

1 41.50.030, or a retirement system provided by the cities of Seattle,
2 Spokane, or Tacoma.

3 (4) "Normal retirement" means that retirement, based on service or
4 service and age, of a member of a retirement system where the full
5 retirement allowance is provided.

6 NEW SECTION. **Sec. 2.** (1) An employer may temporarily utilize a
7 retirement incentive program as provided in section 3(1) of this act if
8 it has encountered or will be encountering one or more of the following
9 emergent and compelling conditions:

10 (a) A significant reduction in force due to either (i) budgetary or
11 other fiscal adjustments or (ii) significant personnel restructuring;

12 (b) The closure of one or more of its facilities; and

13 (c) The privatization of one or more of its agencies or services it
14 provides.

15 (2) An agency of the state must follow the certification procedure
16 for their proposed early retirement program as provided under sections
17 5 and 6 of this act.

18 NEW SECTION. **Sec. 3.** (1) An employer may offer, adhering to all
19 laws or regulations of the state or federal government:

20 (a) Retirement, without reduction in the retirement allowance, to
21 those targeted employees who are within five years of normal
22 retirement;

23 (b) Retirement, with full actuarial reduction of the retirement
24 allowance, to other targeted employees more distant to normal
25 retirement eligibility; and

26 (c) Other incentives the agency or political subdivision deems
27 appropriate, including incentives to those already eligible to retire
28 on normal retirement.

29 (2) The employer providing early retirement as a part of a
30 retirement incentive program under subsection 1(a) or (b) of this
31 section shall be required to pay the full actuarial present value of
32 any increase in the cost to the respective retirement system or systems
33 resulting from persons taking such early retirement. Such payment must
34 be made to the department of retirement systems within ninety calendar
35 days after the closure of the early retirement program.

1 NEW SECTION. **Sec. 4.** Either (1) upon receipt of the notice of
2 certification by the director of financial management under section 6
3 of this act; or (2) upon notification by a political subdivision, the
4 director of retirement systems shall, within fifteen calendar days of
5 such receipt, inform the certified or requesting employer of the
6 procedures and reporting necessary to carry out any retirement
7 incentive program.

8 NEW SECTION. **Sec. 5.** If an agency of state government desires to
9 have a retirement incentive program certified, the following shall be
10 submitted to the director of financial management:

11 (1) The factual basis of the condition or conditions stated in
12 section 2 of this act with complete fiscal data and any data necessary
13 to support the emergent and compelling claim;

14 (2) The detailed elements of the plan to meet this condition or
15 conditions, including a retirement incentive program, other personnel
16 and programmatic actions, and communication of this program to the
17 employee;

18 (3) An affidavit by the agency's counsel or attorney attesting that
19 the plan does not discriminate in any form or impose undue pressure
20 upon employees to retire; and

21 (4) The capacity to pay the costs of:

22 (a) Early retirement detailed in section 3(2)(a) and (b) of this
23 act; and

24 (b) Any incentives offered.

25 NEW SECTION. **Sec. 6.** (1) Within sixty calendar days, the
26 director of financial management shall review and evaluate the material
27 submitted by the agency as to:

28 (a) The existence of the emergent and compelling reason or reasons
29 to endorse the temporary suspension of existing retirement eligibility;

30 (b) The specific goal or goals of the plan to meet the condition or
31 conditions, together with procedures for planning, communication, and
32 measurement of goal achievement; and

33 (c) Any additional aspects of the requesting employer's plan to
34 meet the emergent and compelling condition or conditions, including
35 other personnel and programmatic actions.

36 (2) Upon completion of his or her review and evaluation, the
37 director of financial management shall notify in writing:

1 (a) The agency of either certification or denial of the request
2 together with the reason or reasons for denial; and

3 (b) If certifying, the director of retirement systems.

4 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act shall
5 constitute a new chapter in Title 41 RCW.

6 **PART II**

7 **MISCELLANEOUS PROVISIONS**

8 NEW SECTION. **Sec. 8.** A new section is added to chapter 41.04 RCW
9 to read as follows:

10 Any member of a retirement system enumerated under RCW 41.50.030(1)
11 or (2), or provided by the cities of Seattle, Spokane, or Tacoma who
12 opts to retire early under a program offered under section 3 of this
13 act shall be prohibited from employment in an eligible position or, for
14 two years following retirement, entering into a personal services
15 contract with an employer.

