
SUBSTITUTE HOUSE BILL 1699

State of Washington

67th Legislature

2022 Regular Session

By House Appropriations (originally sponsored by Representatives Bergquist, Volz, Ryu, Leavitt, Chase, Robertson, Graham, Springer, Sells, Valdez, Dolan, Paul, Callan, Gilday, Goodman, Taylor, Macri, Ramos, Santos, Pollet, Griffey, Riccelli, Frame, and Kloba)

READ FIRST TIME 01/28/22.

1 AN ACT Relating to permitting individuals retired from the public
2 employees retirement system, the teachers retirement system, and the
3 school employees retirement system additional opportunities to work
4 for a school district for up to 1,040 hours per school year while in
5 receipt of pension benefits until July 1, 2025; amending RCW
6 41.32.570, 41.32.802, 41.32.862, 41.35.060, and 41.40.037; repealing
7 RCW 41.35.065 and 41.32.068; and declaring an emergency.

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

9 **Sec. 1.** RCW 41.32.570 and 2011 1st sp.s. c 47 s 10 are each
10 amended to read as follows:

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

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

1 (2) Any retired teacher or retired administrator who enters
2 service in any public educational institution in Washington state at
3 least one calendar month after his or her accrual date shall cease to
4 receive pension payments while engaged in such service, after the
5 retiree has rendered service for more than eight hundred sixty-seven
6 hours in a school year.

7 (3) Between the effective date of this section and July 1, 2025,
8 a retiree who reenters employment more than one calendar month after
9 his or her accrual date, and who enters service in a school district
10 in a nonadministrative position shall continue to receive pension
11 payments while engaged in such service, until the retiree has
12 rendered service for more than 1,040 hours in a school year.

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

16 ~~((4))~~ (5) The legislature reserves the right to amend or repeal
17 this section in the future and no member or beneficiary has a
18 contractual right to be employed for more than five hundred twenty-
19 five hours per year without a reduction of his or her pension.

20 **Sec. 2.** RCW 41.32.802 and 2011 1st sp.s. c 47 s 12 are each
21 amended to read as follows:

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

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

32 (2)(a) A retiree who has satisfied the break in employment
33 requirement of subsection (1) of this section, may work up to eight
34 hundred sixty-seven hours per calendar year in an eligible position,
35 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or
36 as a firefighter or law enforcement officer, as defined in RCW
37 41.26.030, or in a position covered by annuity and retirement income
38 plans offered by institutions of higher education pursuant to RCW
39 28B.10.400, without suspension of his or her benefit.

1 (b) A retiree who has retired under the alternate early
2 retirement provisions of RCW 41.32.765(3)(b) may be employed with an
3 employer for up to 867 hours per calendar year without suspension of
4 his or her benefit, provided that: (i) The retired teacher reenters
5 employment more than one calendar month after his or her accrual date
6 and after June 9, 2016; and (ii) the retired teacher is employed in a
7 nonadministrative capacity.

8 (c) Between the effective date of this section and July 1, 2025,
9 a retiree who reenters employment more than one month after his or
10 her accrual date, and who enters service in a school district in a
11 nonadministrative position shall continue to receive pension payments
12 while engaged in such service, until the retiree has rendered service
13 for more than 1,040 hours in a calendar year. The legislature
14 reserves the right to amend or repeal this subsection in the future
15 and no member or beneficiary has a contractual right to be employed
16 for more than 867 hours in a calendar year without a reduction of his
17 or her pension.

18 (3) If the retiree opts to reestablish membership under RCW
19 41.32.044, he or she terminates his or her retirement status and
20 immediately becomes a member. Retirement benefits shall not accrue
21 during the period of membership and the individual shall make
22 contributions and receive membership credit. Such a member shall have
23 the right to again retire if eligible.

24 **Sec. 3.** RCW 41.32.862 and 2011 1st sp.s. c 47 s 14 are each
25 amended to read as follows:

26 (1)(a) If a retiree enters employment with an employer sooner
27 than one calendar month after his or her accrual date, the retiree's
28 monthly retirement allowance will be reduced by five and one-half
29 percent for every seven hours worked during that month. This
30 reduction will be applied each month until the retiree remains absent
31 from employment 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 forty hours per month. Any
34 benefit reduction over one hundred percent will be applied to the
35 benefit the retiree is eligible to receive in subsequent months.

36 (2)(a) A retiree who has satisfied the break in employment
37 requirement of subsection (1) of this section, may work up to eight
38 hundred sixty-seven hours per calendar year in an eligible position,
39 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or

1 as a firefighter or law enforcement officer, as defined in RCW
2 41.26.030, or in a position covered by annuity and retirement income
3 plans offered by institutions of higher education pursuant to RCW
4 28B.10.400, without suspension of his or her benefit.

5 (b) A retiree who has retired under the alternate early
6 retirement provisions of RCW 41.32.875(3)(b) may be employed with an
7 employer for up to 867 hours per calendar year without suspension of
8 his or her benefit, provided that: (i) The retired teacher reenters
9 employment more than one calendar month after his or her accrual date
10 and after June 9, 2016; and (ii) the retired teacher is employed in a
11 nonadministrative capacity.

