
SENATE BILL 5982

State of Washington

64th Legislature

2015 Regular Session

By Senator Braun

Read first time 02/13/15. Referred to Committee on Ways & Means.

1 AN ACT Relating to retirement age provisions for new members of
2 the state retirement systems administered by the department of
3 retirement systems; amending RCW 41.26.430, 41.26.470, 41.32.765,
4 41.32.790, 41.32.875, 41.32.880, 41.35.420, 41.35.440, 41.35.680,
5 41.35.690, 41.37.210, 41.37.230, 41.40.630, 41.40.670, 41.40.820,
6 41.40.825, 43.43.250, and 43.43.280; providing an effective date; and
7 declaring an emergency.

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

9 **Sec. 1.** RCW 41.26.430 and 2000 c 247 s 904 are each amended to
10 read as follows:

11 (1) NORMAL RETIREMENT.

12 (a) For persons who first became employed by an employer in an
13 eligible position prior to July 1, 2015, any member with at least
14 five service credit years of service who has attained at least age
15 fifty-three shall be eligible to retire and to receive a retirement
16 allowance computed according to the provisions of RCW 41.26.420.

17 (b) For persons who first become employed by an employer in an
18 eligible position on or after July 1, 2015, any member with at least
19 five service credit years of service who has attained at least age
20 fifty-five shall be eligible to retire and to receive a retirement
21 allowance computed according to the provisions of RCW 41.26.420.

1 (2) EARLY RETIREMENT.

2 (a) For persons who first became employed by an employer in an
3 eligible position prior to July 1, 2015, any member who has completed
4 at least twenty service credit years of service and has attained age
5 fifty shall be eligible to retire and to receive a retirement
6 allowance computed according to the provisions of RCW 41.26.420,
7 except that a member retiring pursuant to this subsection shall have
8 the retirement allowance actuarially reduced to reflect the
9 difference in the number of years between age at retirement and the
10 attainment of age fifty-three.

11 (b) For persons who first become employed by an employer in an
12 eligible position on or after July 1, 2015, any member who has
13 completed at least twenty service credit years of service and has
14 attained age fifty shall be eligible to retire and to receive a
15 retirement allowance computed according to the provisions of RCW
16 41.26.420, except that a member retiring pursuant to this subsection
17 shall have the retirement allowance actuarially reduced to reflect
18 the difference in the number of years between age at retirement and
19 the attainment of age fifty-five.

20 (3) ALTERNATE EARLY RETIREMENT.

21 (a) For persons who first became employed by an employer in an
22 eligible position prior to July 1, 2015, any member who has completed
23 at least twenty service credit years and has attained age fifty shall
24 be eligible to retire and to receive a retirement allowance computed
25 according to the provisions of RCW 41.26.420, except that a member
26 retiring pursuant to this subsection shall have the retirement
27 allowance reduced by three percent per year to reflect the difference
28 in the number of years between age at retirement and the attainment
29 of age fifty-three.

30 (b) For persons who first become employed by an employer in an
31 eligible position on or after July 1, 2015, any member who has
32 completed at least twenty service credit years and has attained age
33 fifty shall be eligible to retire and to receive a retirement
34 allowance computed according to the provisions of RCW 41.26.420,
35 except that a member retiring pursuant to this subsection shall have
36 the retirement allowance reduced by three percent per year to reflect
37 the difference in the number of years between age at retirement and
38 the attainment of age fifty-five.

1 **Sec. 2.** RCW 41.26.470 and 2013 c 287 s 2 are each amended to
2 read as follows:

3 (1) A member of the retirement system who becomes totally
4 incapacitated for continued employment by an employer as determined
5 by the director shall be eligible to receive an allowance under the
6 provisions of RCW 41.26.410 through 41.26.550. Such member shall
7 receive a monthly disability allowance computed as provided for in
8 RCW 41.26.420 and shall have such allowance actuarially reduced to
9 reflect the difference in the number of years between age at
10 disability and the attainment of age fifty-three for persons who
11 first became members prior to July 1, 2015, and between the age at
12 disability and the attainment of age fifty-five for persons who first
13 become members on or after July 1, 2015, except under subsection (7)
14 of this section.

15 (2) Any member who receives an allowance under the provisions of
16 this section shall be subject to such comprehensive medical
17 examinations as required by the department. If such medical
18 examinations reveal that such a member has recovered from the
19 incapacitating disability and the member is no longer entitled to
20 benefits under Title 51 RCW, the retirement allowance shall be
21 canceled and the member shall be restored to duty in the same civil
22 service rank, if any, held by the member at the time of retirement
23 or, if unable to perform the duties of the rank, then, at the
24 member's request, in such other like or lesser rank as may be or
25 become open and available, the duties of which the member is then
26 able to perform. In no event shall a member previously drawing a
27 disability allowance be returned or be restored to duty at a salary
28 or rate of pay less than the current salary attached to the rank or
29 position held by the member at the date of the retirement for
30 disability. If the department determines that the member is able to
31 return to service, the member is entitled to notice and a hearing.
32 Both the notice and the hearing shall comply with the requirements of
33 chapter 34.05 RCW, the administrative procedure act.

34 (3) Those members subject to this chapter who became disabled in
35 the line of duty on or after July 23, 1989, and who receive benefits
36 under RCW 41.04.500 through 41.04.530 or similar benefits under RCW
37 41.04.535 shall receive or continue to receive service credit subject
38 to the following:

39 (a) No member may receive more than one month's service credit in
40 a calendar month.

1 (b) No service credit under this section may be allowed after a
2 member separates or is separated without leave of absence.

3 (c) Employer contributions shall be paid by the employer at the
4 rate in effect for the period of the service credited.

5 (d) Employee contributions shall be collected by the employer and
6 paid to the department at the rate in effect for the period of
7 service credited.

8 (e) State contributions shall be as provided in RCW 41.45.060 and
9 41.45.067.

10 (f) Contributions shall be based on the regular compensation
11 which the member would have received had the disability not occurred.

12 (g) The service and compensation credit under this section shall
13 be granted for a period not to exceed six consecutive months.

14 (h) Should the legislature revoke the service credit authorized
15 under this section or repeal this section, no affected employee is
16 entitled to receive the credit as a matter of contractual right.