16 **Sec. 9.** RCW 41.32.480 and 1991 c 35 s 53 are each amended to read
17 as follows:

18 (1) Any member who has left public school service after having
19 completed thirty years of creditable service may retire upon the
20 approval by the department of an application for retirement filed on
21 the prescribed form. Upon retirement the member shall receive a
22 retirement allowance consisting of an annuity which shall be the
23 actuarial equivalent of his or her accumulated contributions at his or
24 her age of retirement and a pension as provided in RCW 41.32.497.
25 Effective July 1, 1967, anyone then receiving a retirement allowance or
26 a survivor retirement allowance under this chapter, based on thirty-
27 five years of creditable service, and who has established more than
28 thirty-five years of service credit with the retirement system, shall
29 thereafter receive a retirement allowance based on the total years of
30 service credit established.

31 (2) Any member who has attained age sixty years, but who has
32 completed less than thirty years of creditable service, upon leaving
33 public school service, may retire upon the approval by the department
34 of an application for retirement filed on the prescribed form. Upon
35 retirement the member shall receive a retirement allowance consisting

1 of an annuity which shall be the actuarial equivalent of his or her
2 accumulated contributions at his or her age of retirement and a pension
3 as provided in RCW 41.32.497.

4 (3) Any member who has attained age fifty-five years and who has
5 completed not less than twenty-five years of creditable service, upon
6 leaving public school service, may retire upon the approval by the
7 department of an application for retirement filed on the prescribed
8 form. Upon retirement the member shall receive a retirement allowance
9 which shall be the actuarial equivalent of his or her accumulated
10 contributions at his or her age of retirement and a pension as provided
11 in RCW 41.32.497.

12 (4) Retroactive to July 1, 1969, an individual who has retired
13 pursuant to ((this subsection)) subsection (3) of this section, on or
14 after July 1, 1969, shall not suffer an actuarial reduction in his or
15 her retirement allowance, except as the allowance may be actuarially
16 reduced pursuant to the options contained in RCW 41.32.530. ((This
17 1974 amendment shall be retroactive to July 1, 1969.))

18 (5) Subsections (1) through (3) of this section may be temporarily
19 superseded by the provisions of a certified retirement incentive
20 program initiated under section 3 of this act.

21 **Sec. 10.** RCW 41.32.765 and 1991 c 343 s 5 are each amended to read
22 as follows:

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

27 (2) EARLY RETIREMENT. Any member who has completed at least twenty
28 service credit years of service who has attained at least age fifty-
29 five shall be eligible to retire and to receive a retirement allowance
30 computed according to the provisions of RCW 41.32.760, except that a
31 member retiring pursuant to this subsection shall have the retirement
32 allowance actuarially reduced to reflect the difference in the number
33 of years between age at retirement and the attainment of age sixty-
34 five.

35 (3) Subsections (1) and (2) of this section may be temporarily
36 superseded by the provisions of a certified retirement incentive
37 program initiated under section 3 of this act.

1 **Sec. 11.** RCW 41.40.180 and 1982 1st ex.s. c 52 s 21 are each
2 amended to read as follows:

3 (1) Any member with five years of creditable service who has
4 attained age sixty and any original member who has attained age sixty
5 may retire on written application to the director, setting forth at
6 what time the member desires to be retired: PROVIDED, That in the
7 national interest, during time of war engaged in by the United States,
8 the director may extend beyond age sixty, subject to the provisions of
9 subsection (2) of this section, the age at which any member may be
10 eligible to retire.

11 (2) Any member who has completed thirty years of service may retire
12 on written application to the director setting forth at what time the
13 member desires to be retired, subject to war measures.

14 (3) Any member who has completed twenty-five years of service and
15 attained age fifty-five may retire on written application to the
16 director setting forth at what time the member desires to be retired,
17 subject to war measures.

18 (4) Any individual who is eligible to retire pursuant to
19 subsections (1) through (3) of this section shall be allowed to retire
20 while on any authorized leave of absence not in excess of one hundred
21 and twenty days.

22 (5) Subsections (1) through (3) of this section may be temporarily
23 superseded by the provisions of a certified retirement incentive
24 program initiated under section 3 of this act.

25 **Sec. 12.** RCW 41.40.630 and 1991 c 343 s 11 are each amended to
26 read as follows:

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

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

1 (3) Subsections (1) and (2) of this section may be temporarily
2 superseded by the provisions of a certified retirement incentive
3 program initiated under section 3 of this act.

4 NEW SECTION. **Sec. 13.** Part headings as used in this act
5 constitute no part of the law.

6 NEW SECTION. **Sec. 14.** This act is necessary for the immediate
7 preservation of the public peace, health, or safety, or support of the
8 state government and its existing public institutions, and shall take
9 effect immediately.

--- END ---