that time, eligible members may still  
17 retire under this subsection, and upon receipt of the first installment  
18 of a retirement allowance computed under this subsection, the resulting  
19 benefit becomes contractual for the recipient. If the repeal of  
20 chapter 41.31A RCW is held to be invalid in a final determination of a  
21 court of law, and the court orders reinstatement of gain-sharing or  
22 other alternate benefits as a remedy, then retirement benefits for any  
23 member who has completed at least thirty service credit years and has  
24 attained age fifty-five but has not yet received the first installment  
25 of a retirement allowance under this subsection shall be computed using  
26 the reductions in (a) of this subsection.

27 **Sec. 2.** RCW 41.40.820 and 2007 c 491 s 10 are each amended to read  
28 as follows:

29 (1) NORMAL RETIREMENT. Any member who is at least age sixty-five  
30 and who has:

- 31 (a) Completed ten service credit years; or
- 32 (b) Completed five service credit years, including twelve service  
33 credit months after attaining age forty-four; or
- 34 (c) Completed five service credit years by the transfer payment  
35 date specified in RCW 41.40.795, under the public employees' retirement  
36 system plan 2 and who transferred to plan 3 under RCW 41.40.795;

1 shall be eligible to retire and to receive a retirement allowance  
2 computed according to the provisions of RCW 41.40.790.

3 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-  
4 five and has completed the number of service credit years required in  
5 subsection (1) of this section and for whom the sum of the number of  
6 years of the member's age and the number of years of the member's  
7 service credit equals eighty-five or more shall be eligible to retire  
8 and receive a retirement allowance computed according to the provisions  
9 of RCW 41.40.790.

10 (3) EARLY RETIREMENT. Any member who has attained at least age  
11 fifty-five and has completed at least ten years of service shall be  
12 eligible to retire and to receive a retirement allowance computed  
13 according to the provisions of RCW 41.40.790, except that a member  
14 retiring pursuant to this subsection shall have the retirement  
15 allowance actuarially reduced to reflect the difference in the number  
16 of years between age at retirement and the attainment of age sixty-  
17 five.

18 ((+3)) (4) ALTERNATE EARLY RETIREMENT.

19 (a) Any member who has completed at least thirty service credit  
20 years and has attained age fifty-five shall be eligible to retire and  
21 to receive a retirement allowance computed according to the provisions  
22 of RCW 41.40.790, except that a member retiring pursuant to this  
23 subsection shall have the retirement allowance reduced by three percent  
24 per year to reflect the difference in the number of years between age  
25 at retirement and the attainment of age sixty-five.

26 (b) On or after July 1, 2008, any member who has completed at least  
27 thirty service credit years and has attained age fifty-five shall be  
28 eligible to retire and to receive a retirement allowance computed  
29 according to the provisions of RCW 41.40.790, except that a member  
30 retiring pursuant to this subsection shall have the retirement  
31 allowance reduced as follows:

Retirement	Percent
Age	Reduction
55	20%
56	17%
57	14%

1	58	11%
2	59	8%
3	60	5%
4	61	2%
5	62	0%
6	63	0%
7	64	0%

8 Any member who retires under the provisions of this subsection is  
9 ineligible for the postretirement employment provisions of RCW  
10 41.40.037(2)(d) until the retired member has reached sixty-five years  
11 of age. For purposes of this subsection, employment with an employer  
12 also includes any personal service contract, service by an employer as  
13 a temporary or project employee, or any other similar compensated  
14 relationship with any employer included under the provisions of RCW  
15 41.40.850(1).

16 The subsidized reductions for alternate early retirement in this  
17 subsection as set forth in section 10, chapter 491, Laws of 2007 were  
18 intended by the legislature as replacement benefits for gain-sharing.  
19 Until there is legal certainty with respect to the repeal of chapter  
20 41.31A RCW, the right to retire under this subsection is  
21 noncontractual, and the legislature reserves the right to amend or  
22 repeal this subsection. Legal certainty includes, but is not limited  
23 to, the expiration of any: Applicable limitations on actions; and  
24 periods of time for seeking appellate review, up to and including  
25 reconsideration by the Washington supreme court and the supreme court  
26 of the United States. Until that time, eligible members may still  
27 retire under this subsection, and upon receipt of the first installment  
28 of a retirement allowance computed under this subsection, the resulting  
29 benefit becomes contractual for the recipient. If the repeal of  
30 chapter 41.31A RCW is held to be invalid in a final determination of a  
31 court of law, and the court orders reinstatement of gain-sharing or  
32 other alternate benefits as a remedy, then retirement benefits for any  
33 member who has completed at least thirty service credit years and has  
34 attained age fifty-five but has not yet received the first installment  
35 of a retirement allowance under this subsection shall be computed using  
36 the reductions in (a) of this subsection.

