

SB 5852 - H COMM AMD

By Committee on Ways & Means

NOT CONSIDERED 04/22/2011

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 41.32.570 and 2007 c 50 s 3 are each amended to read
4 as follows:

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

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

15 (2) (~~Except under subsection (3) of this section,~~) Any retired
16 teacher or retired administrator who enters service in any public
17 educational institution in Washington state at least one calendar month
18 after his or her accrual date shall cease to receive pension payments
19 while engaged in such service, after the retiree has rendered service
20 for more than eight hundred sixty-seven hours in a school year.

21 (3) (~~Any retired teacher or retired administrator who enters
22 service in any public educational institution in Washington state one
23 and one-half calendar months or more after his or her accrual date and:~~

24 ~~(a) Is hired pursuant to a written policy into a position for which
25 the school board has documented a justifiable need to hire a retiree
26 into the position;~~

27 ~~(b) Is hired through the established process for the position with
28 the approval of the school board or other highest decision-making
29 authority of the prospective employer;~~

1 ~~(c) Whose employer retains records of the procedures followed and~~
2 ~~the decisions made in hiring the retired teacher or retired~~
3 ~~administrator and provides those records in the event of an audit; and~~

4 ~~(d) The employee has not already rendered a cumulative total of~~
5 ~~more than one thousand nine hundred hours of service while in receipt~~
6 ~~of pension payments beyond an annual threshold of eight hundred sixty-~~
7 ~~seven hours;~~

8 ~~shall cease to receive pension payments while engaged in that service~~
9 ~~after the retiree has rendered service for more than one thousand five~~
10 ~~hundred hours in a school year. The one thousand nine hundred hour~~
11 ~~cumulative total limitation under this section applies prospectively~~
12 ~~after July 22, 2007.~~

13 ~~(4) When a retired teacher or administrator renders service beyond~~
14 ~~eight hundred sixty-seven hours, the department shall collect from the~~
15 ~~employer the applicable employer retirement contributions for the~~
16 ~~entire duration of the member's employment during that fiscal year.~~

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

20 ~~((6))~~ (4) The legislature reserves the right to amend or repeal
21 this section in the future and no member or beneficiary has a
22 contractual right to be employed for more than five hundred twenty-five
23 hours per year without a reduction of his or her pension.

24 **Sec. 2.** RCW 41.40.037 and 2007 c 50 s 5 are each amended to read
25 as follows:

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

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

36 (2)~~((a) Except as provided in (b) of this subsection,~~) A retiree
37 from plan 1 who enters employment with an employer at least one

1 calendar month after his or her accrual date may continue to receive
2 pension payments while engaged in such service for up to eight hundred
3 sixty-seven hours of service in a calendar year without a reduction of
4 pension. For purposes of this section, employment includes positions
5 covered by annuity and retirement income plans offered by institutions
6 of higher education pursuant to RCW 28B.10.400.

7 ~~((b) A retiree from plan 1 who enters employment with an employer~~
8 ~~at least three calendar months after his or her accrual date and:~~

9 ~~(i) Is hired pursuant to a written policy into a position for which~~
10 ~~the employer has documented a justifiable need to hire a retiree into~~
11 ~~the position;~~

12 ~~(ii) Is hired through the established process for the position with~~
13 ~~the approval of: A school board for a school district; the chief~~
14 ~~executive officer of a state agency employer; the secretary of the~~
15 ~~senate for the senate; the chief clerk of the house of representatives~~
16 ~~for the house of representatives; the secretary of the senate and the~~
17 ~~chief clerk of the house of representatives jointly for the joint~~
18 ~~legislative audit and review committee, the select committee on pension~~
19 ~~policy, the legislative evaluation and accountability program, the~~
20 ~~legislative systems committee, and the statute law committee; or~~
21 ~~according to rules adopted for the rehiring of retired plan 1 members~~
22 ~~for a local government employer;~~

23 ~~(iii) The employer retains records of the procedures followed and~~
24 ~~decisions made in hiring the retiree, and provides those records in the~~
25 ~~event of an audit; and~~

26 ~~(iv) The employee has not already rendered a cumulative total of~~
27 ~~more than one thousand nine hundred hours of service while in receipt~~
28 ~~of pension payments beyond an annual threshold of eight hundred sixty-~~
29 ~~seven hours;~~

30 ~~shall cease to receive pension payments while engaged in that service~~
31 ~~after the retiree has rendered service for more than one thousand five~~
32 ~~hundred hours in a calendar year. The one thousand nine hundred hour~~
33 ~~cumulative total under this subsection applies prospectively to those~~
34 ~~retiring after July 27, 2003, and retroactively to those who retired~~
35 ~~prior to July 27, 2003, and shall be calculated from the date of~~
36 ~~retirement.~~

37 ~~(c) When a plan 1 member renders service beyond eight hundred~~

1 ~~sixty seven hours, the department shall collect from the employer the~~
2 ~~applicable employer retirement contributions for the entire duration of~~
3 ~~the member's employment during that calendar year.~~

4 ~~(d) A retiree from plan 2 or plan 3 who has satisfied the break in~~
5 ~~employment requirement of subsection (1) of this section may work up to~~
6 ~~eight hundred sixty seven hours in a calendar year in an eligible~~
7 ~~position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or~~
8 ~~41.40.010, or as a firefighter or law enforcement officer, as defined~~
9 ~~in RCW 41.26.030, without suspension of his or her benefit.))~~

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

20 (4) The department shall collect and provide the state actuary with
21 information relevant to the use of this section for the select
22 committee on pension policy.

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

27 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of the
29 state government and its existing public institutions, and takes effect
30 July 1, 2011."

31 Correct the title.

EFFECT: The Public Employees' Retirement System (PERS) or the
Teachers' Retirement System (TRS) Plan 1 provisions limiting the years

of 1,500-hour years of post-retirement employment without suspension of benefits to members that retire prior to September 1, 2011 are replaced with provisions that eliminate the 1,500-hour years for all members of PERS and TRS Plans 1, and specify that for purposes of the PERS and TRS Plan 1 rules, employment by retirees includes positions covered by the higher education retirement plans.

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