

**ESB 6378** - S AMD 310

By Senator Baumgartner

WITHDRAWN 04/07/2012

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

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

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

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

17 (3) ALTERNATE EARLY RETIREMENT.

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

25 (b) On or after September 1, 2008, any member who 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

1 computed according to the provisions of RCW 41.32.760, except that a  
2 member retiring pursuant to this subsection shall have the retirement  
3 allowance reduced as follows:

| 4  | 5          | 6         |
|----|------------|-----------|
|    | Retirement | Percent   |
|    | Age        | Reduction |
| 7  | 55         | 20%       |
| 8  | 56         | 17%       |
| 9  | 57         | 14%       |
| 10 | 58         | 11%       |
| 11 | 59         | 8%        |
| 12 | 60         | 5%        |
| 13 | 61         | 2%        |
| 14 | 62         | 0%        |
| 15 | 63         | 0%        |
| 16 | 64         | 0%        |

17 Any member who retires under the provisions of this subsection is  
18 ineligible for the postretirement employment provisions of RCW  
19 41.32.802(2) until the retired member has reached sixty-five years of  
20 age. For purposes of this subsection, employment with an employer  
21 also includes any personal service contract, service by an employer as  
22 a temporary or project employee, or any other similar compensated  
23 relationship with any employer included under the provisions of RCW  
24 41.32.800(1).

25 The subsidized reductions for alternate early retirement in this  
26 subsection as set forth in section 2, chapter 491, Laws of 2007 were  
27 intended by the legislature as replacement benefits for gain-sharing.  
28 Until there is legal certainty with respect to the repeal of \*chapter  
29 41.31A RCW, the right to retire under this subsection is  
30 noncontractual, and the legislature reserves the right to amend or  
31 repeal this subsection. Legal certainty includes, but is not limited  
32 to, the expiration of any: Applicable limitations on actions; and  
33 periods of time for seeking appellate review, up to and including  
34 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 of  
7 gain-sharing or other alternate benefits as a remedy, then retirement  
8 benefits for any member who has completed at least thirty service  
9 credit years and has attained age fifty-five but has not yet received  
10 the first installment of a retirement allowance under this subsection  
11 shall be computed using the reductions in (a) of this subsection.

12 (c) Members who first become employed by an employer in an  
13 eligible position on or after July 1, 2012, are not eligible for the  
14 alternate early retirement provisions of this subsection.

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16 **Sec. 2.** RCW 41.32.875 and 2007 c 491 s 4 are each amended to read  
17 as follows:

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

20 (a) Completed ten service credit years; or

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

23 (c) Completed five service credit years by July 1, 1996, under  
24 plan 2 and who transferred to plan 3 under RCW 41.32.817;

25 shall be eligible to retire and to receive a retirement allowance  
26 computed according to the provisions of RCW 41.32.840.

27 (2) EARLY RETIREMENT. Any member who has attained at least age  
28 fifty-five and has completed at least ten years of service shall be  
29 eligible to retire and to receive a retirement allowance computed  
30 according to the provisions of RCW 41.32.840, except that a member  
31 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.

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 provisions  
5 of RCW 41.32.840, except that a member retiring pursuant to this  
6 subsection shall have the retirement allowance reduced by three  
7 percent per year to reflect the difference in the number of years  
8 between age at retirement and the attainment of age sixty-five.

9 (b) On or after September 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 41.32.840, except that a  
13 member retiring pursuant to this subsection shall have the retirement  
14 allowance reduced as follows:

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| 16 | Retirement | Percent   |
|----|------------|-----------|
| 17 | Age        | Reduction |
| 18 | 55         | 20%       |
| 19 | 56         | 17%       |
| 20 | 57         | 14%       |
| 21 | 58         | 11%       |
| 22 | 59         | 8%        |
| 23 | 60         | 5%        |
| 24 | 61         | 2%        |
| 25 | 62         | 0%        |
| 26 | 63         | 0%        |
| 27 | 64         | 0%        |

28 Any member who retires under the provisions of this subsection is  
29 ineligible for the postretirement employment provisions of RCW  
30 41.32.862(2) until the retired member has reached sixty-five years of  
31 age. For purposes of this subsection, employment with an employer  
32 also includes any personal service contract, service by an employer as  
33 a temporary or project employee, or any other similar compensated  
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1 relationship with any employer included under the provisions of RCW  
2 41.32.860(1).

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

24 (c) Members who first become employed by an employer in an  
25 eligible position on or after July 1, 2012, are not eligible for the  
26 alternate early retirement provisions of this subsection.

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28       **Sec. 3.** RCW 41.35.420 and 2007 c 491 s 6 are each amended to read  
29 as follows:

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

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

9 (3) ALTERNATE EARLY RETIREMENT.

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

17 (b) On or after September 1, 2008, any member who 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 41.35.400, except that a  
21 member retiring pursuant to this subsection shall have the retirement  
22 allowance reduced as follows:

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| 24 | Retirement | Percent   |
|----|------------|-----------|
| 25 | Age        | Reduction |
| 26 | 55         | 20%       |
| 27 | 56         | 17%       |
| 28 | 57         | 14%       |
| 29 | 58         | 11%       |
| 30 | 59         | 8%        |
| 31 | 60         | 5%        |
| 32 | 61         | 2%        |
| 33 | 62         | 0%        |
| 34 | 63         | 0%        |

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

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

(c) Members who first become employed by an employer in an eligible position on or after July 1, 2012, are not eligible for the alternate early retirement provisions of this subsection.