1       **Sec. 3.** RCW 41.32.765 and 2007 c 491 s 2 are each amended to read  
2 as follows:

3       (1) NORMAL RETIREMENT. Any member with at least five service  
4 credit years of service who has attained at least age sixty-five shall  
5 be eligible to retire and to receive a retirement allowance computed  
6 according to the provisions of RCW 41.32.760.

7       (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-  
8 five and has completed at least five service credit years and for whom  
9 the sum of the number of years of the member's age and the number of  
10 years of the member's service credit equals eighty-five or more shall  
11 be eligible to retire and receive a retirement allowance computed  
12 according to the provisions of RCW 41.32.760.

13       (3) EARLY RETIREMENT. Any member who has completed at least twenty  
14 service credit years of service who has attained at least age fifty-  
15 five shall be eligible to retire and to receive a retirement allowance  
16 computed according to the provisions of RCW 41.32.760, except that a  
17 member retiring pursuant to this subsection shall have the retirement  
18 allowance actuarially reduced to reflect the difference in the number  
19 of years between age at retirement and the attainment of age sixty-  
20 five.

21       (~~(3)~~) (4) ALTERNATE EARLY RETIREMENT.

22       (a) Any member who has completed at least thirty service credit  
23 years and has attained age fifty-five shall be eligible to retire and  
24 to receive a retirement allowance computed according to the provisions  
25 of RCW 41.32.760, except that a member retiring pursuant to this  
26 subsection shall have the retirement allowance reduced by three percent  
27 per year to reflect the difference in the number of years between age  
28 at retirement and the attainment of age sixty-five.

29       (b) On or after September 1, 2008, any member who has completed at  
30 least thirty service credit years and has attained age fifty-five shall  
31 be eligible to retire and to receive a retirement allowance computed  
32 according to the provisions of RCW 41.32.760, except that a member  
33 retiring pursuant to this subsection shall have the retirement  
34 allowance reduced as follows:

Retirement	Percent
Age	Reduction

1	55	20%
2	56	17%
3	57	14%
4	58	11%
5	59	8%
6	60	5%
7	61	2%
8	62	0%
9	63	0%
10	64	0%

11 Any member who retires under the provisions of this subsection is  
12 ineligible for the postretirement employment provisions of RCW  
13 41.32.802(2) until the retired member has reached sixty-five years of  
14 age. For purposes of this subsection, employment with an employer also  
15 includes any personal service contract, service by an employer as a  
16 temporary or project employee, or any other similar compensated  
17 relationship with any employer included under the provisions of RCW  
18 41.32.800(1).

19 The subsidized reductions for alternate early retirement in this  
20 subsection as set forth in section 2, chapter 491, Laws of 2007 were  
21 intended by the legislature as replacement benefits for gain-sharing.  
22 Until there is legal certainty with respect to the repeal of chapter  
23 41.31A RCW, the right to retire under this subsection is  
24 noncontractual, and the legislature reserves the right to amend or  
25 repeal this subsection. Legal certainty includes, but is not limited  
26 to, the expiration of any: Applicable limitations on actions; and  
27 periods of time for seeking appellate review, up to and including  
28 reconsideration by the Washington supreme court and the supreme court  
29 of the United States. Until that time, eligible members may still  
30 retire under this subsection, and upon receipt of the first installment  
31 of a retirement allowance computed under this subsection, the resulting  
32 benefit becomes contractual for the recipient. If the repeal of  
33 chapter 41.31A RCW is held to be invalid in a final determination of a  
34 court of law, and the court orders reinstatement of gain-sharing or  
35 other alternate benefits as a remedy, then retirement benefits for any  
36 member who has completed at least thirty service credit years and has  
37 attained age fifty-five but has not yet received the first installment

1 of a retirement allowance under this subsection shall be computed using  
2 the reductions in (a) of this subsection.