17 (4)(a) If the recipient of a monthly retirement allowance under
18 this section dies before the total of the retirement allowance paid
19 to the recipient equals the amount of the accumulated contributions
20 at the date of retirement, then the balance shall be paid to the
21 member's estate, or such person or persons, trust, or organization as
22 the recipient has nominated by written designation duly executed and
23 filed with the director, or, if there is no such designated person or
24 persons still living at the time of the recipient's death, then to
25 the surviving spouse or domestic partner, or, if there is neither
26 such designated person or persons still living at the time of his or
27 her death nor a surviving spouse or domestic partner, then to his or
28 her legal representative.

29 (b) If a recipient of a monthly retirement allowance under this
30 section died before April 27, 1989, and before the total of the
31 retirement allowance paid to the recipient equaled the amount of his
32 or her accumulated contributions at the date of retirement, then the
33 department shall pay the balance of the accumulated contributions to
34 the member's surviving spouse or, if there is no surviving spouse,
35 then in equal shares to the member's children. If there is no
36 surviving spouse or children, the department shall retain the
37 contributions.

38 (5) Should the disability retirement allowance of any disability
39 beneficiary be canceled for any cause other than reentrance into
40 service or retirement for service, he or she shall be paid the

1 excess, if any, of the accumulated contributions at the time of
2 retirement over all payments made on his or her behalf under this
3 chapter.

4 (6) A member who becomes disabled in the line of duty, and who
5 ceases to be an employee of an employer except by service or
6 disability retirement, may request a refund of one hundred fifty
7 percent of the member's accumulated contributions. Any accumulated
8 contributions attributable to restorations made under RCW
9 41.50.165(2) shall be refunded at one hundred percent. A person in
10 receipt of this benefit is a retiree.

11 (7) A member who becomes disabled in the line of duty shall be
12 entitled to receive a minimum retirement allowance equal to ten
13 percent of such member's final average salary. The member shall
14 additionally receive a retirement allowance equal to two percent of
15 such member's average final salary for each year of service beyond
16 five.

17 (8) A member who became disabled in the line of duty before
18 January 1, 2001, and is receiving an allowance under RCW 41.26.430 or
19 subsection (1) of this section shall be entitled to receive a minimum
20 retirement allowance equal to ten percent of such member's final
21 average salary. The member shall additionally receive a retirement
22 allowance equal to two percent of such member's average final salary
23 for each year of service beyond five, and shall have the allowance
24 actuarially reduced to reflect the difference in the number of years
25 between age at disability and the attainment of age fifty-three. An
26 additional benefit shall not result in a total monthly benefit
27 greater than that provided in subsection (1) of this section.

28 (9) A member who is totally disabled in the line of duty is
29 entitled to receive a retirement allowance equal to seventy percent
30 of the member's final average salary. The allowance provided under
31 this subsection shall be offset by:

32 (a) Temporary disability wage-replacement benefits or permanent
33 total disability benefits provided to the member under Title 51 RCW;
34 and

35 (b) Federal social security disability benefits, if any;
36 so that such an allowance does not result in the member receiving
37 combined benefits that exceed one hundred percent of the member's
38 final average salary. However, the offsets shall not in any case
39 reduce the allowance provided under this subsection below the
40 member's accrued retirement allowance.

1 A member is considered totally disabled if he or she is unable to
2 perform any substantial gainful activity due to a physical or mental
3 condition that may be expected to result in death or that has lasted
4 or is expected to last at least twelve months. Substantial gainful
5 activity is defined as average earnings in excess of eight hundred
6 sixty dollars a month in 2006 adjusted annually as determined by the
7 director based on federal social security disability standards. The
8 department may require a person in receipt of an allowance under this
9 subsection to provide any financial records that are necessary to
10 determine continued eligibility for such an allowance. A person in
11 receipt of an allowance under this subsection whose earnings exceed
12 the threshold for substantial gainful activity shall have their
13 benefit converted to a line-of-duty disability retirement allowance
14 as provided in subsection (7) of this section.

15 Any person in receipt of an allowance under the provisions of
16 this section is subject to comprehensive medical examinations as may
17 be required by the department under subsection (2) of this section in
18 order to determine continued eligibility for such an allowance.

19 (10)(a) In addition to the retirement allowance provided in
20 subsection (9) of this section, the retirement allowance of a member
21 who is totally disabled in the line of duty shall include
22 reimbursement for any payments made by the member after June 10,
23 2010, for premiums on employer-provided medical insurance, insurance
24 authorized by the consolidated omnibus budget reconciliation act of
25 1985 (COBRA), medicare part A (hospital insurance), and medicare part
26 B (medical insurance). A member who is entitled to medicare must
27 enroll and maintain enrollment in both medicare part A and medicare
28 part B in order to remain eligible for the reimbursement provided in
29 this subsection. The legislature reserves the right to amend or
30 repeal the benefits provided in this subsection in the future and no
31 member or beneficiary has a contractual right to receive any
32 distribution not granted prior to that time.

33 (b) The retirement allowance of a member who is not eligible for
34 reimbursement provided in (a) of this subsection shall include
35 reimbursement for any payments made after June 30, 2013, for premiums
36 on other medical insurance. However, in no instance shall the
37 reimbursement exceed the amount reimbursed for premiums authorized by
38 the consolidated omnibus budget reconciliation act of 1985 (COBRA).

1 **Sec. 3.** RCW 41.32.765 and 2012 1st sp.s. c 7 s 1 are each
2 amended to read as follows:

3 (1) NORMAL RETIREMENT.

4 (a) For persons who first became employed by an employer in an
5 eligible position prior to July 1, 2015, any member with at least
6 five service credit years of service who has attained at least age
7 sixty-five shall be eligible to retire and to receive a retirement
8 allowance computed according to the provisions of RCW 41.32.760.

9 (b) For persons who first become employed by an employer in an
10 eligible position on or after July 1, 2015, any member with at least
11 five service credit years of service who has attained at least age
12 sixty-seven shall be eligible to retire and to receive a retirement
13 allowance computed according to the provisions of RCW 41.32.760.

14 (2) EARLY RETIREMENT.

15 (a) For persons who first became employed by an employer in an
16 eligible position prior to July 1, 2015, any member who has completed
17 at least twenty service credit years of service who has attained at
18 least age fifty-five shall be eligible to retire and to receive a
19 retirement allowance computed according to the provisions of RCW
20 41.32.760, except that a member retiring pursuant to this subsection
21 shall have the retirement allowance actuarially reduced to reflect
22 the difference in the number of years between age at retirement and
23 the attainment of age sixty-five.

