

CERTIFICATION OF ENROLLMENT  
ENGROSSED SUBSTITUTE HOUSE BILL 2947

52nd Legislature  
1992 Regular Session

Passed by the House March 6, 1992  
Yeas 85 Nays 12

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**Speaker of the  
House of Representatives**

Passed by the Senate March 11, 1992  
Yeas 40 Nays 7

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is ENGROSSED SUBSTITUTE HOUSE BILL 2947 as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE HOUSE BILL 2947

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Passed Legislature - 1992 Regular Session

State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Locke, Ferguson, Belcher, Miller, Peery, Hine, Fraser, Dellwo, Winsley, Paris, Edmondson, D. Sommers, Bowman, Basich, Van Luven, Jones, Forner, Neher, Scott, Haugen, Rayburn, Ludwig, Sheldon, O'Brien and Anderson)

Read first time 02/11/92.

1 AN ACT Relating to early retirement under the public employees' and  
2 teachers' retirement systems; amending RCW 28A.400.210; creating new  
3 sections; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** In addition to members who are eligible  
6 to retire under RCW 41.40.180, any member of the public employees'  
7 retirement system plan I who meets the following criteria may retire on  
8 written notification to the member's employer and written application  
9 to the director no later than June 15, 1992, setting forth that the  
10 member will be retired no later than August 31, 1992:

11 (1) The member is employed by an employer in an eligible position  
12 on the effective date of this act; and

13 (2) The member has: (a) Attained the age of fifty-five years and  
14 completed five service credit years of service; (b) completed twenty-

1 five service credit years of service; or (c) attained the age of fifty  
2 years and completed twenty service credit years of service.

3 NEW SECTION. **Sec. 2.** Section 1 of this act is added to  
4 chapter 41.40 RCW, but because of its temporary nature, shall not be  
5 codified.

6 NEW SECTION. **Sec. 3.** In addition to members who are eligible  
7 to retire under RCW 41.32.480, any member of the teachers' retirement  
8 system plan I who meets the following criteria may retire on written  
9 notification to the member's employer and written application to the  
10 director no later than June 15, 1992, setting forth that the member  
11 will be retired no later than August 31, 1992:

12 (1) The member is employed by an employer on the effective date of  
13 this act and is not a substitute teacher; and

14 (2) The member has: (a) Attained the age of fifty-five years and  
15 completed five service credit years of service; (b) completed twenty-  
16 five service credit years of service; or (c) attained the age of fifty  
17 years and completed twenty service credit years of service.

18 NEW SECTION. **Sec. 4.** Section 3 of this act is added to  
19 chapter 41.32 RCW, but because of its temporary nature, shall not be  
20 codified.

21 NEW SECTION. **Sec. 5.** The office of the state actuary shall  
22 study the actual utilization of the early retirement offered by this  
23 act, the replacement of persons who utilized the early retirement, and  
24 the fiscal and programmatic impact of early retirement on the state,  
25 local governments, and school districts. The office of financial  
26 management and the office of the superintendent of public instruction

1 shall provide technical assistance and information to the office of the  
2 state actuary for the study required in this section. The study shall  
3 be submitted to the joint committee on pension policy and the fiscal  
4 committees of the legislature by December 31, 1993.

5 NEW SECTION. **Sec. 6.** In order to ensure that the state  
6 derives the expected benefits from the early retirement provisions of  
7 this act, no state agency may engage through personal service contracts  
8 persons who retire from state service under the provisions of this act.  
9 Exceptions to this section may be granted by written approval from the  
10 director of the office of financial management if the director finds  
11 that the proposed contract is necessary to protect the public safety,  
12 protect against the loss of federal certification or loss of critical  
13 federal funds, or carry out functions so essential to the agency that  
14 even temporary suspension or delay of services would have a significant  
15 negative impact on the public. At the end of each three-month period  
16 in which exceptions are approved, the director shall forward a copy of  
17 any approvals, together with justification for the exceptions, to the  
18 fiscal committees of the legislature. Each forwarded approval shall  
19 include the name of the proposed contractor, the agency and division or  
20 department requesting the contract, duration and cost of the proposed  
21 contract, and specific functions and duties to be carried out under the  
22 contract. This section shall expire June 30, 1995.

23 NEW SECTION. **Sec. 7.** Section 6 of this act is added to  
24 chapter 39.29 RCW, but because of its temporary nature, shall not be  
25 codified.

26 NEW SECTION. **Sec. 8.** In order to ensure that the state  
27 derives the expected benefits from the early retirement provisions of

1 this act, no board of directors of a school district or educational  
2 service district may engage through personal service contracts persons  
3 who retire from state service under the provisions of this act.  
4 Exceptions to this section may be granted by written approval from the  
5 superintendent of public instruction if the superintendent finds that  
6 the proposed contract is necessary to protect student safety, protect  
7 against the loss of school district certification or loss of federal  
8 funds, or carry out functions so essential to the district that even  
9 temporary suspension or delay of services would have a significant  
10 negative impact on students. At the end of each three-month period in  
11 which exceptions are approved, the superintendent shall forward a copy  
12 of any approvals, together with justification for the exceptions, to  
13 the office of financial management and the fiscal committees of the  
14 legislature. Each forwarded approval shall include the name of the  
15 proposed contractor, the district requesting the contract, duration and  
16 cost of the proposed contract, and specific functions and duties to be  
17 carried out under the contract. This section shall expire August 31,  
18 1995.

19 NEW SECTION. **Sec. 9.** Section 8 of this act is added to  
20 chapter 28A.400 RCW, but because of its temporary nature, shall not be  
21 codified.

