

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1056**

Chapter 410, Laws of 2023

68th Legislature  
2023 Regular Session

STATE RETIREMENT SYSTEMS—POSTRETIREMENT EMPLOYMENT—EARLY RETIREMENT  
FACTORS

EFFECTIVE DATE: January 1, 2024

Passed by the House February 6, 2023  
Yeas 93 Nays 0

LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate April 20, 2023  
Yeas 47 Nays 1

DENNY HECK

**President of the Senate**

Approved May 11, 2023 9:37 AM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1056** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

May 11, 2023

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1056**

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Passed Legislature - 2023 Regular Session

**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Stokesbary, Fitzgibbon, Leavitt, Simmons, Lekanoff, Rule, Griffey, Macri, Bergquist, Wylie, and Ormsby; by request of Select Committee on Pension Policy)

READ FIRST TIME 01/27/23.

1       AN ACT Relating to repealing some postretirement employment  
2 restrictions; amending RCW 41.32.765, 41.32.802, 41.32.862,  
3 41.32.875, 41.35.060, 41.35.420, 41.35.680, 41.40.630, and 41.40.820;  
4 creating a new section; and providing an effective date.

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

6       NEW SECTION.   **Sec. 1.** It is the intent of the legislature to  
7 remove some of the restrictions on the types and amount of  
8 postretirement employment that members that chose the enhanced early  
9 retirement formula created in 2008 for the public employees', school  
10 employees', and teachers' retirement systems plans 2 and 3 can  
11 perform while in receipt of a retirement allowance. This change  
12 simplifies administration of the retirement system and could assist  
13 employers currently experiencing difficulties recruiting and  
14 retaining employees. In addition, some employees were offered and  
15 accepted a choice of lower early retirement benefits without the  
16 work-related benefit restrictions that are now being removed from  
17 those that chose higher benefits. The legislature intends those  
18 employees not be penalized for that choice after the employment-  
19 related benefit restrictions are removed. Therefore, pursuant to this  
20 act, the legislature intends that the employees that chose the three  
21 percent per year early retirement reduction and fewer benefit

1 restrictions, rather than the 2008 early retirement formula with  
2 restrictions now being removed, shall have their benefit reduction  
3 recalculated to the level of the 2008 reduction for benefits made on  
4 or after the effective date of this section.

5 **Sec. 2.** RCW 41.32.765 and 2012 1st sp.s. c 7 s 1 are each  
6 amended to read as follows:

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

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

19 (3) ALTERNATE EARLY RETIREMENT.

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

27 (b) (i) On or after September 1, 2008, any member who has  
28 completed at least thirty service credit years and has attained age  
29 fifty-five shall be eligible to retire and to receive a retirement  
30 allowance computed according to the provisions of RCW 41.32.760,  
31 except that a member retiring pursuant to this subsection shall have  
32 the retirement allowance reduced as follows:

33	Retirement	Percent
34	Age	Reduction
35	55	20%
36	56	17%
37	57	14%

1	58	11%
2	59	8%
3	60	5%
4	61	2%
5	62	0%
6	63	0%
7	64	0%

8       ~~((Any member who retires under the provisions of this subsection~~  
9 ~~is ineligible for the postretirement employment provisions of RCW~~  
10 ~~41.32.802(2) until the retired member has reached sixty-five years of~~  
11 ~~age. For purposes of this subsection, employment with an employer~~  
12 ~~also includes any personal service contract, service by an employer~~  
13 ~~as a temporary or project employee, or any other similar compensated~~  
14 ~~relationship with any employer included under the provisions of RCW~~  
15 ~~41.32.800(1)).~~