24 (b) For persons who first become employed by an employer in an
25 eligible position on or after July 1, 2015, any member who has
26 completed at least twenty service credit years of service and has
27 attained age fifty-five shall be eligible to retire and to receive a
28 retirement allowance computed according to the provisions of RCW
29 41.32.760, except that a member retiring pursuant to this subsection
30 shall have the retirement allowance actuarially reduced to reflect
31 the difference in the number of years between age at retirement and
32 the attainment of age sixty-seven.

33 (3) ALTERNATE EARLY RETIREMENT.

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

1 (b) On or after September 1, 2008, any member who has completed
2 at least thirty service credit years and has attained age fifty-five
3 shall be eligible to retire and to receive a retirement allowance
4 computed according to the provisions of RCW 41.32.760, except that a
5 member retiring pursuant to this subsection (3)(b) shall have the
6 retirement 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 41.32.802(2) until the retired member has reached sixty-five years of
22 age. For purposes of this subsection, employment with an employer
23 also includes any personal service contract, service by an employer
24 as a temporary or project employee, or any other similar compensated
25 relationship with any employer included under the provisions of RCW
26 41.32.800(1).

27 The subsidized reductions for alternate early retirement in this
28 subsection as set forth in section 2, 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
31 chapter 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
3 installment of a retirement allowance computed under this subsection,
4 the resulting benefit becomes contractual for the recipient. If the
5 repeal of chapter 41.31A RCW is held to be invalid in a final
6 determination of a court of law, and the court orders reinstatement
7 of gain-sharing or other alternate benefits as a remedy, then
8 retirement benefits for any member who has completed at least thirty
9 service credit years and has attained age fifty-five but has not yet
10 received the first installment of a retirement allowance under this
11 subsection shall be computed using the reductions in (a) of this
12 subsection.)

13 (c) Members who first become employed by an employer in an
14 eligible position on or after May 1, 2013, are not eligible for the
15 alternate early retirement provisions of (a) or (b) of this
16 subsection. Any member who first becomes employed by an employer in
17 an eligible position on or after May 1, 2013, and has completed at
18 least thirty service credit years and has attained age fifty-five
19 shall be eligible to retire and to receive a retirement allowance
20 computed according to the provisions of RCW 41.32.760, except that a
21 member retiring pursuant to this subsection shall have the retirement
22 allowance reduced by five percent per year to reflect the difference
23 in the number of years between age at retirement and the attainment
24 of age sixty-five for persons who first became members prior to July
25 1, 2015, and between the age at retirement and the attainment of age
26 sixty-seven for persons who first become members on or after July 1,
27 2015.

28 **Sec. 4.** RCW 41.32.790 and 1995 c 144 s 15 are each amended to
29 read as follows:

30 (1) A member of the retirement system who becomes totally
31 incapacitated for continued employment by an employer as determined
32 by the department upon recommendation of the department shall be
33 eligible to receive an allowance under the provisions of RCW
34 41.32.755 through 41.32.825. The member shall receive a monthly
35 disability allowance computed as provided for in RCW 41.32.760 and
36 shall have the allowance actuarially reduced to reflect the
37 difference in the number of years between age at disability and the
38 attainment of age sixty-five for persons who first became members
39 prior to July 1, 2015, and between the age at disability and the

1 attainment of age sixty-seven for persons who first become members on
2 or after July 1, 2015.

3 Any member who receives an allowance under the provisions of this
4 section shall be subject to comprehensive medical examinations as
5 required by the department. If medical examinations reveal that a
6 member has recovered from the incapacitating disability and the
7 member is offered reemployment by an employer at a comparable
8 compensation, the member shall cease to be eligible for the
9 allowance.

10 (2)(a) If the recipient of a monthly retirement allowance under
11 this section dies before the total of the retirement allowance paid
12 to the recipient equals the amount of the accumulated contributions
13 at the date of retirement, then the balance shall be paid to the
14 member's estate, or the person or persons, trust, or organization as
15 the recipient has nominated by written designation duly executed and
16 filed with the director, or, if there is no designated person or
17 persons still living at the time of the recipient's death, then to
18 the surviving spouse, or, if there is neither a designated person or
19 persons still living at the time of his or her death nor a surviving
20 spouse, then to his or her legal representative.

21 (b) If a recipient of a monthly retirement allowance under this
22 section died before April 27, 1989, and before the total of the
23 retirement allowance paid to the recipient equaled the amount of his
24 or her accumulated contributions at the date of retirement, then the
25 department shall pay the balance of the accumulated contributions to
26 the member's surviving spouse or, if there is no surviving spouse,
27 then in equal shares to the member's children. If there is no
28 surviving spouse or children, the department shall retain the
29 contributions.

30 **Sec. 5.** RCW 41.32.875 and 2012 1st sp.s. c 7 s 2 are each
31 amended to read as follows:

32 (1) NORMAL RETIREMENT.

33 (a) For persons who first became employed by an employer in an
34 eligible position prior to July 1, 2015, any member who is at least
35 age sixty-five and who has:

36 ~~((a))~~ (i) Completed ten service credit years; or

37 ~~((b))~~ (ii) Completed five service credit years, including
38 twelve service credit months after attaining age forty-four; or

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

5 (b) For persons who first become employed by an employer in an
6 eligible position on or after July 1, 2015, any member who is at
7 least age sixty-seven and who has:

8 (i) Completed ten service credit years; or

9 (ii) Completed five service credit years, including twelve
10 service credit months after attaining age forty-four;
11 shall be eligible to retire and to receive a retirement allowance
12 computed according to the provisions of RCW 41.32.840.

13 (2) EARLY RETIREMENT.

14 (a) For persons who first became employed by an employer in an
15 eligible position prior to July 1, 2015, any member who has attained
16 at least age fifty-five and has completed at least ten years of
17 service shall be eligible to retire and to receive a retirement
18 allowance computed according to the provisions of RCW 41.32.840,
19 except that a member retiring pursuant to this subsection shall have
20 the retirement allowance actuarially reduced to reflect the
21 difference in the number of years between age at retirement and the
22 attainment of age sixty-five.