3 **Sec. 4.** RCW 41.32.875 and 2007 c 491 s 4 are each amended to read  
4 as follows:

5 (1) NORMAL RETIREMENT. Any member who is at least age sixty-five  
6 and who has:

7 (a) Completed ten service credit years; or

8 (b) Completed five service credit years, including twelve service  
9 credit months after attaining age forty-four; or

10 (c) Completed five service credit years by July 1, 1996, under plan  
11 2 and who transferred to plan 3 under RCW 41.32.817;  
12 shall be eligible to retire and to receive a retirement allowance  
13 computed according to the provisions of RCW 41.32.840.

14 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-  
15 five and has completed the number of service credit years required in  
16 subsection (1) of this section and for whom the sum of the number of  
17 years of the member's age and the number of years of the member's  
18 service credit equals eighty-five or more shall be eligible to retire  
19 and receive a retirement allowance computed according to the provisions  
20 of RCW 41.32.840.

21 (3) EARLY RETIREMENT. Any member who has attained at least age  
22 fifty-five and has completed at least ten years of service shall be  
23 eligible to retire and to receive a retirement allowance computed  
24 according to the provisions of RCW 41.32.840, except that a member  
25 retiring pursuant to this subsection shall have the retirement  
26 allowance actuarially reduced to reflect the difference in the number  
27 of years between age at retirement and the attainment of age sixty-  
28 five.

29 ~~((+3))~~ (4) ALTERNATE EARLY RETIREMENT.

30 (a) Any member who has completed at least thirty service credit  
31 years and has attained age fifty-five shall be eligible to retire and  
32 to receive a retirement allowance computed according to the provisions  
33 of RCW 41.32.840, except that a member retiring pursuant to this  
34 subsection shall have the retirement allowance reduced by three percent  
35 per year to reflect the difference in the number of years between age  
36 at retirement and the attainment of age sixty-five.

1 (b) On or after September 1, 2008, any member who has completed at  
2 least thirty service credit years and has attained age fifty-five shall  
3 be eligible to retire and to receive a retirement allowance computed  
4 according to the provisions of RCW 41.32.840, except that a member  
5 retiring pursuant to this subsection shall have the retirement  
6 allowance reduced as follows:

7	Retirement	Percent
8	Age	Reduction
9	55	20%
10	56	17%
11	57	14%
12	58	11%
13	59	8%
14	60	5%
15	61	2%
16	62	0%
17	63	0%
18	64	0%

19 Any member who retires under the provisions of this subsection is  
20 ineligible for the postretirement employment provisions of RCW  
21 41.32.862(2) until the retired member has reached sixty-five years of  
22 age. For purposes of this subsection, employment with an employer also  
23 includes any personal service contract, service by an employer as a  
24 temporary or project employee, or any other similar compensated  
25 relationship with any employer included under the provisions of RCW  
26 41.32.860(1).

27 The subsidized reductions for alternate early retirement in this  
28 subsection as set forth in section 4, chapter 491, Laws of 2007 were  
29 intended by the legislature as replacement benefits for gain-sharing.  
30 Until there is legal certainty with respect to the repeal of chapter  
31 41.31A RCW, the right to retire under this subsection is  
32 noncontractual, and the legislature reserves the right to amend or  
33 repeal this subsection. Legal certainty includes, but is not limited  
34 to, the expiration of any: Applicable limitations on actions; and  
35 periods of time for seeking appellate review, up to and including  
36 reconsideration by the Washington supreme court and the supreme court

1 of the United States. Until that time, eligible members may still  
2 retire under this subsection, and upon receipt of the first installment  
3 of a retirement allowance computed under this subsection, the resulting  
4 benefit becomes contractual for the recipient. If the repeal of  
5 chapter 41.31A RCW is held to be invalid in a final determination of a  
6 court of law, and the court orders reinstatement of gain-sharing or  
7 other alternate benefits as a remedy, then retirement benefits for any  
8 member who has completed at least thirty service credit years and has  
9 attained age fifty-five but has not yet received the first installment  
10 of a retirement allowance under this subsection shall be computed using  
11 the reductions in (a) of this subsection.

