

2 ESSB 5937 - S AMD 423  
3 By Senator Carlson

4 PULLED 06/07/01

5 Beginning on page 2, after line 16, strike all of sections 3 and 4  
6 of the bill, and insert the following:

7 **Sec. 3.** RCW 41.32.570 and 1999 c 387 s 1 are each amended to read  
8 as follows:

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

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

19 ~~(2)((Any retired teacher or retired administrator who enters~~  
20 ~~service in any public educational institution in Washington state and~~  
21 ~~who has satisfied the break in employment requirement of subsection (1)~~  
22 ~~of this section shall cease to receive pension payments while engaged~~  
23 ~~in such service: PROVIDED, That service may be rendered up to five~~  
24 ~~hundred twenty-five hours per school year without reduction of pension.~~

25 ~~(3) In addition to the five hundred twenty-five hours of service~~  
26 ~~permitted under subsection (2) of this section, a retired teacher or~~  
27 ~~retired administrator may also serve only as a substitute teacher for~~  
28 ~~up to an additional three hundred fifteen hours per school year without~~  
29 ~~reduction of pension if:~~

30 ~~(a) A school district, which is not a member of a multidistrict~~  
31 ~~substitute cooperative, determines that it has exhausted or can~~  
32 ~~reasonably anticipate that it will exhaust its list of qualified and~~  
33 ~~available substitutes and the school board of the district adopts a~~  
34 ~~resolution to make its substitute teachers who are retired teachers or~~  
35 ~~retired administrators eligible for the extended service once the list~~

1 of qualified and available substitutes has been exhausted. The  
2 resolution by the school district shall state that the services of  
3 retired teachers and retired administrators are necessary to address  
4 the shortage of qualified and available substitutes. The resolution  
5 shall be valid only for the school year in which it is adopted. The  
6 district shall forward a copy of the resolution with a list of retired  
7 teachers and retired administrators who have been employed as  
8 substitute teachers to the department and may notify the retired  
9 teachers and retired administrators included on the list of their right  
10 to take advantage of the provisions of this subsection; or

11 (b) A multidistrict substitute cooperative determines that the  
12 school districts have exhausted or can reasonably anticipate that they  
13 will exhaust their list of qualified and available substitutes and each  
14 of the school boards adopts a resolution to make their substitute  
15 teachers who are retired teachers or retired administrators eligible  
16 for the extended service once the list of qualified and available  
17 substitutes has been exhausted. The resolutions by each of the school  
18 districts shall state that the services of retired teachers and retired  
19 administrators are necessary to address the shortage of qualified and  
20 available substitutes. The resolutions shall be valid only for the  
21 school year in which they are adopted. The cooperative shall forward  
22 a copy of the resolutions with a list of retired teachers and retired  
23 administrators who have been employed as substitute teachers to the  
24 department and may notify the retired teachers and retired  
25 administrators included on the list of their right to take advantage of  
26 the provisions of this subsection.

27 (4) In addition to the five hundred twenty five hours of service  
28 permitted under subsection (2) of this section, a retired administrator  
29 or retired teacher may also serve as a substitute administrator up to  
30 an additional one hundred five hours per school year without reduction  
31 of pension if a school district board of directors adopts a resolution  
32 declaring that the services of a retired administrator or retired  
33 teacher are necessary because it cannot find a replacement  
34 administrator to fill a vacancy. The resolution shall be valid only  
35 for the school year in which it is adopted. The district shall forward  
36 a copy of the resolution with the name of the retired administrator or  
37 retired teacher who has been employed as a substitute administrator to  
38 the department.

1           ~~(5) In addition to the five hundred twenty five hours of service~~  
2 ~~permitted under subsection (2) of this section and the one hundred five~~  
3 ~~hours permitted under subsection (4) of this section, a retired~~  
4 ~~principal may also serve as a substitute principal up to an additional~~  
5 ~~two hundred ten hours per school year without a reduction of pension if~~  
6 ~~a school district board of directors adopts a resolution declaring that~~  
7 ~~the services of a retired principal are necessary because it cannot~~  
8 ~~find a replacement principal to fill a vacancy. The resolution shall~~  
9 ~~be valid only for the school year in which it is adopted. The district~~  
10 ~~shall forward a copy of the resolution with the name of the retired~~  
11 ~~principal who has been employed as a substitute principal to the~~  
12 ~~department.~~

13           ~~(6) Subsection (2) of this section shall apply to all persons~~  
14 ~~governed by the provisions of plan 1, regardless of the date of their~~  
15 ~~retirement, but shall apply only to benefits payable after June 11,~~  
16 ~~1986.~~

