
HOUSE BILL 2180

State of Washington

58th Legislature

2003 Regular Session

By Representatives Romero, Hunt, Sommers, Armstrong, Conway, Kessler, Kenney, Rockefeller and McDermott

Read first time 02/28/2003. Referred to Committee on Appropriations.

1 AN ACT Relating to early retirement; reenacting and amending RCW
2 41.45.061; and adding new sections to chapter 41.40 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.40 RCW
5 under the subchapter heading "plan 1" to read as follows:

6 (1) Any member retiring between September 1, 2003, and February 29,
7 2004, may irrevocably elect, at the time of retirement, to withdraw all
8 or a part of his or her accumulated contributions, other than any
9 amount paid under RCW 41.50.165, and to receive, in lieu of the full
10 retirement allowance provided by RCW 41.40.185, a reduction in the
11 standard two percent allowance, of the actuarially determined amount of
12 monthly annuity which would have been purchased by the contributions.

13 (2) No member electing the option provided in subsection (1) of
14 this section may withdraw an amount of accumulated contributions which
15 would lower his or her retirement allowance below the minimum allowance
16 provided by RCW 41.40.1984 on the date the withdrawal is made.

17 (3) The monthly retirement allowance of a member electing the
18 option provided in subsection (1) of this section may be reduced even
19 further pursuant to the options provided in RCW 41.40.188.

1 (4) If a retiree under this section enters employment with an
2 employer, the retiree's monthly retirement allowance will be reduced by
3 five and one-half percent for every eight hours worked during that
4 month up to a maximum reduction of one hundred percent.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.40 RCW
6 under the subchapter heading "plan 2" to read as follows:

7 (1) Any member with at least five service credit years who has
8 attained at least age sixty shall be eligible to retire between
9 September 1, 2003, and February 29, 2004, and to receive a retirement
10 allowance computed according to RCW 41.40.620, except that a member
11 retiring under this section shall have his or her retirement allowance
12 reduced by three percent per year to reflect the difference in the
13 number of years between age at retirement and the attainment of age
14 sixty-five.

15 (2) The monthly retirement allowance of a member retiring under
16 this section may be reduced even further as provided in RCW 41.40.660.

17 (3) If a retiree under this section enters employment with an
18 employer, the retiree's monthly retirement allowance will be reduced by
19 five and one-half percent for every eight hours worked during that
20 month up to a maximum reduction of one hundred percent.

21 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.40 RCW
22 under the subchapter heading "plan 3" to read as follows:

23 (1) Any member with at least five service credit years who has
24 attained at least age sixty shall be eligible to retire between
25 September 1, 2003, and February 29, 2004, and to receive a retirement
26 allowance computed according to RCW 41.40.790, except that a member
27 retiring under this section shall have his or her retirement allowance
28 reduced by three percent per year to reflect the difference in the
29 number of years between age at retirement and the attainment of age
30 sixty-five.

31 (2) The monthly retirement allowance of a member retiring under
32 this section may be reduced even further as provided in RCW 41.40.845.

33 (3) If a retiree under this section enters employment with an
34 employer, the retiree's monthly retirement allowance will be reduced by
35 five and one-half percent for every eight hours worked during that
36 month up to a maximum reduction of one hundred percent.

1 **Sec. 4.** RCW 41.45.061 and 2001 2nd sp.s. c 11 s 13, 2001 2nd sp.s.
2 c 11 s 12, and 2001 c 180 s 1 are each reenacted and amended to read as
3 follows:

4 (1) The required contribution rate for members of the plan 2
5 teachers' retirement system shall be fixed at the rates in effect on
6 July 1, 1996, subject to the following:

7 (a) Beginning September 1, 1997, except as provided in (b) of this
8 subsection, the employee contribution rate shall not exceed the
9 employer plan 2 and 3 rates adopted under RCW 41.45.060, 41.45.053, and
10 41.45.070 for the teachers' retirement system;

11 (b) In addition, the employee contribution rate for plan 2 shall be
12 increased by fifty percent of the contribution rate increase caused by
13 any plan 2 benefit increase passed after July 1, 1996;

14 (c) In addition, the employee contribution rate for plan 2 shall
15 not be increased as a result of any distributions pursuant to section
16 309, chapter 341, Laws of 1998 and RCW 41.31A.020.

17 (2) The required contribution rate for members of the school
18 employees' retirement system plan 2 shall equal the school employees'
19 retirement system employer plan 2 and 3 contribution rate adopted under
20 RCW 41.45.060, 41.45.053, and 41.45.070, except as provided in
21 subsection (3) of this section.

22 (3) The member contribution rate for the school employees'
23 retirement system plan 2 shall be increased by fifty percent of the
24 contribution rate increase caused by any plan 2 benefit increase passed
25 after September 1, 2000.

26 (4) The required contribution rate for members of the public
27 employees' retirement system plan 2 shall be set at the same rate as
28 the employer combined plan 2 and plan 3 rate.

29 (5) The required contribution rate for members of the law
30 enforcement officers' and fire fighters' retirement system plan 2 shall
31 be set at fifty percent of the cost of the retirement system.

32 (6) The employee contribution rates for plan 2 under subsections
33 (3) and (4) of this section shall not include any increase as a result
34 of any distributions pursuant to RCW 41.31A.020 and 41.31A.030.

35 (7) The required plan 2 and 3 contribution rates for employers
36 shall be adopted in the manner described in RCW 41.45.060, 41.45.053,
37 and 41.45.070.

1 (8) The employee contribution rate for members of the public
2 employees' retirement system plan 2 shall not include any increase as
3 a result of this act.

4 NEW SECTION. Sec. 5. A new section is added to chapter 41.40 RCW
5 to read as follows:

6 (1) The monthly retirement allowance of a person retiring pursuant
7 to this act shall be temporarily increased by ten dollars per month per
8 year of service. This increase shall remain in effect for the first
9 twenty-four months of the person's retirement.

10 (2) Because of the temporary nature of this section it shall not be
11 codified.

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