16       ~~The subsidized reductions for alternate early retirement in this~~  
17 ~~subsection as set forth in section 2, chapter 491, Laws of 2007 were~~  
18 ~~intended by the legislature as replacement benefits for gain-sharing.~~  
19 ~~Until there is legal certainty with respect to the repeal of chapter~~  
20 ~~41.31A RCW, the right to retire under this subsection is~~  
21 ~~noncontractual, and the legislature reserves the right to amend or~~  
22 ~~repeal this subsection. Legal certainty includes, but is not limited~~  
23 ~~to, the expiration of any: Applicable limitations on actions; and~~  
24 ~~periods of time for seeking appellate review, up to and including~~  
25 ~~reconsideration by the Washington supreme court and the supreme court~~  
26 ~~of the United States. Until that time, eligible members may still~~  
27 ~~retire under this subsection, and upon receipt of the first~~  
28 ~~installment of a retirement allowance computed under this subsection,~~  
29 ~~the resulting benefit becomes contractual for the recipient. If the~~  
30 ~~repeal of chapter 41.31A RCW is held to be invalid in a final~~  
31 ~~determination of a court of law, and the court orders reinstatement~~  
32 ~~of gain-sharing or other alternate benefits as a remedy, then~~  
33 ~~retirement benefits for any member who has completed at least thirty~~  
34 ~~service credit years and has attained age fifty-five but has not yet~~  
35 ~~received the first installment of a retirement allowance under this~~  
36 ~~subsection shall be computed using the reductions in (a) of this~~  
37 ~~subsection.)) (ii) Any member who retired on or after September 1,~~

1 2008, and chose the three percent per year reduction provided under  
2 (a) of this subsection shall have a retirement allowance recalculated  
3 under the reductions of (b)(i) of this subsection for benefit  
4 payments made on or after the effective date of this section.

5 (c) Members who first become employed by an employer in an  
6 eligible position on or after May 1, 2013, are not eligible for the  
7 alternate early retirement provisions of (a) or (b) of this  
8 subsection. Any member who first becomes employed by an employer in  
9 an eligible position on or after May 1, 2013, and 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 41.32.760, except that a  
13 member retiring pursuant to this subsection shall have the retirement  
14 allowance reduced by five percent per year to reflect the difference  
15 in the number of years between age at retirement and the attainment  
16 of age sixty-five.

17 **Sec. 3.** RCW 41.32.802 and 2022 c 110 s 2 are each amended to  
18 read as follows:

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

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

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

37 ~~(b) ((A retiree who has retired under the alternate early~~  
38 ~~retirement provisions of RCW 41.32.765(3)(b) may be employed with an~~  
39 ~~employer for up to 867 hours per calendar year without suspension of~~

1 ~~his or her benefit, provided that: (i) The retired teacher reenters~~  
2 ~~employment more than one calendar month after his or her accrual date~~  
3 ~~and after June 9, 2016; and (ii) the retired teacher is employed in a~~  
4 ~~nonadministrative capacity.~~

5 ~~(e))~~ (i) Between March 23, 2022, and July 1, 2025, a retiree who  
6 reenters employment more than one month after his or her accrual  
7 date, and who enters service in a school district in a  
8 nonadministrative position shall continue to receive pension payments  
9 while engaged in such service, until the retiree has rendered service  
10 for more than 1,040 hours in a calendar year.

11 (ii) Between March 23, 2022, and July 1, 2025, a retiree that  
12 retired before January 1, 2022, and who enters service in a second-  
13 class school district, as defined in RCW 28A.300.065, as either a  
14 district superintendent or an in-school administrator shall continue  
15 to receive pension payments while engaged in such service, until the  
16 retiree has rendered service for more than 1,040 hours in a calendar  
17 year.

18 (iii) The legislature reserves the right to amend or repeal this  
19 subsection (2) ~~((e))~~ (b) in the future and no member or beneficiary  
20 has a 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 41.32.862 and 2022 c 110 s 3 are each amended to  
29 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 seven 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 forty 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 who has retired under the alternate early  
10 retirement provisions of RCW 41.32.875(3) (b) may be employed with an  
11 employer for up to 867 hours per calendar year without suspension of  
12 his or her benefit, provided that: (i) The retired teacher reenters  
13 employment more than one calendar month after his or her accrual date  
14 and after June 9, 2016; and (ii) the retired teacher is employed in a  
15 nonadministrative capacity.~~

16 ~~(e))~~ (i) Between March 23, 2022, and July 1, 2025, a retired  
17 teacher or retired administrator who reenters employment more than  
18 one month after his or her accrual date, and who enters service in a  
19 school district in a nonadministrative position shall continue to  
20 receive pension payments while engaged in such service, until the  
21 retiree has rendered service for more than 1,040 hours in a calendar  
22 year.