12 **Sec. 5.** RCW 41.35.420 and 2007 c 491 s 6 are each amended to read  
13 as follows:

14 (1) NORMAL RETIREMENT. Any member with at least five service  
15 credit years who has attained at least age sixty-five shall be eligible  
16 to retire and to receive a retirement allowance computed according to  
17 the provisions of RCW 41.35.400.

18 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-  
19 five and has completed at least five service credit years and for whom  
20 the sum of the number of years of the member's age and the number of  
21 years of the member's service credit equals eighty-five or more shall  
22 be eligible to retire and receive a retirement allowance computed  
23 according to the provisions of RCW 41.35.400.

24 (3) EARLY RETIREMENT. Any member who has completed at least twenty  
25 service credit years and has attained age fifty-five shall be eligible  
26 to retire and to receive a retirement allowance computed according to  
27 the provisions of RCW 41.35.400, except that a member retiring pursuant  
28 to this subsection shall have the retirement allowance actuarially  
29 reduced to reflect the difference in the number of years between age at  
30 retirement and the attainment of age sixty-five.

31 ((+3)) (4) ALTERNATE EARLY RETIREMENT.

32 (a) Any member who has completed at least thirty service credit  
33 years and has attained age fifty-five shall be eligible to retire and  
34 to receive a retirement allowance computed according to the provisions  
35 of RCW 41.35.400, except that a member retiring pursuant to this  
36 subsection shall have the retirement allowance reduced by three percent

1 per year to reflect the difference in the number of years between age  
2 at retirement and the attainment of age sixty-five.

3 (b) On or after September 1, 2008, any member who has completed at  
4 least thirty service credit years and has attained age fifty-five shall  
5 be eligible to retire and to receive a retirement allowance computed  
6 according to the provisions of RCW 41.35.400, except that a member  
7 retiring pursuant to this subsection shall have the retirement  
8 allowance reduced as follows:

9	Retirement	Percent
10	Age	Reduction
11	55	20%
12	56	17%
13	57	14%
14	58	11%
15	59	8%
16	60	5%
17	61	2%
18	62	0%
19	63	0%
20	64	0%

21 Any member who retires under the provisions of this subsection is  
22 ineligible for the postretirement employment provisions of RCW  
23 41.35.060(2) until the retired member has reached sixty-five years of  
24 age. For purposes of this subsection, employment with an employer also  
25 includes any personal service contract, service by an employer as a  
26 temporary or project employee, or any other similar compensated  
27 relationship with any employer included under the provisions of RCW  
28 41.35.230(1).

29 The subsidized reductions for alternate early retirement in this  
30 subsection as set forth in section 6, chapter 491, Laws of 2007 were  
31 intended by the legislature as replacement benefits for gain-sharing.  
32 Until there is legal certainty with respect to the repeal of chapter  
33 41.31A RCW, the right to retire under this subsection is  
34 noncontractual, and the legislature reserves the right to amend or  
35 repeal this subsection. Legal certainty includes, but is not limited  
36 to, the expiration of any: Applicable limitations on actions; and

1 periods of time for seeking appellate review, up to and including  
2 reconsideration by the Washington supreme court and the supreme court  
3 of the United States. Until that time, eligible members may still  
4 retire under this subsection, and upon receipt of the first installment  
5 of a retirement allowance computed under this subsection, the resulting  
6 benefit becomes contractual for the recipient. If the repeal of  
7 chapter 41.31A RCW is held to be invalid in a final determination of a  
8 court of law, and the court orders reinstatement of gain-sharing or  
9 other alternate benefits as a remedy, then retirement benefits for any  
10 member who has completed at least thirty service credit years and has  
11 attained age fifty-five but has not yet received the first installment  
12 of a retirement allowance under this subsection shall be computed using  
13 the reductions in (a) of this subsection.