12 (c) Between the effective date of this section and July 1, 2025,
13 a retired teacher or retired administrator who reenters employment
14 more than one month after his or her accrual date, and who enters
15 service in a school district in a nonadministrative position shall
16 continue to receive pension payments while engaged in such service,
17 until the retiree has rendered service for more than 1,040 hours in a
18 calendar year. The legislature reserves the right to amend or repeal
19 this subsection in the future and no member or beneficiary has a
20 contractual right to be employed for more than 867 hours in a
21 calendar year without a reduction of his or her pension.

22 (3) If the retiree opts to reestablish membership under RCW
23 41.32.044, he or she terminates his or her retirement status and
24 immediately becomes a member. Retirement benefits shall not accrue
25 during the period of membership and the individual shall make
26 contributions and receive membership credit. Such a member shall have
27 the right to again retire if eligible.

28 **Sec. 4.** RCW 41.35.060 and 2011 1st sp.s. c 47 s 15 are each
29 amended to read as follows:

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

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

1 (2)(a) A retiree who has satisfied the break in employment
2 requirement of subsection (1) of this section may work up to eight
3 hundred sixty-seven hours per calendar year in an eligible position,
4 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or
5 as a firefighter or law enforcement officer, as defined in RCW
6 41.26.030, or in a position covered by annuity and retirement income
7 plans offered by institutions of higher education pursuant to RCW
8 28B.10.400, without suspension of his or her benefit.

9 (b) A retiree in the school employees' retirement system plan 2
10 or plan 3 who has retired under the alternate early retirement
11 provisions of RCW 41.35.420(3)(b) may be employed with an employer
12 for up to 867 hours per calendar year without suspension of his or
13 her benefit, provided that: (i) The retiree reenters employment more
14 than one calendar month after his or her accrual date; and (ii) the
15 retiree is employed in a nonadministrative position.

16 (c) Between the effective date of this section and July 1, 2025,
17 a retiree, including a retiree who has retired under the alternate
18 early retirement provisions of RCW 41.35.420(3)(b) or
19 41.35.680(3)(b), who reenters employment more than one month after
20 his or her accrual date, and who enters service in a school district
21 in a nonadministrative position shall continue to receive pension
22 payments while engaged in such service, until the retiree has
23 rendered service for more than 1,040 hours in a calendar year. The
24 legislature reserves the right to amend or repeal this subsection in
25 the future and no member or beneficiary has a contractual right to be
26 employed for more than 867 hours in a calendar year without a
27 reduction of his or her pension.

28 (3) If the retiree opts to reestablish membership under RCW
29 41.35.030, he or she terminates his or her retirement status and
30 becomes a member. Retirement benefits shall not accrue during the
31 period of membership and the individual shall make contributions and
32 receive membership credit. Such a member shall have the right to
33 again retire if eligible in accordance with RCW 41.35.420 or
34 41.35.680. However, if the right to retire is exercised to become
35 effective before the member has rendered two uninterrupted years of
36 service, the retirement formula and survivor options the member had
37 at the time of the member's previous retirement shall be reinstated.

38 **Sec. 5.** RCW 41.40.037 and 2015 c 75 s 1 are each amended to read
39 as follows:

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

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

11 (2) (a) A retiree from plan 1, plan 2, or plan 3 who has satisfied
12 the break in employment requirement of subsection (1) of this section
13 may work up to eight hundred sixty-seven hours per calendar year in
14 an eligible position, as defined in RCW 41.32.010, 41.35.010,
15 41.37.010, or 41.40.010, or as a firefighter or law enforcement
16 officer, as defined in RCW 41.26.030, or in a position covered by
17 annuity and retirement income plans offered by institutions of higher
18 education pursuant to RCW 28B.10.400, without suspension of his or
19 her benefit.

20 (b) Between the effective date of this section and July 1, 2025,
21 a retiree, including a retiree who has retired under the alternate
22 early retirement provisions of RCW 41.40.630(3)(b) or
23 41.40.820(3)(b), who reenters employment more than 100 days after his
24 or her accrual date, and who enters service in a school district in a
25 nonadministrative position shall continue to receive pension payments
26 while engaged in such service, until the retiree has rendered service
27 for more than 1,040 hours in a calendar year.

28 (3) If the retiree opts to reestablish membership under RCW
29 41.40.023(12), he or she terminates his or her retirement status and
30 becomes a member. Retirement benefits shall not accrue during the
31 period of membership and the individual shall make contributions and
32 receive membership credit. Such a member shall have the right to
33 again retire if eligible in accordance with RCW 41.40.180. However,
34 if the right to retire is exercised to become effective before the
35 member has rendered two uninterrupted years of service, the
36 retirement formula and survivor options the member had at the time of
37 the member's previous retirement shall be reinstated.

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

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

5 NEW SECTION. **Sec. 6.** The following acts or parts of acts are
6 each repealed:

7 (1) RCW 41.35.065 (Postretirement employment options) and 2019 c
8 295 s 308; and

9 (2) RCW 41.32.068 (Postretirement employment options) and 2019 c
10 295 s 307 & 2016 c 233 s 7.

11 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of
13 the state government and its existing public institutions, and takes
14 effect immediately.

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