23 (b) For persons who first become employed by an employer in an
24 eligible position on or after July 1, 2015, any member who has
25 attained at least age fifty-five and has completed at least ten years
26 of service shall be eligible to retire and to receive a retirement
27 allowance computed according to the provisions of RCW 41.32.840,
28 except that a member retiring pursuant to this subsection shall have
29 the retirement allowance actuarially reduced to reflect the
30 difference in the number of years between age at retirement and the
31 attainment of age sixty-seven.

32 (3) ALTERNATE EARLY RETIREMENT.

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

1 (b) On or after September 1, 2008, any member who has completed
2 at least thirty service credit years and has attained age fifty-five
3 shall be eligible to retire and to receive a retirement allowance
4 computed according to the provisions of RCW 41.32.840, except that a
5 member retiring pursuant to this subsection (3)(b) shall have the
6 retirement 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
23 also includes any personal service contract, service by an employer
24 as a 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~~
31 ~~chapter 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
3 installment of a retirement allowance computed under this subsection,
4 the resulting benefit becomes contractual for the recipient. If the
5 repeal of chapter 41.31A RCW is held to be invalid in a final
6 determination of a court of law, and the court orders reinstatement
7 of gain-sharing or other alternate benefits as a remedy, then
8 retirement benefits for any member who has completed at least thirty
9 service credit years and has attained age fifty-five but has not yet
10 received the first installment of a retirement allowance under this
11 subsection shall be computed using the reductions in (a) of this
12 subsection.)

13 (c) Members who first become employed by an employer in an
14 eligible position on or after May 1, 2013, are not eligible for the
15 alternate early retirement provisions of (a) or (b) of this
16 subsection. Any member who first becomes employed by an employer in
17 an eligible position on or after May 1, 2013, and has completed at
18 least thirty service credit years and has attained age fifty-five
19 shall be eligible to retire and to receive a retirement allowance
20 computed according to the provisions of RCW 41.32.840, except that a
21 member retiring pursuant to this subsection shall have the retirement
22 allowance reduced by five percent per year to reflect the difference
23 in the number of years between age at retirement and the attainment
24 of age sixty-five for persons who first became members prior to July
25 1, 2015, and between the age at retirement and the attainment of age
26 sixty-seven for persons who first become members on or after July 1,
27 2015.

28 **Sec. 6.** RCW 41.32.880 and 1995 c 239 s 114 are each amended to
29 read as follows:

30 (1) A member of the retirement system who becomes totally
31 incapacitated for continued employment by an employer as determined
32 by the department shall be eligible to receive an allowance under the
33 provisions of plan 3. The member shall receive a monthly disability
34 allowance computed as provided for in RCW 41.32.840 and shall have
35 this allowance actuarially reduced to reflect the difference in the
36 number of years between age at disability and the attainment of age
37 sixty-five for persons who first became members prior to July 1,
38 2015, and between the age at disability and the attainment of age

1 sixty-seven for persons who first become members on or after July 1,
2 2015.

3 Any member who receives an allowance under the provisions of this
4 section shall be subject to comprehensive medical examinations as
5 required by the department. If these medical examinations reveal that
6 a member has recovered from the incapacitating disability and the
7 member is offered reemployment by an employer at a comparable
8 compensation, the member shall cease to be eligible for the
9 allowance.

10 (2) If the recipient of a monthly retirement allowance under this
11 section dies, any further benefit payments shall be conditioned by
12 the payment option selected by the retiree as provided in RCW
13 41.32.851.

14 **Sec. 7.** RCW 41.35.420 and 2012 1st sp.s. c 7 s 3 are each
15 amended to read as follows:

16 (1) NORMAL RETIREMENT.

17 (a) For persons who first became employed by an employer in an
18 eligible position prior to July 1, 2015, any member with at least
19 five service credit years who has attained at least age sixty-five
20 shall be eligible to retire and to receive a retirement allowance
21 computed according to the provisions of RCW 41.35.400.

22 (b) For persons who first become employed by an employer in an
23 eligible position on or after July 1, 2015, any member with at least
24 five service credit years of service who has attained at least age
25 sixty-seven shall be eligible to retire and to receive a retirement
26 allowance computed according to the provisions of RCW 41.35.400.

27 (2) EARLY RETIREMENT.

28 (a) For persons who first became employed by an employer in an
29 eligible position prior to July 1, 2015, any member who has completed
30 at least twenty service credit years and has attained age fifty-five
31 shall be eligible to retire and to receive a retirement allowance
32 computed according to the provisions of RCW 41.35.400, except that a
33 member retiring pursuant to this subsection shall have the retirement
34 allowance actuarially reduced to reflect the difference in the number
35 of years between age at retirement and the attainment of age sixty-
36 five.

37 (b) For persons who first become employed by an employer in an
38 eligible position on or after July 1, 2015, any member who has
39 completed at least twenty service credit years and has attained age

1 fifty-five shall be eligible to retire and to receive a retirement
2 allowance computed according to the provisions of RCW 41.35.400,
3 except that a member retiring pursuant to this subsection shall have
4 the retirement allowance actuarially reduced to reflect the
5 difference in the number of years between age at retirement and the
6 attainment of age sixty-seven.

7 (3) ALTERNATE EARLY RETIREMENT.

8 (a) Any member who has completed at least thirty service credit
9 years and has attained age fifty-five shall be eligible to retire and
10 to receive a retirement allowance computed according to the
11 provisions of RCW 41.35.400, except that a member retiring pursuant
12 to this subsection shall have the retirement allowance reduced by
13 three percent per year to reflect the difference in the number of
14 years between age at retirement and the attainment of age sixty-five.

15 (b) On or after September 1, 2008, any member who has completed
16 at least thirty service credit years and has attained age fifty-five
17 shall be eligible to retire and to receive a retirement allowance
18 computed according to the provisions of RCW 41.35.400, except that a
19 member retiring pursuant to this subsection (3)(b) shall have the
20 retirement 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%

33 Any member who retires under the provisions of this subsection is
34 ineligible for the postretirement employment provisions of RCW
35 41.35.060(2) until the retired member has reached sixty-five years of
36 age. For purposes of this subsection, employment with an employer

1 also includes any personal service contract, service by an employer
2 as a temporary or project employee, or any other similar compensated
3 relationship with any employer included under the provisions of RCW
4 41.35.230(1).