23 (ii) Between March 23, 2022, and July 1, 2025, a retiree that  
24 retired before January 1, 2022, and who enters service in a second-  
25 class school district, as defined in RCW 28A.300.065, as either a  
26 district superintendent or an in-school administrator shall continue  
27 to receive pension payments while engaged in such service, until the  
28 retiree has rendered service for more than 1,040 hours in a calendar  
29 year.

30 (iii) The legislature reserves the right to amend or repeal this  
31 subsection (2) ~~((e))~~ (b) in the future and no member or beneficiary  
32 has a contractual right to be employed for more than 867 hours in a  
33 calendar year without a reduction of his or her pension.

34 (3) If the retiree opts to reestablish membership under RCW  
35 41.32.044, he or she terminates his or her retirement status and  
36 immediately becomes a member. Retirement benefits shall not accrue  
37 during the period of membership and the individual shall make  
38 contributions and receive membership credit. Such a member shall have  
39 the right to again retire if eligible.

1       **Sec. 5.**   RCW 41.32.875 and 2012 1st sp.s. c 7 s 2 are each  
2 amended to read 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 July 1, 1996, under  
9 plan 2 and who transferred to plan 3 under RCW 41.32.817;

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

12       (2) EARLY RETIREMENT. Any member who has attained at least age  
13 fifty-five and has completed at least ten years of service shall be  
14 eligible to retire and to receive a retirement allowance computed  
15 according to the provisions of RCW 41.32.840, except that a member  
16 retiring pursuant to this subsection shall have the retirement  
17 allowance actuarially reduced to reflect the difference in the number  
18 of years between age at retirement and the attainment of age sixty-  
19 five.

20       (3) ALTERNATE EARLY RETIREMENT.

21       (a) Any member who has completed at least thirty service credit  
22 years and has attained age fifty-five shall be eligible to retire and  
23 to receive a retirement allowance computed according to the  
24 provisions of RCW 41.32.840, except that a member retiring pursuant  
25 to this subsection shall have the retirement allowance reduced by  
26 three percent per year to reflect the difference in the number of  
27 years between age at retirement and the attainment of age sixty-five.

28       (b) (i) On or after September 1, 2008, any member who has  
29 completed at least thirty service credit years and has attained age  
30 fifty-five shall be eligible to retire and to receive a retirement  
31 allowance computed according to the provisions of RCW 41.32.840,  
32 except that a member retiring pursuant to this subsection shall have  
33 the retirement allowance reduced as follows:

Retirement Age	Percent Reduction
55	20%
56	17%
57	14%



1	58	11%
2	59	8%
3	60	5%
4	61	2%
5	62	0%
6	63	0%
7	64	0%

8       ~~((Any member who retires under the provisions of this subsection~~  
9 ~~is ineligible for the postretirement employment provisions of RCW~~  
10 ~~41.32.862(2) until the retired member has reached sixty-five years of~~  
11 ~~age. For purposes of this subsection, employment with an employer~~  
12 ~~also includes any personal service contract, service by an employer~~  
13 ~~as a temporary or project employee, or any other similar compensated~~  
14 ~~relationship with any employer included under the provisions of RCW~~  
15 ~~41.32.860(1)).~~

16       ~~The subsidized reductions for alternate early retirement in this~~  
17 ~~subsection as set forth in section 4, chapter 491, Laws of 2007 were~~  
18 ~~intended by the legislature as replacement benefits for gain-sharing.~~  
19 ~~Until there is legal certainty with respect to the repeal of chapter~~  
20 ~~41.31A RCW, the right to retire under this subsection is~~  
21 ~~noncontractual, and the legislature reserves the right to amend or~~  
22 ~~repeal this subsection. Legal certainty includes, but is not limited~~  
23 ~~to, the expiration of any: Applicable limitations on actions; and~~  
24 ~~periods of time for seeking appellate review, up to and including~~  
25 ~~reconsideration by the Washington supreme court and the supreme court~~  
26 ~~of the United States. Until that time, eligible members may still~~  
27 ~~retire under this subsection, and upon receipt of the first~~  
28 ~~installment of a retirement allowance computed under this subsection,~~  
29 ~~the resulting benefit becomes contractual for the recipient. If the~~  
30 ~~repeal of chapter 41.31A RCW is held to be invalid in a final~~  
31 ~~determination of a court of law, and the court orders reinstatement~~  
32 ~~of gain-sharing or other alternate benefits as a remedy, then~~  
33 ~~retirement benefits for any member who has completed at least thirty~~  
34 ~~service credit years and has attained age fifty-five but has not yet~~  
35 ~~received the first installment of a retirement allowance under this~~  
36 ~~subsection shall be computed using the reductions in (a) of this~~  
37 ~~subsection.)) (ii) Any member who retired on or after September 1,~~