14 **Sec. 6.** RCW 41.35.680 and 2007 c 491 s 8 are each amended to read  
15 as follows:

16 (1) NORMAL RETIREMENT. Any member who is at least age sixty-five  
17 and who has:

18 (a) Completed ten service credit years; or

19 (b) Completed five service credit years, including twelve service  
20 credit months after attaining age forty-four; or

21 (c) Completed five service credit years by September 1, 2000, under  
22 the public employees' retirement system plan 2 and who transferred to  
23 plan 3 under RCW 41.35.510;

24 shall be eligible to retire and to receive a retirement allowance  
25 computed according to the provisions of RCW 41.35.620.

26 (2) UNREDUCED RETIREMENT. Any member who is at least age fifty-  
27 five and has completed the number of service credit years required in  
28 subsection (1) of this section and for whom the sum of the number of  
29 years of the member's age and the number of years of the member's  
30 service credit equals eighty-five or more shall be eligible to retire  
31 and receive a retirement allowance computed according to the provisions  
32 of RCW 41.35.620.

33 (3) EARLY RETIREMENT. Any member who has attained at least age  
34 fifty-five and has completed at least ten years of service shall be  
35 eligible to retire and to receive a retirement allowance computed  
36 according to the provisions of RCW 41.35.620, except that a member  
37 retiring pursuant to this subsection shall have the retirement

1 allowance actuarially reduced to reflect the difference in the number  
2 of years between age at retirement and the attainment of age sixty-  
3 five.

4 ((+3)) (4) ALTERNATE EARLY RETIREMENT.

5 (a) Any member who has completed at least thirty service credit  
6 years and has attained age fifty-five shall be eligible to retire and  
7 to receive a retirement allowance computed according to the provisions  
8 of RCW 41.35.620, except that a member retiring pursuant to this  
9 subsection shall have the retirement allowance reduced by three percent  
10 per year to reflect the difference in the number of years between age  
11 at retirement and the attainment of age sixty-five.

12 (b) On or after September 1, 2008, any member who has completed at  
13 least thirty service credit years and has attained age fifty-five shall  
14 be eligible to retire and to receive a retirement allowance computed  
15 according to the provisions of RCW 41.35.620, except that a member  
16 retiring pursuant to this subsection shall have the retirement  
17 allowance reduced as follows:

18	Retirement	Percent
19	Age	Reduction
20	55	20%
21	56	17%
22	57	14%
23	58	11%
24	59	8%
25	60	5%
26	61	2%
27	62	0%
28	63	0%
29	64	0%

30 Any member who retires under the provisions of this subsection is  
31 ineligible for the postretirement employment provisions of RCW  
32 41.35.060(2) until the retired member has reached sixty-five years of  
33 age. For purposes of this subsection, employment with an employer also  
34 includes any personal service contract, service by an employer as a  
35 temporary or project employee, or any other similar compensated

1 relationship with any employer included under the provisions of RCW  
2 41.35.230(1).

3 The subsidized reductions for alternate early retirement in this  
4 subsection as set forth in section 8, chapter 491, Laws of 2007 were  
5 intended by the legislature as replacement benefits for gain-sharing.  
6 Until there is legal certainty with respect to the repeal of chapter  
7 41.31A RCW, the right to retire under this subsection is  
8 noncontractual, and the legislature reserves the right to amend or  
9 repeal this subsection. Legal certainty includes, but is not limited  
10 to, the expiration of any: Applicable limitations on actions; and  
11 periods of time for seeking appellate review, up to and including  
12 reconsideration by the Washington supreme court and the supreme court  
13 of the United States. Until that time, eligible members may still  
14 retire under this subsection, and upon receipt of the first installment  
15 of a retirement allowance computed under this subsection, the resulting  
16 benefit becomes contractual for the recipient. If the repeal of  
17 chapter 41.31A RCW is held to be invalid in a final determination of a  
18 court of law, and the court orders reinstatement of gain-sharing or  
19 other alternate benefits as a remedy, then retirement benefits for any  
20 member who has completed at least thirty service credit years and has  
21 attained age fifty-five but has not yet received the first installment  
22 of a retirement allowance under this subsection shall be computed using  
23 the reductions in (a) of this subsection.

24 NEW SECTION. **Sec. 7.** This act is necessary for the immediate  
25 preservation of the public peace, health, or safety, or support of the  
26 state government and its existing public institutions, and takes effect  
27 July 1, 2009.

--- END ---