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

27 (c) Members who first become employed by an employer in an
28 eligible position on or after May 1, 2013, are not eligible for the
29 alternate early retirement provisions of (a) or (b) of this
30 subsection. Any member who first becomes employed by an employer in
31 an eligible position on or after May 1, 2013, and has completed at
32 least thirty service credit years and has attained age fifty-five
33 shall be eligible to retire and to receive a retirement allowance
34 computed according to the provisions of RCW 41.35.400, except that a
35 member retiring pursuant to this subsection shall have the retirement
36 allowance reduced by five percent per year to reflect the difference
37 in the number of years between age at retirement and the attainment
38 of age sixty-five for persons who first became members prior to July
39 1, 2015, and between the age at retirement and the attainment of age

1 sixty-seven for persons who first become members on or after July 1,
2 2015.

3 **Sec. 8.** RCW 41.35.440 and 1998 c 341 s 105 are each amended to
4 read as follows:

5 (1) A member of the retirement system who becomes totally
6 incapacitated for continued employment by an employer as determined
7 by the department upon recommendation of the department shall be
8 eligible to receive an allowance under the provisions of RCW
9 41.35.400 through 41.35.599. The member shall receive a monthly
10 disability allowance computed as provided for in RCW 41.35.400 and
11 shall have this allowance actuarially reduced to reflect the
12 difference in the number of years between age at disability and the
13 attainment of age sixty-five for persons who first became members
14 prior to July 1, 2015, and between the age at disability and the
15 attainment of age sixty-seven for persons who first become members on
16 or after July 1, 2015.

17 Any member who receives an allowance under the provisions of this
18 section shall be subject to comprehensive medical examinations as
19 required by the department. If these medical examinations reveal that
20 a member has recovered from the incapacitating disability and the
21 member is offered reemployment by an employer at a comparable
22 compensation, the member shall cease to be eligible for the
23 allowance.

24 (2) If the recipient of a monthly retirement allowance under this
25 section dies before the total of the retirement allowance paid to the
26 recipient equals the amount of the accumulated contributions at the
27 date of retirement, then the balance shall be paid to the member's
28 estate, or the person or persons, trust, or organization as the
29 recipient has nominated by written designation duly executed and
30 filed with the director, or, if there is no designated person or
31 persons still living at the time of the recipient's death, then to
32 the surviving spouse, or, if there is no designated person or persons
33 still living at the time of his or her death nor a surviving spouse,
34 then to his or her legal representative.

35 **Sec. 9.** RCW 41.35.680 and 2012 1st sp.s. c 7 s 4 are each
36 amended to read as follows:

37 (1) NORMAL RETIREMENT.

1 (a) For persons who first became employed by an employer in an
2 eligible position prior to July 1, 2015, any member who is at least
3 age sixty-five and who has:

4 ~~((a))~~ (i) Completed ten service credit years; or

5 ~~((b))~~ (ii) Completed five service credit years, including
6 twelve service credit months after attaining age forty-four; or

7 ~~((c))~~ (iii) Completed five service credit years by September 1,
8 2000, under the public employees' retirement system plan 2 and who
9 transferred to plan 3 under RCW 41.35.510;

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

12 (b) For persons who first become employed by an employer in an
13 eligible position on or after July 1, 2015, any member who is at
14 least age sixty-seven and who has:

15 (i) Completed ten service credit years; or

16 (ii) Completed five service credit years, including twelve
17 service credit months after attaining age forty-four;

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

20 (2) EARLY RETIREMENT.

21 (a) For persons who first became employed by an employer in an
22 eligible position prior to July 1, 2015, any member who has attained
23 at least age fifty-five and has completed at least ten years of
24 service shall be eligible to retire and to receive a retirement
25 allowance computed according to the provisions of RCW 41.35.620,
26 except that a member retiring pursuant to this subsection shall have
27 the retirement allowance actuarially reduced to reflect the
28 difference in the number of years between age at retirement and the
29 attainment of age sixty-five.

30 (b) For persons who first become employed by an employer in an
31 eligible position on or after July 1, 2015, any member who has
32 attained at least age fifty-five and has completed at least ten years
33 of service shall be eligible to retire and to receive a retirement
34 allowance computed according to the provisions of RCW 41.35.620,
35 except that a member retiring pursuant to this subsection shall have
36 the retirement allowance actuarially reduced to reflect the
37 difference in the number of years between age at retirement and the
38 attainment of age sixty-seven.

39 (3) ALTERNATE EARLY RETIREMENT.

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

8 (b) On or after September 1, 2008, any member who has completed
9 at least thirty service credit years and has attained age fifty-five
10 shall be eligible to retire and to receive a retirement allowance
11 computed according to the provisions of RCW 41.35.620, except that a
12 member retiring pursuant to this subsection (3)(b) shall have the
13 retirement 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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26 Any member who retires under the provisions of this subsection is
27 ineligible for the postretirement employment provisions of RCW
28 41.35.060(2) until the retired member has reached sixty-five years of
29 age. For purposes of this subsection, employment with an employer
30 also includes any personal service contract, service by an employer
31 as a temporary or project employee, or any other similar compensated
32 relationship with any employer included under the provisions of RCW
33 41.35.230(1).

34 The subsidized reductions for alternate early retirement in this
35 subsection as set forth in section 8, chapter 491, Laws of 2007 were
36 intended by the legislature as replacement benefits for gain-sharing.

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

20 (c) Members who first become employed by an employer in an
21 eligible position on or after May 1, 2013, are not eligible for the
22 alternate early retirement provisions of (a) or (b) of this
23 subsection. Any member who first becomes employed by an employer in
24 an eligible position on or after May 1, 2013, and has completed at
25 least thirty service credit years and has attained age fifty-five
26 shall be eligible to retire and to receive a retirement allowance
27 computed according to the provisions of RCW 41.35.620, except that a
28 member retiring pursuant to this subsection shall have the retirement
29 allowance reduced by five percent per year to reflect the difference
30 in the number of years between age at retirement and the attainment
31 of age sixty-five for persons who first became members prior to July
32 1, 2015, and between the age at retirement and the attainment of age
33 sixty-seven for persons who first became members on or after July 1,
34 2015.