1 2008, and chose the three percent per year reduction provided under  
2 (a) of this subsection shall have a retirement allowance recalculated  
3 under the reductions of (b) (i) of this subsection for benefit  
4 payments made on or after the effective date of this section.

5 (c) Members who first become employed by an employer in an  
6 eligible position on or after May 1, 2013, are not eligible for the  
7 alternate early retirement provisions of (a) or (b) of this  
8 subsection. Any member who first becomes employed by an employer in  
9 an eligible position on or after May 1, 2013, and 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 by five percent per year to reflect the difference  
15 in the number of years between age at retirement and the attainment  
16 of age sixty-five.

17 **Sec. 6.** RCW 41.35.060 and 2022 c 110 s 4 are each amended to  
18 read as follows:

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

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

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

37 ~~(b) ((A retiree in the school employees' retirement system plan 2~~  
38 ~~or plan 3 who has retired under the alternate early retirement~~  
39 ~~provisions of RCW 41.35.420(3) (b) may be employed with an employer~~

1 ~~for up to 867 hours per calendar year without suspension of his or~~  
2 ~~her benefit, provided that: (i) The retiree reenters employment more~~  
3 ~~than one calendar month after his or her accrual date; and (ii) the~~  
4 ~~retiree is employed in a nonadministrative position.~~

5 ~~(e))~~ Between March 23, 2022, and July 1, 2025, a retiree,  
6 including a retiree who has retired under the alternate early  
7 retirement provisions of RCW 41.35.420(3)(b) or 41.35.680(3)(b), who  
8 reenters employment more than one month after his or her accrual  
9 date, and who enters service in a school district in a  
10 nonadministrative position shall continue to receive pension payments  
11 while engaged in such service, until the retiree has rendered service  
12 for more than 1,040 hours in a calendar year. The legislature  
13 reserves the right to amend or repeal this subsection (2)~~((e))~~ (b)  
14 in the future and no member or beneficiary has a contractual right to  
15 be employed for more than 867 hours in a calendar year without a  
16 reduction of his or her pension.

17 (3) If the retiree opts to reestablish membership under RCW  
18 41.35.030, he or she terminates his or her retirement status and  
19 becomes a member. Retirement benefits shall not accrue during the  
20 period of membership and the individual shall make contributions and  
21 receive membership credit. Such a member shall have the right to  
22 again retire if eligible in accordance with RCW 41.35.420 or  
23 41.35.680. However, if the right to retire is exercised to become  
24 effective before the member has rendered two uninterrupted years of  
25 service, the retirement formula and survivor options the member had  
26 at the time of the member's previous retirement shall be reinstated.

27 **Sec. 7.** RCW 41.35.420 and 2012 1st sp.s. c 7 s 3 are each  
28 amended to read as follows:

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

33 (2) EARLY RETIREMENT. Any member who has completed at least  
34 twenty service credit years and has attained age fifty-five shall be  
35 eligible to retire and to receive a retirement allowance computed  
36 according to the provisions of RCW 41.35.400, except that a member  
37 retiring pursuant to this subsection shall have the retirement  
38 allowance actuarially reduced to reflect the difference in the number

1 of years between age at retirement and the attainment of age sixty-  
2 five.

3 (3) ALTERNATE EARLY RETIREMENT.

