

SENATE BILL REPORT

ESHB 1699

As Reported by Senate Committee On:
Ways & Means, February 28, 2022

Title: An act relating to permitting individuals retired from the public employees retirement system, the teachers retirement system, and the school employees retirement system additional opportunities to work for a school district for up to 1,040 hours per school year while in receipt of pension benefits until July 1, 2025.

Brief Description: Permitting individuals retired from the public employees retirement system, the teachers retirement system, and the school employees retirement system additional opportunities to work for a school district for up to 1,040 hours per school year while in receipt of pension benefits until July 1, 2025.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Bergquist, Volz, Ryu, Leavitt, Chase, Robertson, Graham, Springer, Sells, Valdez, Dolan, Paul, Callan, Gilday, Goodman, Taylor, Macri, Ramos, Santos, Pollet, Griffey, Riccelli, Frame and Kloba).

Brief History: Passed House: 2/8/22, 93-3.

Committee Activity: Ways & Means: 2/26/22, 2/28/22 [DPA, DNP, w/oRec].

Brief Summary of Amended Bill

- Allows retirees in certain state retirement system to work in a nonadministrative position for up to 1040 hours per year while continuing to receive retirement benefits, until July 1, 2025.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Billig, Carlyle, Conway, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Mullet,

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Muzzall, Pedersen, Rivers, Van De Wege, Warnick and Wellman.

Minority Report: Do not pass.

Signed by Senators Schoesler, Assistant Ranking Member, Capital; Honeyford, Ranking Minority Member, Capital.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun and Wagoner.

Staff: Amanda Cecil (786-7460)

Background: Retirees of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS) may work up to 867 hours per year in a position covered by any of the state's pension system while receiving a retirement benefit. A retiree that works more than 867 hours is reinstated as an active member and their retirement benefit ceases.

Members of TRS and PERS plans 1 are eligible for retirement after 30 years of service or at age 55 with 25 years of service. Plans 2 and 3 of the PERS, TRS, and SERS have a normal retirement age of 65 and may retire as early as age 55 with a reduced benefit if they meet certain service credit requirements.

Members of PERS 2 and 3 that took a specific early retirement option that allowed for a lower reduction in benefits, called alternate early retirement, are ineligible to continue to receive a pension benefit and to return to work in covered position until they reach age 65, at which point they can work for up to 867 hours per year like other retirees. Prior to 2016 this restriction also applied to retirees of TRS Plans 2 and 3 that took alternate early retirement, when that restriction was temporarily suspended to allow to work for up to 867 hours per year as substitute teachers. This temporary suspension was made permanent in 2019 and it was expanded to cover more positions and retirees of SERS Plan 2 and 3.

Summary of Amended Bill: Until July 1, 2025, all PERS, TRS, and SERS retirees may work for a school district for up to 1040 hours per year in a non-administrative position while continuing to receive a pension benefit.

Also until July 1, 2025, a TRS retiree that retired prior to January 1, 2022, may work up to 1040 hours per year for a school district with less than 2000 students as a District Superintendent or an in-school administrator.

The Legislature reserves the right to amend or repeal these benefits in the future and no member or beneficiary has a contractual right to be employed for more than 867 hours in a year without a reduction of their pension.

EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):

Corrects references from school year to calendar year. Provides that the Legislature's reservation of rights to amend or repeal this added benefit also applies to provisions allowing certain school administrators to return to work for additional hours while continuing to collect a retirement benefit.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Engrossed Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Schools have been closed and bus routes have been canceled due to staffing shortages. Retired but experienced and highly qualified bus driver, paraeducators, teachers, and other professionals need to be allowed to return to work during this emergency shortage.

Persons Testifying: PRO: Michelle Nims, Washington State PTA.

Persons Signed In To Testify But Not Testifying: No one.