35 **Sec. 10.** RCW 41.35.690 and 1998 c 341 s 210 are each amended to
36 read as follows:

37 (1) A member of the retirement system who becomes totally
38 incapacitated for continued employment by an employer as determined
39 by the department shall be eligible to receive an allowance under the

1 provisions of plan 3. The member shall receive a monthly disability
2 allowance computed as provided for in RCW 41.35.620 and shall have
3 this allowance actuarially reduced to reflect the difference in the
4 number of years between age at disability and the attainment of age
5 sixty-five for persons who first became members prior to July 1,
6 2015, and between the age at disability and the attainment of age
7 sixty-seven for persons who first become members on or after July 1,
8 2015.

9 Any member who receives an allowance under the provisions of this
10 section shall be subject to comprehensive medical examinations as
11 required by the department. If these medical examinations reveal that
12 a member has recovered from the incapacitating disability and the
13 member is offered reemployment by an employer at a comparable
14 compensation, the member shall cease to be eligible for the
15 allowance.

16 (2) If the recipient of a monthly retirement allowance under this
17 section dies, any further benefit payments shall be conditioned by
18 the payment option selected by the retiree as provided in RCW
19 41.35.220.

20 **Sec. 11.** RCW 41.37.210 and 2004 c 242 s 27 are each amended to
21 read as follows:

22 (1) NORMAL RETIREMENT.

23 Any member with at least five service credit years who has
24 attained at least age sixty-five for persons who first became members
25 prior to July 1, 2015, or has attained at least age sixty-seven for
26 persons who first become members on or after July 1, 2015, shall be
27 eligible to retire and to receive a retirement allowance computed
28 according to RCW 41.37.190.

29 (2) UNREDUCED RETIREMENT.

30 Any member who has completed at least ten service credit years in
31 the public safety employees' retirement system and has attained age
32 sixty for persons who first became members prior to July 1, 2015, or
33 has attained age sixty-two for persons who first become members on or
34 after July 1, 2015, shall be eligible to retire and to receive a
35 retirement allowance computed according to RCW 41.37.190.

36 (3) EARLY RETIREMENT.

37 Any member who has completed at least twenty service credit years
38 and has attained age fifty-three shall be eligible to retire and to
39 receive a retirement allowance computed according to RCW 41.37.190,

1 except that a member retiring pursuant to this subsection shall have
2 the retirement allowance reduced by three percent per year to reflect
3 the difference in the number of years between age at retirement and
4 the attainment of age sixty for persons who first became members
5 prior to July 1, 2015, and between the age at retirement and the
6 attainment of age sixty-two for persons who first become members on
7 or after July 1, 2015.

8 **Sec. 12.** RCW 41.37.230 and 2004 c 242 s 29 are each amended to
9 read as follows:

10 (1)(a) A member of the retirement system with at least ten years
11 of service in the public safety employees' retirement system who
12 becomes totally incapacitated for continued employment as an employee
13 by an employer, as determined by the department, shall be eligible to
14 receive an allowance under RCW 41.37.190 through 41.37.290. The
15 member shall receive a monthly disability allowance computed as
16 provided for in RCW 41.37.190 and shall have this allowance
17 actuarially reduced to reflect the difference in the number of years
18 between age at disability and the attainment of age sixty for persons
19 who first became members prior to July 1, 2015, and between the age
20 at disability and the attainment of age sixty-two for persons who
21 first become members on or after July 1, 2015.

22 (b) A member of the retirement system with less than ten years of
23 service who becomes totally incapacitated for continued employment by
24 an employer, as determined by the department, shall be eligible to
25 receive an allowance under RCW 41.37.190 through 41.37.290. The
26 member shall receive a monthly disability allowance computed as
27 provided for in RCW 41.37.190 and shall have this allowance
28 actuarially reduced to reflect the difference in the number of years
29 between age at disability and the attainment of age sixty-five.

30 (2) Any member who receives an allowance under this section shall
31 be subject to comprehensive medical examinations as required by the
32 department. If these medical examinations reveal that a member has
33 recovered from the incapacitating disability and the member is
34 offered reemployment by an employer at a comparable compensation, the
35 member shall cease to be eligible for the allowance.

36 (3) If the recipient of a monthly allowance under this section
37 dies before the total of the allowance payments equal the amount of
38 the accumulated contributions at the date of retirement, then the
39 balance shall be paid to the member's estate, or the person or

1 persons, trust, or organization the recipient has nominated by
2 written designation duly executed and filed with the director. If
3 there is no designated person or persons still living at the time of
4 the recipient's death, then to the surviving spouse, or, if there is
5 no designated person or persons still living at the time of his or
6 her death nor a surviving spouse, then to his or her legal
7 representative.

8 **Sec. 13.** RCW 41.40.630 and 2012 1st sp.s. c 7 s 5 are each
9 amended to read as follows:

10 (1) NORMAL RETIREMENT.

11 (a) For persons who first became employed by an employer in an
12 eligible position prior to July 1, 2015, any member with at least
13 five service credit years who has attained at least age sixty-five
14 shall be eligible to retire and to receive a retirement allowance
15 computed according to the provisions of RCW 41.40.620.

16 (b) For persons who first become employed by an employer in an
17 eligible position on or after July 1, 2015, any member with at least
18 five service credit years of service who has attained at least age
19 sixty-seven shall be eligible to retire and to receive a retirement
20 allowance computed according to the provisions of RCW 41.40.620.

21 (2) EARLY RETIREMENT.

22 (a) For persons who first became employed by an employer in an
23 eligible position prior to July 1, 2015, any member who has completed
24 at least twenty service credit years and has attained age fifty-five
25 shall be eligible to retire and to receive a retirement allowance
26 computed according to the provisions of RCW 41.40.620, except that a
27 member retiring pursuant to this subsection shall have the retirement
28 allowance actuarially reduced to reflect the difference in the number
29 of years between age at retirement and the attainment of age sixty-
30 five.

31 (b) For persons who first become employed by an employer in an
32 eligible position on or after July 1, 2015, any member who has
33 completed at least twenty service credit years and has attained age
34 fifty-five shall be eligible to retire and to receive a retirement
35 allowance computed according to the provisions of RCW 41.40.620,
36 except that a member retiring pursuant to this subsection shall have
37 the retirement allowance actuarially reduced to reflect the
38 difference in the number of years between age at retirement and the
39 attainment of age sixty-seven.