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

11 (b) (i) On or after September 1, 2008, any member who has  
12 completed at least thirty service credit years and has attained age  
13 fifty-five shall be eligible to retire and to receive a retirement  
14 allowance computed according to the provisions of RCW 41.35.400,  
15 except that a member retiring pursuant to this subsection shall have  
16 the retirement allowance reduced as follows:

17	Retirement	Percent
18	Age	Reduction
19	55	20%
20	56	17%
21	57	14%
22	58	11%
23	59	8%
24	60	5%
25	61	2%
26	62	0%
27	63	0%
28	64	0%

29 ~~((Any member who retires under the provisions of this subsection~~  
30 ~~is ineligible for the postretirement employment provisions of RCW~~  
31 ~~41.35.060(2) until the retired member has reached sixty-five years of~~  
32 ~~age. For purposes of this subsection, employment with an employer~~  
33 ~~also includes any personal service contract, service by an employer~~  
34 ~~as a temporary or project employee, or any other similar compensated~~  
35 ~~relationship with any employer included under the provisions of RCW~~  
36 ~~41.35.230(1)).~~

1       ~~The subsidized reductions for alternate early retirement in this~~  
2 ~~subsection as set forth in section 6, chapter 491, Laws of 2007 were~~  
3 ~~intended by the legislature as replacement benefits for gain-sharing.~~  
4 ~~Until there is legal certainty with respect to the repeal of chapter~~  
5 ~~41.31A RCW, the right to retire under this subsection is~~  
6 ~~noncontractual, and the legislature reserves the right to amend or~~  
7 ~~repeal this subsection. Legal certainty includes, but is not limited~~  
8 ~~to, the expiration of any: Applicable limitations on actions; and~~  
9 ~~periods of time for seeking appellate review, up to and including~~  
10 ~~reconsideration by the Washington supreme court and the supreme court~~  
11 ~~of the United States. Until that time, eligible members may still~~  
12 ~~retire under this subsection, and upon receipt of the first~~  
13 ~~installment of a retirement allowance computed under this subsection,~~  
14 ~~the resulting benefit becomes contractual for the recipient. If the~~  
15 ~~repeal of chapter 41.31A RCW is held to be invalid in a final~~  
16 ~~determination of a court of law, and the court orders reinstatement~~  
17 ~~of gain-sharing or other alternate benefits as a remedy, then~~  
18 ~~retirement benefits for any member who has completed at least thirty~~  
19 ~~service credit years and has attained age fifty-five but has not yet~~  
20 ~~received the first installment of a retirement allowance under this~~  
21 ~~subsection shall be computed using the reductions in (a) of this~~  
22 ~~subsection-.)~~ (ii) Any member who retired on or after September 1,  
23 2008, and chose the three percent per year reduction provided under  
24 (a) of this subsection shall have a retirement allowance recalculated  
25 under the reductions of (b) (i) of this subsection for benefit  
26 payments made on or after the effective date of this section.

27       (c) Members who first become employed by an employer in an  
28 eligible position on or after May 1, 2013, are not eligible for the  
29 alternate early retirement provisions of (a) or (b) of this  
30 subsection. Any member who first becomes employed by an employer in  
31 an eligible position on or after May 1, 2013, and has completed at  
32 least thirty service credit years and has attained age fifty-five  
33 shall be eligible to retire and to receive a retirement allowance  
34 computed according to the provisions of RCW 41.35.400, except that a  
35 member retiring pursuant to this subsection shall have the retirement  
36 allowance reduced by five percent per year to reflect the difference  
37 in the number of years between age at retirement and the attainment  
38 of age sixty-five.

1       **Sec. 8.**    RCW 41.35.680 and 2012 1st sp.s. c 7 s 4 are each  
2 amended to read 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  
25 provisions of RCW 41.35.620, except that a member retiring pursuant  
26 to this subsection shall have the retirement allowance reduced by  
27 three percent per year to reflect the difference in the number of  
28 years between age at retirement and the attainment of age sixty-five.

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

Retirement Age	Percent Reduction
55	20%
56	17%

1	57	14%
2	58	11%
3	59	8%
4	60	5%
5	61	2%
6	62	0%
7	63	0%
8	64	0%

9       ~~(Any member who retires under the provisions of this subsection~~  
10 ~~is ineligible for the postretirement employment provisions of RCW~~  
11 ~~41.35.060(2) until the retired member has reached sixty-five years of~~  
12 ~~age. For purposes of this subsection, employment with an employer~~  
13 ~~also includes any personal service contract, service by an employer~~  
14 ~~as a temporary or project employee, or any other similar compensated~~  
15 ~~relationship with any employer included under the provisions of RCW~~  
16 ~~41.35.230(1)).~~

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

1 ~~subsection.)~~) (ii) Any member who retired on or after September 1,  
2 2008, and chose the three percent per year reduction provided under  
3 (a) of this subsection shall have a retirement allowance recalculated  
4 under the reductions of (b)(i) of this subsection for benefit  
5 payments made on or after the effective date of this section.