17           ~~(7) Subsection (3) of this section shall apply to all persons~~  
18 ~~governed by the provisions of plan 1, regardless of the date of their~~  
19 ~~retirement, but shall only apply to benefits payable after September 1,~~  
20 ~~1994.)) When any retired member first enters service in any public~~  
21 ~~educational institution in Washington state and has satisfied the break~~  
22 ~~in employment requirement of subsection (1) of this section, the member~~  
23 ~~must irrevocably choose for the duration of the fiscal year to:~~

24           ~~(a) Render service for up to eight hundred sixty-seven hours~~  
25 ~~without a reduction in benefit. After eight hundred sixty-seven hours,~~  
26 ~~the following month's benefit shall be reduced five percent for every~~  
27 ~~seven hours worked; or~~

28           ~~(b) Render service under contract for up to one thousand five~~  
29 ~~hundred hours and receive ninety-four percent of the member's benefit,~~  
30 ~~after which time the member's benefit shall be suspended. To receive~~  
31 ~~a benefit under this subsection (2)(b):~~

32           ~~(i) The member's employer must have agreed to make the applicable~~  
33 ~~employer contribution for the duration of the member's employment; and~~

34           ~~(ii) The member must have either been retired for one hundred~~  
35 ~~twenty days before beginning employment, or given the employer notice~~  
36 ~~of intent to retire by July 1, 2001, for the 2001-02 school year and by~~  
37 ~~the May 15th preceding every school year thereafter.~~

1           (3) The department shall collect and provide the state actuary with  
2 information relevant to the use of this section for the joint committee  
3 on pension policy.

4           (4) The legislature reserves the right to amend or repeal this  
5 section in the future and no member or beneficiary has a contractual  
6 right to be employed for more than five hundred twenty-five hours per  
7 year without a reduction of his or her pension.

8           **Sec. 4.** RCW 41.40.037 and 1997 c 254 s 14 are each amended to read  
9 as follows:

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

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

20           (2) ~~((A retiree))~~ (a) When any retired member of plan 1 first  
21 enters service in an eligible position with an employer and has  
22 satisfied the break in employment requirement of subsection (1) of this  
23 section, the member must irrevocably choose for the duration of the  
24 calendar year to:

25           (i) Render service for up to eight hundred sixty-seven hours  
26 without a reduction in benefit. After eight hundred sixty-seven hours,  
27 the following month's benefit shall be reduced five percent for every  
28 eight hours worked; or

29           (ii) Render service for up to one thousand five hundred hours and  
30 receive ninety-four percent of the member's benefit, after which time  
31 the member's benefit shall be suspended. To receive a benefit under  
32 this subsection (2)(a)(ii):

33           (A) The member's employer must have agreed to make the applicable  
34 employer contribution for the duration of the member's employment; and

35           (B) The member must have either been retired for one hundred twenty  
36 days before beginning employment, or given the employer notice of  
37 intent to retire sixty days prior to retirement.

1           (b) A retiree from plan 2 or plan 3 who has satisfied the break in  
2 employment requirement of subsection (1) of this section((7)) may work  
3 up to ((five months per)) eight hundred sixty-seven hours in a calendar  
4 year in an eligible position, as defined in RCW 41.32.010, 41.35.010,  
5 or 41.40.010, or as a fire fighter or law enforcement officer, as  
6 defined in RCW 41.26.030, without suspension of his or her benefit.

7           (3) If the retiree opts to reestablish membership under RCW  
8 41.40.023(12), he or she terminates his or her retirement status and  
9 becomes a member. Retirement benefits shall not accrue during the  
10 period of membership and the individual shall make contributions and  
11 receive membership credit. Such a member shall have the right to again  
12 retire if eligible in accordance with RCW 41.40.180. However, if the  
13 right to retire is exercised to become effective before the member has  
14 rendered two uninterrupted years of service, the retirement formula and  
15 survivor options the member had at the time of the member's previous  
16 retirement shall be reinstated.

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

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

« END »

EFFECT: Creates a mandatory irrevocable option for a retiree to return to work under current rules (in which they are permitted to work a maximum of eight hundred sixty-seven hours) without a reduction in pension benefits and where the employer does not contribute to the pension system on behalf of the employee, or to return to work for up to fifteen hundred hours and receive ninety-four percent of their pension benefit. In the latter situation, the employer contributes to the pension system on behalf of the employee at the regular employer contribution rate.