
HOUSE BILL 2122

State of Washington

53rd Legislature

1993 Regular Session

By Representatives Linville, Locke, Peery, Lemmon, Dellwo and Anderson;
by request of Office of Financial Management

Read first time 4/02/93. Referred to Committee on APPROPRIATIONS.

1 AN ACT Relating to early retirement under the public employees' and
2 teachers' retirement systems; amending RCW 43.01.170 and 28A.400.212;
3 creating new sections; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** (1) Subject to subsection (2) of this
6 section, in addition to members eligible to retire under RCW 41.40.180,
7 any member of the public employees' retirement system plan I who meets
8 the following criteria may retire after providing written notification
9 to the member's employer and submitting the required application to
10 the director on a form provided by the department:

11 (a) The member is employed by an employer in an eligible position
12 on March 1, 1993; and

13 (b) The member has: (i) Attained the age of fifty-five years and
14 completed five service credit years of service; (ii) completed twenty-
15 five service credit years of service; or (iii) attained the age of
16 fifty years and completed twenty service credit years of service.

17 (2) A member who wishes to apply for retirement under subsection
18 (1) of this section who is employed by a school district must submit
19 the required notification and application form no later than July 1,

1 1993, setting forth that the member shall be retired no later than
2 August 31, 1993. A member employed by any employer other than a school
3 district must submit the required notification and application no later
4 than August 31, 1993, setting forth that the member shall be retired no
5 later than December 31, 1993.

6 NEW SECTION. **Sec. 2.** Section 1 of this act is added to chapter
7 41.40 RCW, but because of its temporary nature, shall not be codified.

8 NEW SECTION. **Sec. 3.** (1) Subject to subsection (2) of this
9 section, in addition to members eligible to retire under RCW 41.32.480,
10 any member of the teachers' retirement system plan I who meets the
11 following criteria may retire after providing written notification to
12 the member's employer and submitting the required application to the
13 director on a form provided by the department:

14 (a) The member is employed by an employer on March 1, 1993, and is
15 not a substitute teacher; and

16 (b) The member has: (i) Attained the age of fifty-five years and
17 completed five service credit years of service; (ii) completed twenty-
18 five service credit years of service; or (iii) attained the age of
19 fifty years and completed twenty service credit years of service.

20 (2) A member who wishes to apply for retirement under subsection
21 (1) of this section must submit the required notification and
22 application form no later than July 1, 1993, setting forth that the
23 member shall be retired no later than August 31, 1993.

24 NEW SECTION. **Sec. 4.** Section 3 of this act is added to chapter
25 41.32 RCW, but because of its temporary nature, shall not be codified.

26 NEW SECTION. **Sec. 5.** The office of the state actuary shall study
27 the actual utilization of the early retirement offered by this act, the
28 replacement of persons who utilized the early retirement, and the
29 fiscal and programmatic impact of early retirement on the state, local
30 governments, and school districts. The office of financial management
31 and the office of the superintendent of public instruction shall
32 provide technical assistance and information to the office of the state
33 actuary for the study required in this section. An initial report on
34 the study shall be submitted to the joint committee on pension policy
35 and the fiscal committees of the legislature by December 31, 1993, and

1 the final report on the study shall be submitted to the same committees
2 by October 1, 1994.

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

21 NEW SECTION. **Sec. 7.** Section 6 of this act is added to chapter
22 39.29 RCW, but because of its temporary nature, shall not be codified.

23 NEW SECTION. **Sec. 8.** In order to ensure that the state derives
24 the expected benefits from the early retirement provisions of this act,
25 no board of directors of a school district or educational service
26 district may engage through personal service contracts persons who
27 retire from service under the provisions of this act. Exceptions to
28 this section may be granted by written approval from the superintendent
29 of public instruction if the superintendent finds that the proposed
30 contract is necessary to protect student safety, protect against the
31 loss of school district certification or loss of federal funds, or
32 carry out functions so essential to the district that even temporary
33 suspension or delay of services would have a significant negative
34 impact on students. At the end of each three-month period in which
35 exceptions are approved, the superintendent shall forward a copy of any
36 approvals, together with justification for the exceptions, to the

1 office of financial management and the fiscal committees of the
2 legislature. Each forwarded approval shall include the name of the
3 proposed contractor, the district requesting the contract, duration and
4 cost of the proposed contract, and specific functions and duties to be
5 carried out under the contract. This section shall expire August 31,
6 1995.

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

10 **Sec. 10.** RCW 43.01.170 and 1992 c 234 s 11 are each amended to
11 read as follows:

12 In order to ensure that the state derives the expected benefits
13 from the early retirement provisions of chapter 234, Laws of 1992, and
14 chapter . . . , Laws of 1993 (this act), no state agency may hire
15 persons who retire from ((state)) service under the provisions of
16 chapter 234, Laws of 1992, or chapter . . . , Laws of 1993 (this act),
17 as temporary or project employees, as defined by the state personnel
18 board for employees covered under chapter 41.06 RCW ((and)), by the
19 higher education personnel board for employees covered under chapter
20 28B.16 RCW, and by the employer for persons not covered under chapter
21 28B.16 RCW who are employed by institutions of higher education or
22 community or technical colleges. Exceptions to this section may be
23 granted by written approval from the director of the office of
24 financial management if the director finds that the temporary or
25 project employment of a retiree is necessary to protect the public
26 safety, protect against the loss of federal certification or loss of
27 critical federal funds, or carry out functions so essential to the
28 agency that even temporary suspension or delay of services would have
29 a significant negative impact on the public. At the end of each three-
30 month period in which exceptions are approved, the director shall
31 forward a copy of any approvals, together with justification for the
32 exceptions, to the fiscal committees of the legislature. Each
33 forwarded approval shall include the name of the temporary or project
34 employee, the agency and division or department requesting the
35 employment, duration and cost of the proposed employment, and specific
36 functions and duties to be carried out during the employment. This
37 section shall expire June 30, 1995.

1 **Sec. 11.** RCW 28A.400.212 and 1992 c 234 s 13 are each amended to
2 read as follows:

3 An employee of a school district that has established an attendance
4 incentive program under RCW 28A.400.210 who retires under section 1 or
5 3, chapter 234, Laws of 1992, or section 1 or 3 of this act shall
6 receive, at the time of his or her separation from school district
7 employment, not less than one-half of the remuneration for accrued
8 leave for illness or injury payable to him or her under the district's
9 incentive program. The school district board of directors may, at its
10 discretion, pay the remainder of such an employee's remuneration for
11 accrued leave for illness or injury after the time of the employee's
12 separation from school district employment, but the employee or the
13 employee's estate is entitled to receive the remainder of the
14 remuneration no later than the date the employee would have been
15 eligible to retire under the provisions of RCW 41.40.180 or 41.32.480
16 had the employee continued to work for the district until eligible to
17 retire, or three years following the date of the employee's separation
18 from school district employment, whichever occurs first. A district
19 exercising its discretion under this section to pay the remainder of
20 the remuneration after the time of the employee's separation from
21 school district employment shall establish a policy and procedure for
22 paying the remaining remuneration that applies to all affected
23 employees equally and without discrimination. Any remuneration paid
24 shall be based on the number of days of leave the employee had accrued
25 and the compensation the employee received at the time he or she
26 retired under section 1 or 3, chapter 234, Laws of 1992, or section 1
27 or 3 of this act.

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

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