6 (c) Members who first become employed by an employer in an  
7 eligible position on or after May 1, 2013, are not eligible for the  
8 alternate early retirement provisions of (a) or (b) of this  
9 subsection. Any member who first becomes employed by an employer in  
10 an eligible position on or after May 1, 2013, and has completed at  
11 least thirty service credit years and has attained age fifty-five  
12 shall be eligible to retire and to receive a retirement allowance  
13 computed according to the provisions of RCW 41.35.620, except that a  
14 member retiring pursuant to this subsection shall have the retirement  
15 allowance reduced by five percent per year to reflect the difference  
16 in the number of years between age at retirement and the attainment  
17 of age sixty-five.

18 **Sec. 9.** RCW 41.40.630 and 2012 1st sp.s. c 7 s 5 are each  
19 amended to read as follows:

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

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

32 (3) ALTERNATE EARLY RETIREMENT.

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



1 (b) (i) 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:

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

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

27 ~~The subsidized reductions for alternate early retirement in this~~  
28 ~~subsection as set forth in section 9, chapter 491, Laws of 2007 were~~  
29 ~~intended by the legislature as replacement benefits for gain-sharing.~~  
30 ~~Until there is legal certainty with respect to the repeal of chapter~~  
31 ~~41.31A RCW, the right to retire under this subsection is~~  
32 ~~noncontractual, and the legislature reserves the right to amend or~~  
33 ~~repeal this subsection. Legal certainty includes, but is not limited~~  
34 ~~to, the expiration of any: Applicable limitations on actions; and~~  
35 ~~periods of time for seeking appellate review, up to and including~~  
36 ~~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~~  
7 ~~of gain-sharing or other alternate benefits as a remedy, then~~  
8 ~~retirement benefits for any member who has completed at least thirty~~  
9 ~~service credit years and has attained age fifty-five but has not yet~~  
10 ~~received the first installment of a retirement allowance under this~~  
11 ~~subsection shall be computed using the reductions in (a) of this~~  
12 ~~subsection.)~~ (ii) Any member who retired on or after September 1,  
13 2008, and chose the three percent per year reduction provided under  
14 (a) of this subsection shall have a retirement allowance recalculated  
15 under the reductions of (b) (i) of this subsection for benefit  
16 payments made on or after the effective date of this section.

17 (c) Members who first become employed by an employer in an  
18 eligible position on or after May 1, 2013, are not eligible for the  
19 alternate early retirement provisions of (a) or (b) of this  
20 subsection. Any member who first becomes employed by an employer in  
21 an eligible position on or after May 1, 2013, and has completed at  
22 least thirty service credit years and has attained age fifty-five  
23 shall be eligible to retire and to receive a retirement allowance  
24 computed according to the provisions of RCW 41.40.620, except that a  
25 member retiring pursuant to this subsection shall have the retirement  
26 allowance reduced by five percent per year to reflect the difference  
27 in the number of years between age at retirement and the attainment  
28 of age sixty-five.

29 **Sec. 10.** RCW 41.40.820 and 2012 1st sp.s. c 7 s 6 are each  
30 amended to read as follows:

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

33 (a) Completed ten service credit years; or

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

36 (c) Completed five service credit years by the transfer payment  
37 date specified in RCW 41.40.795, under the public employees'  
38 retirement system plan 2 and who transferred to plan 3 under RCW  
39 41.40.795;

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

3 (2) EARLY RETIREMENT. Any member who has attained at least age  
4 fifty-five and has completed at least ten years of service shall be  
5 eligible to retire and to receive a retirement allowance computed  
6 according to the provisions of RCW 41.40.790, except that a member  
7 retiring pursuant to this subsection shall have the retirement  
8 allowance actuarially reduced to reflect the difference in the number  
9 of years between age at retirement and the attainment of age sixty-  
10 five.