1       **Sec. 4.** RCW 41.35.680 and 2007 c 491 s 8 are each amended to read  
2 as follows:

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

5       (a) Completed ten service credit years; or

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

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

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

13       (2) EARLY RETIREMENT. Any member who has attained at least age  
14 fifty-five and has completed at least ten years of service shall be  
15 eligible to retire and to receive a retirement allowance computed  
16 according to the provisions of RCW 41.35.620, except that a member  
17 retiring pursuant to this subsection shall have the retirement  
18 allowance actuarially reduced to reflect the difference in the number  
19 of years between age at retirement and the attainment of age sixty-  
20 five.

21       (3) ALTERNATE EARLY RETIREMENT.

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

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



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

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

The subsidized reductions for alternate early retirement in this subsection as set forth in section 8, chapter 491, Laws of 2007 were intended by the legislature as replacement benefits for gain-sharing. Until there is legal certainty with respect to the repeal of \*chapter 41.31A RCW, the right to retire under this subsection is noncontractual, and the legislature reserves the right to amend or repeal this subsection. Legal certainty includes, but is not limited to, the expiration of any: Applicable limitations on actions; and periods of time for seeking appellate review, up to and including reconsideration by the Washington supreme court and the supreme court of the United States. Until that time, eligible members may still retire under this subsection, and upon receipt of the first installment of a retirement allowance computed under this subsection,

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

9 (c) Members who first become employed by an employer in an  
10 eligible position on or after July 1, 2012, are not eligible for the  
11 alternate early retirement provisions of this subsection.

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13 **Sec. 5.** RCW 41.40.630 and 2007 c 491 s 9 are each amended to read  
14 as follows:

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

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

27 (3) ALTERNATE EARLY RETIREMENT.

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

1 (b) On or after July 1, 2008, any member who has completed at  
2 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 41.40.620, except that a  
5 member retiring pursuant to this subsection shall have the retirement  
6 allowance reduced as follows:

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

20 Any member who retires under the provisions of this subsection is  
21 ineligible for the postretirement employment provisions of \*RCW  
22 41.40.037(2)(d) until the retired member has reached sixty-five years  
23 of age. For purposes of this subsection, employment with an employer  
24 also includes any personal service contract, service by an employer as  
25 a temporary or project employee, or any other similar compensated  
26 relationship with any employer included under the provisions of RCW  
27 41.40.690(1).

28 The subsidized reductions for alternate early retirement in this  
29 subsection as set forth in section 9, chapter 491, Laws of 2007 were  
30 intended by the legislature as replacement benefits for gain-sharing.  
31 Until there is legal certainty with respect to the repeal of \*\*chapter  
32 41.31A RCW, the right to retire under this subsection is  
33 noncontractual, and the legislature reserves the right to amend or  
34 repeal this subsection. Legal certainty includes, but is not limited

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

15 (c) Members who first become employed by an employer in an  
16 eligible position on or after July 1, 2012, are not eligible for the  
17 alternate early retirement provisions of this subsection.

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19 **Sec. 6.** RCW 41.40.820 and 2007 c 491 s 10 are each amended to  
20 read as follows:

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

23 (a) Completed ten service credit years; or

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

26 (c) Completed five service credit years by the transfer payment  
27 date specified in RCW 41.40.795, under the public employees'  
28 retirement system plan 2 and who transferred to plan 3 under RCW  
29 41.40.795;

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

32 (2) EARLY RETIREMENT. Any member who has attained at least age  
33 fifty-five and has completed at least ten years of service shall be  
34 eligible to retire and to receive a retirement allowance computed

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

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 provisions  
10 of RCW 41.40.790, except that a member retiring pursuant to this  
11 subsection shall have the retirement allowance reduced by three  
12 percent per year to reflect the difference in the number of years  
13 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 shall have the retirement  
19 allowance reduced as follows:

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| 21 | Retirement | Percent   |
|----|------------|-----------|
| 22 | Age        | Reduction |
| 23 | 55         | 20%       |
| 24 | 56         | 17%       |
| 25 | 57         | 14%       |
| 26 | 58         | 11%       |
| 27 | 59         | 8%        |
| 28 | 60         | 5%        |
| 29 | 61         | 2%        |
| 30 | 62         | 0%        |
| 31 | 63         | 0%        |
| 32 | 64         | 0%        |

33 Any member who retires under the provisions of this subsection is  
34 ineligible for the postretirement employment provisions of \*RCW

1 41.40.037(2)(d) until the retired member has reached sixty-five years  
2 of age. For purposes of this subsection, employment with an employer  
3 also includes any personal service contract, service by an employer as  
4 a temporary or project employee, or any other similar compensated  
5 relationship with any employer included under the provisions of RCW  
6 41.40.850(1).

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

28 (c) Members who first become employed by an employer in an  
29 eligible position on or after July 1, 2012, are not eligible for the  
30 alternate early retirement provisions of this subsection.

31  
32 NEW SECTION. Sec. 7. This act is necessary for the immediate  
33 preservation of the public peace, health, or safety, or support of the  
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1 state government and its existing public institutions, and takes  
2 effect July 1, 2012."

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5 **ESB 6378** S AMD

6 By Senator Zarelli

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8 On page 1, after line 1 of the title, strike everything through  
9 "41.45.150" on page 1, line 2 of the title and insert "41.32.765,  
10 41.32.875, 41.35.420, 41.35.680, 41.40.630, and 41.40.820; creating a  
new section; providing an effective date; and declaring an emergency"

EFFECT: Eliminates the alternate early retirement benefits  
created in 2000 and 2007 for new members joining PERS, TRS, or SERS  
Plans 2 and 3 after July 1, 2012.

--- END ---