1 (3) ALTERNATE EARLY RETIREMENT.

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

9 (b) On or after July 1, 2008, any member who has completed at
10 least thirty service credit years and has attained age fifty-five
11 shall be eligible to retire and to receive a retirement allowance
12 computed according to the provisions of RCW 41.40.620, except that a
13 member retiring pursuant to this subsection (3)(b) shall have the
14 retirement allowance reduced as follows:

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

27 Any member who retires under the provisions of this subsection is
28 ineligible for the postretirement employment provisions of RCW
29 41.40.037(2)~~((d))~~ until the retired member has reached sixty-five
30 years of age. For purposes of this subsection, employment with an
31 employer also includes any personal service contract, service by an
32 employer as a temporary or project employee, or any other similar
33 compensated relationship with any employer included under the
34 provisions of RCW 41.40.690(1).

35 The subsidized reductions for alternate early retirement in this
36 subsection as set forth in section 9, chapter 491, Laws of 2007 were

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

21 (c) Members who first become employed by an employer in an
22 eligible position on or after May 1, 2013, are not eligible for the
23 alternate early retirement provisions of (a) or (b) of this
24 subsection. Any member who first becomes employed by an employer in
25 an eligible position on or after May 1, 2013, and has completed at
26 least thirty service credit years and has attained age fifty-five
27 shall be eligible to retire and to receive a retirement allowance
28 computed according to the provisions of RCW 41.40.620, except that a
29 member retiring pursuant to this subsection shall have the retirement
30 allowance reduced by five percent per year to reflect the difference
31 in the number of years between age at retirement and the attainment
32 of age sixty-five for persons who first became members prior to July
33 1, 2015, and between the age at retirement and the attainment of age
34 sixty-seven for persons who first become members on or after July 1,
35 2015.

36 **Sec. 14.** RCW 41.40.670 and 1995 c 144 s 7 are each amended to
37 read as follows:

38 (1) A member of the retirement system who becomes totally
39 incapacitated for continued employment by an employer as determined

1 by the department upon recommendation of the department shall be
2 eligible to receive an allowance under the provisions of RCW
3 41.40.610 through 41.40.740. The member shall receive a monthly
4 disability allowance computed as provided for in RCW 41.40.620 and
5 shall have this allowance actuarially reduced to reflect the
6 difference in the number of years between age at disability and the
7 attainment of age sixty-five for persons who first became members
8 prior to July 1, 2015, and between the age at disability and the
9 attainment of age sixty-seven for persons who first become members on
10 or after July 1, 2015.

11 Any member who receives an allowance under the provisions of this
12 section shall be subject to comprehensive medical examinations as
13 required by the department. If these medical examinations reveal that
14 a member has recovered from the incapacitating disability and the
15 member is offered reemployment by an employer at a comparable
16 compensation, the member shall cease to be eligible for the
17 allowance.

18 (2) The retirement for disability of a judge, who is a member of
19 the retirement system, by the supreme court under Article IV, section
20 31 of the Constitution of the state of Washington (Amendment 71),
21 with the concurrence of the department, shall be considered a
22 retirement under subsection (1) of this section.

23 (3)(a) If the recipient of a monthly retirement allowance under
24 this section dies before the total of the retirement allowance paid
25 to the recipient equals the amount of the accumulated contributions
26 at the date of retirement, then the balance shall be paid to the
27 member's estate, or the person or persons, trust, or organization as
28 the recipient has nominated by written designation duly executed and
29 filed with the director, or, if there is no designated person or
30 persons still living at the time of the recipient's death, then to
31 the surviving spouse, or, if there is no designated person or persons
32 still living at the time of his or her death nor a surviving spouse,
33 then to his or her legal representative.

34 (b) If a recipient of a monthly retirement allowance under this
35 section died before April 27, 1989, and before the total of the
36 retirement allowance paid to the recipient equaled the amount of his
37 or her accumulated contributions at the date of retirement, then the
38 department shall pay the balance of the accumulated contributions to
39 the member's surviving spouse or, if there is no surviving spouse,
40 then in equal shares to the member's children. If there is no

1 surviving spouse or children, the department shall retain the
2 contributions.

3 **Sec. 15.** RCW 41.40.820 and 2012 1st sp.s. c 7 s 6 are each
4 amended to read as follows:

5 (1) NORMAL RETIREMENT.

6 (a) For persons who first became employed by an employer in an
7 eligible position prior to July 1, 2015, any member who is at least
8 age sixty-five and who has:

9 ~~((a))~~ (i) Completed ten service credit years; or

10 ~~((b))~~ (ii) Completed five service credit years, including
11 twelve service credit months after attaining age forty-four; or

12 ~~((c))~~ (iii) Completed five service credit years by the transfer
13 payment date specified in RCW 41.40.795, under the public employees'
14 retirement system plan 2 and who transferred to plan 3 under RCW
15 41.40.795;

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

18 (b) For persons who first become employed by an employer in an
19 eligible position on or after July 1, 2015, any member who is at
20 least age sixty-seven and who has:

21 (i) Completed ten service credit years; or

22 (ii) Completed five service credit years, including twelve
23 service credit months after attaining age forty-four;

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

26 (2) EARLY RETIREMENT.

27 (a) For persons who first became employed by an employer in an
28 eligible position prior to July 1, 2015, any member who has attained
29 at least age fifty-five and has completed at least ten years of
30 service shall be eligible to retire and to receive a retirement
31 allowance computed according to the provisions of RCW 41.40.790,
32 except that a member retiring pursuant to this subsection shall have
33 the retirement allowance actuarially reduced to reflect the
34 difference in the number of years between age at retirement and the
35 attainment of age sixty-five.

36 (b) For persons who first become employed by an employer in an
37 eligible position on or after July 1, 2015, any member who has
38 attained at least age fifty-five and has completed at least ten years
39 of service shall be eligible to retire and to receive a retirement

1 allowance computed according to the provisions of RCW 41.40.790,
2 except that a member retiring pursuant to this subsection shall have
3 the retirement allowance actuarially reduced to reflect the
4 difference in the number of years between age at retirement and the
5 attainment of age sixty-seven.

6 (3) ALTERNATE EARLY RETIREMENT.

