
HOUSE BILL 1168

State of Washington

64th Legislature

2015 Regular Session

By Representatives Ormsby, Chandler, Sullivan, and Tarleton; by request of Select Committee on Pension Policy

Read first time 01/14/15. Referred to Committee on Appropriations.

1 AN ACT Relating to correcting restrictions on collecting a
2 pension in the public employees' retirement system for retirees
3 returning to work in an ineligible position or a position covered by
4 a different state retirement system; and amending RCW 41.40.037.

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

6 **Sec. 1.** RCW 41.40.037 and 2011 1st sp.s. c 47 s 19 are each
7 amended to read as follows:

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

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

18 (2) A retiree from plan 1, plan 2, or plan 3 who (~~enters~~
19 ~~employment with an employer at least one calendar month after his or~~
20 ~~her accrual date may continue to receive pension payments while~~
21 ~~engaged in such service for~~) has satisfied the break in employment

1 requirement of subsection (1) of this section may work up to eight
2 hundred sixty-seven hours ((of service in a)) per calendar year
3 ((without a reduction of pension. For purposes of this section,
4 employment includes positions covered by annuity and retirement
5 income plans offered by institutions of higher education pursuant to
6 RCW 28B.10.400)) in an eligible position, as defined in RCW
7 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or
8 law enforcement officer, as defined in RCW 41.26.030, or in a
9 position covered by annuity and retirement income plans offered by
10 institutions of higher education pursuant to RCW 28B.10.400, without
11 suspension of his or her benefit.

12 (3) If the retiree opts to reestablish membership under RCW
13 41.40.023(12), he or she terminates his or her retirement status and
14 becomes a member. Retirement benefits shall not accrue during the
15 period of membership and the individual shall make contributions and
16 receive membership credit. Such a member shall have the right to
17 again retire if eligible in accordance with RCW 41.40.180. However,
18 if the right to retire is exercised to become effective before the
19 member has rendered two uninterrupted years of service, the
20 retirement formula and survivor options the member had at the time of
21 the member's previous retirement shall be reinstated.

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

25 (5) The legislature reserves the right to amend or repeal this
26 section in the future and no member or beneficiary has a contractual
27 right to be employed for more than five months in a calendar year
28 without a reduction of his or her pension.

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