22 NEW SECTION. **Sec. 10.** The department of personnel, through the  
23 combined benefits communication project, shall prepare information  
24 encouraging individual financial planning for retirement and describing  
25 the potential consequences of early retirement, including members'  
26 assumption of health insurance costs, members' receipt of reduced  
27 retirement benefits, and the increased period of time before members  
28 will become eligible for cost-of-living adjustments. The department of

1 retirement systems shall distribute the information to members who are  
2 eligible to retire under the provisions of this act. Prior to  
3 retiring, such members who elect to retire shall sign a statement  
4 acknowledging their receipt and understanding of the information.

5 NEW SECTION. **Sec. 11.** In order to ensure that the state  
6 derives the expected benefits from the early retirement provisions of  
7 this act, no state agency may hire persons who retire from state  
8 service under the provisions of this act as temporary or project  
9 employees, as defined by the state personnel board for employees  
10 covered under chapter 41.06 RCW and by the higher education personnel  
11 board for employees covered under chapter 28B.16 RCW. Exceptions to  
12 this section may be granted by written approval from the director of  
13 the office of financial management if the director finds that the  
14 temporary or project employment of a retiree is necessary to protect  
15 the public safety, protect against the loss of federal certification or  
16 loss of critical federal funds, or carry out functions so essential to  
17 the agency that even temporary suspension or delay of services would  
18 have a significant negative impact on the public. At the end of each  
19 three-month period in which exceptions are approved, the director shall  
20 forward a copy of any approvals, together with justification for the  
21 exceptions, to the fiscal committees of the legislature. Each  
22 forwarded approval shall include the name of the temporary or project  
23 employee, the agency and division or department requesting the  
24 employment, duration and cost of the proposed employment, and specific  
25 functions and duties to be carried out during the employment. This  
26 section shall expire June 30, 1995.

27 **Sec. 12.** RCW 28A.400.210 and 1991 c 92 s 2 are each amended to  
28 read as follows:

1 Every school district board of directors may, in accordance with  
2 chapters 41.56 and 41.59 RCW, establish an attendance incentive program  
3 for all certificated and noncertificated employees in the following  
4 manner, including covering persons who were employed during the  
5 1982-'83 school year:

6 (1) In January of the year following any year in which a minimum of  
7 sixty days of leave for illness or injury is accrued, and each January  
8 thereafter, any eligible employee may exercise an option to receive  
9 remuneration for unused leave for illness or injury accumulated in the  
10 previous year at a rate equal to one day's monetary compensation of the  
11 employee for each four full days of accrued leave for illness or injury  
12 in excess of sixty days. Leave for illness or injury for which  
13 compensation has been received shall be deducted from accrued leave for  
14 illness or injury at the rate of four days for every one day's monetary  
15 compensation. No employee may receive compensation under this section  
16 for any portion of leave for illness or injury accumulated at a rate in  
17 excess of one day per month.

18 (2) Except as provided in section 13 of this act, at the time of  
19 separation from school district employment due to retirement or death  
20 an eligible employee or the employee's estate shall receive  
21 remuneration at a rate equal to one day's current monetary compensation  
22 of the employee for each four full days accrued leave for illness or  
23 injury.

24 (3) In lieu of remuneration for unused leave for illness or injury  
25 as provided in subsections (1) and (2) of this section, a school  
26 district board of directors may, with equivalent funds, provide  
27 eligible employees a benefit plan that provides reimbursement for  
28 medical expenses. Any benefit plan adopted after July 28, 1991, shall  
29 require, as a condition of participation under the plan, that the  
30 employee sign an agreement with the district to hold the district

1 harmless should the United States government find that the district or  
2 the employee is in debt to the United States as a result of the  
3 employee not paying income taxes due on the equivalent funds placed  
4 into the plan, or as a result of the district not withholding or  
5 deducting any tax, assessment, or other payment on such funds as  
6 required under federal law.

7 Moneys or benefits received under this section shall not be  
8 included for the purposes of computing a retirement allowance under any  
9 public retirement system in this state.

10 The superintendent of public instruction in its administration  
11 hereof, shall promulgate uniform rules and regulations to carry out the  
12 purposes of this section.

13 Should the legislature revoke any benefits granted under this  
14 section, no affected employee shall be entitled thereafter to receive  
15 such benefits as a matter of contractual right.

16 NEW SECTION. **Sec. 13.** An employee of a school district that  
17 has established an attendance incentive program under RCW 28A.400.210  
18 who retires under section 1 or 3 of this act shall receive, at the time  
19 of his or her separation from school district employment, not less than  
20 one-half of the remuneration for accrued leave for illness or injury  
21 payable to him or her under the district's incentive program. The  
22 school district board of directors may, at its discretion, pay the  
23 remainder of such an employee's remuneration for accrued leave for  
24 illness or injury after the time of the employee's separation from  
25 school district employment, but the employee or the employee's estate  
26 is entitled to receive the remainder of the remuneration no later than  
27 the date the employee would have been eligible to retire under the  
28 provisions of RCW 41.40.180 or 41.32.480 had the employee continued to  
29 work for the district until eligible to retire, or three years



1 following the date of the employee's separation from school district  
2 employment, whichever occurs first. A district exercising its  
3 discretion under this section to pay the remainder of the remuneration  
4 after the time of the employee's separation from school district  
5 employment shall establish a policy and procedure for paying the  
6 remaining remuneration that applies to all affected employees equally  
7 and without discrimination. Any remuneration paid shall be based on  
8 the number of days of leave the employee had accrued and the  
9 compensation the employee received at the time he or she retired under  
10 section 1 or 3 of this act.

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