
HOUSE BILL 1699

State of Washington

67th Legislature

2022 Regular Session

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

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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; and
7 repealing RCW 41.35.065 and 41.32.068.

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) (a) 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 (b) 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 (3) 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) The legislature reserves the right to amend or repeal this
17 section in the future and no member or beneficiary has a contractual
18 right to be employed for more than five hundred twenty-five hours per
19 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) or 41.32.875(3)(b) may
3 be employed with an employer for up to 867 hours per calendar year
4 without suspension of his or her benefit, provided that: (i) The
5 retired teacher reenters employment more than one calendar month
6 after his or her accrual date and after June 9, 2016; and (ii) the
7 retired teacher is employed in a 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 41.32.765(3)(b) or 41.32.875(3)(b) may
7 be employed with an employer for up to 867 hours per calendar year
8 without suspension of his or her benefit, provided that: (i) The
9 retired teacher reenters employment more than one calendar month
10 after his or her accrual date and after June 9, 2016; and (ii) the
11 retired teacher is employed in a 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) or 41.35.680(3)(b) may be employed
12 with an employer for up to 867 hours per calendar year without
13 suspension of his or her benefit, provided that: (i) The retiree
14 reenters employment more than one calendar month after his or her
15 accrual date; and (ii) the retiree is employed in a nonadministrative
16 position.

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

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

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

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

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

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

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

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

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

4 (5) 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 months in a calendar year
7 without a reduction of his or her pension.

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

10 (1) RCW 41.35.065 (Postretirement employment options) and 2019 c
11 295 s 308; and

12 (2) RCW 41.32.068 (Postretirement employment options) and 2019 c
13 295 s 307 & 2016 c 233 s 7.

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