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

14 (b) On or after July 1, 2008, any member who has completed at
15 least thirty service credit years and has attained age fifty-five
16 shall be eligible to retire and to receive a retirement allowance
17 computed according to the provisions of RCW 41.40.790, except that a
18 member retiring pursuant to this subsection (3)(b) shall have the
19 retirement allowance reduced as follows:

20	Retirement	Percent
21	Age	Reduction
22	55	20%
23	56	17%
24	57	14%
25	58	11%
26	59	8%
27	60	5%
28	61	2%
29	62	0%
30	63	0%
31	64	0%

32 Any member who retires under the provisions of this subsection is
33 ineligible for the postretirement employment provisions of RCW
34 41.40.037(2)((~~d~~)) until the retired member has reached sixty-five
35 years of age. For purposes of this subsection, employment with an
36 employer also includes any personal service contract, service by an

1 employer as a temporary or project employee, or any other similar
2 compensated relationship with any employer included under the
3 provisions of RCW 41.40.850(1).

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

26 (c) Members who first become employed by an employer in an
27 eligible position on or after May 1, 2013, are not eligible for the
28 alternate early retirement provisions of (a) or (b) of this
29 subsection. Any member who first becomes employed by an employer in
30 an eligible position on or after May 1, 2013, and has completed at
31 least thirty service credit years and has attained age fifty-five
32 shall be eligible to retire and to receive a retirement allowance
33 computed according to the provisions of RCW 41.40.790, except that a
34 member retiring pursuant to this subsection shall have the retirement
35 allowance reduced by five percent per year to reflect the difference
36 in the number of years between age at retirement and the attainment
37 of age sixty-five for persons who first became members prior to July
38 1, 2015, and between the age at retirement and the attainment of age
39 sixty-seven for persons who first become members on or after July 1,
40 2015.

1 **Sec. 16.** RCW 41.40.825 and 2000 c 247 s 310 are each amended to
2 read as follows:

3 (1) A member of the retirement system who becomes totally
4 incapacitated for continued employment by an employer as determined
5 by the department shall be eligible to receive an allowance under the
6 provisions of plan 3. The member shall receive a monthly disability
7 allowance computed as provided for in RCW 41.40.790 and shall have
8 this allowance actuarially reduced to reflect the difference in the
9 number of years between age at disability and the attainment of age
10 sixty-five for persons who first became members prior to July 1,
11 2015, and between the age at disability and the attainment of age
12 sixty-seven for persons who first become members on or after July 1,
13 2015.

14 Any member who receives an allowance under the provisions of this
15 section shall be subject to comprehensive medical examinations as
16 required by the department. If these medical examinations reveal that
17 a member has recovered from the incapacitating disability and the
18 member is offered reemployment by an employer at a comparable
19 compensation, the member shall cease to be eligible for the
20 allowance.

21 (2) If the recipient of a monthly retirement allowance under this
22 section dies, any further benefit payments shall be conditioned by
23 the payment option selected by the retiree as provided in RCW
24 41.40.845.

25 **Sec. 17.** RCW 43.43.250 and 2007 c 87 s 1 are each amended to
26 read as follows:

27 (1)(a) Until July 1, 2007, any member who has attained the age of
28 sixty years shall be retired on the first day of the calendar month
29 next succeeding that in which the member has attained the age of
30 sixty. However, the requirement to retire at age sixty does not apply
31 to a member serving as chief of the Washington state patrol.

32 (b) Beginning July 1, 2007, any active member who has obtained
33 the age of sixty-five years shall be retired on the first day of the
34 calendar month next succeeding that in which the member has attained
35 the age of sixty-five. However, the requirement to retire at age
36 sixty-five does not apply to a member serving as chief of the
37 Washington state patrol.

38 (2)(a) For persons who first became members prior to July 1,
39 2015, any member who has completed twenty-five years of credited

1 service or has attained the age of fifty-five may apply to retire as
2 provided in RCW 43.43.260, by completing and submitting an
3 application form to the department, setting forth at what time the
4 member desires to be retired.

5 (b) For persons who first become members on or after July 1,
6 2015, any member who has completed twenty-seven years of credited
7 service or has attained the age of fifty-seven may apply to retire as
8 provided in RCW 43.43.260, by completing and submitting an
9 application form to the department, setting forth at what time the
10 member desires to be retired.

11 **Sec. 18.** RCW 43.43.280 and 2009 c 522 s 6 are each amended to
12 read as follows:

13 (1) If a member dies before retirement, and has no surviving
14 spouse or domestic partner or children under the age of eighteen
15 years, all contributions made by the member, including any amount
16 paid under RCW 41.50.165(2), with interest as determined by the
17 director, less any amount identified as owing to an obligee upon
18 withdrawal of accumulated contributions pursuant to a court order
19 filed under RCW 41.50.670, shall be paid to such person or persons as
20 the member shall have nominated by written designation duly executed
21 and filed with the department, or if there be no such designated
22 person or persons, then to the member's legal representative.

23 (2) If a member should cease to be an employee before attaining
24 age sixty for reasons other than the member's death, or retirement,
25 the individual shall thereupon cease to be a member except as
26 provided under RCW 43.43.130 (2), (3), and (4) and, the individual
27 may withdraw the member's contributions to the retirement fund,
28 including any amount paid under RCW 41.50.165(2), with interest as
29 determined by the director, by making application therefor to the
30 department, except that: A member who ceases to be an employee after
31 having completed at least five years of service shall remain a member
32 during the period of the member's absence from employment for the
33 exclusive purpose only of receiving a retirement allowance to begin
34 at attainment of age sixty for persons who first became members prior
35 to July 1, 2015, and beginning at attainment of age sixty-two for
36 persons who first become members on or after July 1, 2015, however
37 such a member may upon written notice to the department elect to
38 receive a reduced retirement allowance on or after age fifty-five
39 which allowance shall be the actuarial equivalent of the sum

1 necessary to pay regular retirement benefits as of age sixty for
2 persons who first became members prior to July 1, 2015, or as of age
3 sixty-two for persons who first become members on or after July 1,
4 2015: PROVIDED, That if such member should withdraw all or part of
5 the member's accumulated contributions, the individual shall
6 thereupon cease to be a member and this subsection shall not apply.

7 NEW SECTION. **Sec. 19.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of
9 the state government and its existing public institutions, and takes
10 effect July 1, 2015.

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