11 (3) ALTERNATE EARLY RETIREMENT.

12 (a) Any member who has completed at least thirty service credit  
13 years and has attained age fifty-five shall be eligible to retire and  
14 to receive a retirement allowance computed according to the  
15 provisions of RCW 41.40.790, except that a member retiring pursuant  
16 to this subsection shall have the retirement allowance reduced by  
17 three percent per year to reflect the difference in the number of  
18 years between age at retirement and the attainment of age sixty-five.

19 (b) (i) On or after July 1, 2008, any member who has completed at  
20 least thirty service credit years and has attained age fifty-five  
21 shall be eligible to retire and to receive a retirement allowance  
22 computed according to the provisions of RCW 41.40.790, except that a  
23 member retiring pursuant to this subsection shall have the retirement  
24 allowance reduced as follows:

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

1       (~~Any member who retires under the provisions of this subsection~~  
2 ~~is ineligible for the postretirement employment provisions of RCW~~  
3 ~~41.40.037(2)(d) until the retired member has reached sixty-five years~~  
4 ~~of age. For purposes of this subsection, employment with an employer~~  
5 ~~also includes any personal service contract, service by an employer~~  
6 ~~as a temporary or project employee, or any other similar compensated~~  
7 ~~relationship with any employer included under the provisions of RCW~~  
8 ~~41.40.850(1).~~

9       ~~The subsidized reductions for alternate early retirement in this~~  
10 ~~subsection as set forth in section 10, chapter 491, Laws of 2007 were~~  
11 ~~intended by the legislature as replacement benefits for gain-sharing.~~  
12 ~~Until there is legal certainty with respect to the repeal of chapter~~  
13 ~~41.31A RCW, the right to retire under this subsection is~~  
14 ~~noncontractual, and the legislature reserves the right to amend or~~  
15 ~~repeal this subsection. Legal certainty includes, but is not limited~~  
16 ~~to, the expiration of any: Applicable limitations on actions; and~~  
17 ~~periods of time for seeking appellate review, up to and including~~  
18 ~~reconsideration by the Washington supreme court and the supreme court~~  
19 ~~of the United States. Until that time, eligible members may still~~  
20 ~~retire under this subsection, and upon receipt of the first~~  
21 ~~installment of a retirement allowance computed under this subsection,~~  
22 ~~the resulting benefit becomes contractual for the recipient. If the~~  
23 ~~repeal of chapter 41.31A RCW is held to be invalid in a final~~  
24 ~~determination of a court of law, and the court orders reinstatement~~  
25 ~~of gain-sharing or other alternate benefits as a remedy, then~~  
26 ~~retirement benefits for any member who has completed at least thirty~~  
27 ~~service credit years and has attained age fifty-five but has not yet~~  
28 ~~received the first installment of a retirement allowance under this~~  
29 ~~subsection shall be computed using the reductions in (a) of this~~  
30 ~~subsection-.)~~ (ii) Any member who retired on or after September 1,  
31 2008, and chose the three percent per year reduction provided under  
32 (a) of this subsection shall have a retirement allowance recalculated  
33 under the reductions of (b)(i) of this subsection for benefit  
34 payments made on or after the effective date of this section.

35       (c) Members who first become employed by an employer in an  
36 eligible position on or after May 1, 2013, are not eligible for the  
37 alternate early retirement provisions of (a) or (b) of this  
38 subsection. Any member who first becomes employed by an employer in  
39 an eligible position on or after May 1, 2013, and has completed at

1 least thirty service credit years and has attained age fifty-five  
2 shall be eligible to retire and to receive a retirement allowance  
3 computed according to the provisions of RCW 41.40.790, except that a  
4 member retiring pursuant to this subsection shall have the retirement  
5 allowance reduced by five percent per year to reflect the difference  
6 in the number of years between age at retirement and the attainment  
7 of age sixty-five.

8 NEW SECTION. **Sec. 11.** This act takes effect January 1, 2024.

Passed by the House February 6, 2023.  
Passed by the Senate April 20, 2023.  
Approved by the Governor May 11, 2023.  
Filed in Office of Secretary of State May 11, 2023.

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