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**HOUSE BILL 1032**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Representatives Harris, Stonier, Dolan, Boehnke, Leavitt, Ortiz-Self, Callan, Riccelli, Santos, and Bergquist

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1 AN ACT Relating to early retirement options for members of the  
2 teachers' retirement system and school employees' retirement system  
3 plans 2 and 3; amending RCW 41.32.765, 41.32.875, 41.35.420, and  
4 41.35.680; creating a new section; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature intends to provide an  
7 enhanced retirement benefit for members of the teachers' retirement  
8 system and school employees' retirement system plans 2 and 3 during  
9 the extraordinary COVID-19 global pandemic. Enhanced retirement  
10 provisions under this act are only in effect while the governor's  
11 emergency COVID-19 proclamations 20.05 and 20.09 are in effect. No  
12 members of the teachers' retirement system or school employees'  
13 retirement system plans 2 and 3 are eligible to apply for retirement  
14 under this act after the governor's emergency COVID-19 proclamations  
15 20.05 and 20.09 are rescinded.

16 **Sec. 2.** RCW 41.32.765 and 2012 1st sp.s. c 7 s 1 are each  
17 amended to read as follows:

18 (1) NORMAL RETIREMENT. Any member with at least five service  
19 credit years of service who has attained at least age sixty-five

1 shall be eligible to retire and to receive a retirement allowance  
2 computed according to the provisions of RCW 41.32.760.

3 (2) EARLY RETIREMENT. Any member who has completed at least  
4 twenty service credit years of service who has attained at least age  
5 fifty-five shall be eligible to retire and to receive a retirement  
6 allowance computed according to the provisions of RCW 41.32.760,  
7 except that a member retiring pursuant to this subsection shall have  
8 the retirement allowance actuarially reduced to reflect the  
9 difference in the number of years between age at retirement and the  
10 attainment of age sixty-five. While the governor's emergency COVID-19  
11 proclamations 20.05 and 20.09 are in effect, the annual actuarial  
12 reduction is three percent per year for members over the age of  
13 sixty.

14 (3) ALTERNATE EARLY RETIREMENT.

15 (a) Any member who has completed at least thirty service credit  
16 years and has attained age fifty-five shall be eligible to retire and  
17 to receive a retirement allowance computed according to the  
18 provisions of RCW 41.32.760, except that a member retiring pursuant  
19 to this subsection shall have the retirement allowance reduced by  
20 three percent per year to reflect the difference in the number of  
21 years between age at retirement and the attainment of age sixty-five.

22 (b) (i) On or after September 1, 2008, any member who has  
23 completed at least thirty service credit years and has attained age  
24 fifty-five shall be eligible to retire and to receive a retirement  
25 allowance computed according to the provisions of RCW 41.32.760,  
26 except that a member retiring pursuant to this subsection shall have  
27 the retirement allowance reduced as follows:

Retirement Age	Percent Reduction
55	20%
56	17%
57	14%
58	11%
59	8%
60	5%
61	2%
62	0%



1 to, the expiration of any: Applicable limitations on actions; and  
2 periods of time for seeking appellate review, up to and including  
3 reconsideration by the Washington supreme court and the supreme court  
4 of the United States. Until that time, eligible members may still  
5 retire under this subsection, and upon receipt of the first  
6 installment of a retirement allowance computed under this subsection,  
7 the resulting benefit becomes contractual for the recipient. If the  
8 repeal of chapter 41.31A RCW is held to be invalid in a final  
9 determination of a court of law, and the court orders reinstatement  
10 of gain-sharing or other alternate benefits as a remedy, then  
11 retirement benefits for any member who has completed at least thirty  
12 service credit years and has attained age fifty-five but has not yet  
13 received the first installment of a retirement allowance under this  
14 subsection shall be computed using the reductions in (a) of this  
15 subsection.

16 (c) Members who first become employed by an employer in an  
17 eligible position on or after May 1, 2013, are not eligible for the  
18 alternate early retirement provisions of (a) or (b) of this  
19 subsection. Any member who first becomes employed by an employer in  
20 an eligible position on or after May 1, 2013, and has completed at  
21 least thirty service credit years and has attained age fifty-five  
22 shall be eligible to retire and to receive a retirement allowance  
23 computed according to the provisions of RCW 41.32.760, except that a  
24 member retiring pursuant to this subsection shall have the retirement  
25 allowance reduced by five percent per year to reflect the difference  
26 in the number of years between age at retirement and the attainment  
27 of age sixty-five.

28 **Sec. 3.** RCW 41.32.875 and 2012 1st sp.s. c 7 s 2 are each  
29 amended to read as follows:

30 (1) NORMAL RETIREMENT. Any member who is at least age sixty-five  
31 and who has:

32 (a) Completed ten service credit years; or

33 (b) Completed five service credit years, including twelve service  
34 credit months after attaining age forty-four; or

35 (c) Completed five service credit years by July 1, 1996, under  
36 plan 2 and who transferred to plan 3 under RCW 41.32.817;

37 shall be eligible to retire and to receive a retirement allowance  
38 computed according to the provisions of RCW 41.32.840.

1 (2) EARLY RETIREMENT. Any member who has attained at least age  
2 fifty-five and has completed at least ten years of service shall be  
3 eligible to retire and to receive a retirement allowance computed  
4 according to the provisions of RCW 41.32.840, except that a member  
5 retiring pursuant to this subsection shall have the retirement  
6 allowance actuarially reduced to reflect the difference in the number  
7 of years between age at retirement and the attainment of age sixty-  
8 five. While the governor's emergency COVID-19 proclamations 20.05 and  
9 20.09 are in effect, the annual actuarial reduction is three percent  
10 per year for members over the age of sixty.

11 (3) ALTERNATE EARLY RETIREMENT.

12 (a) Any member who has completed at least thirty service credit  
13 years and has attained age fifty-five shall be eligible to retire and  
14 to receive a retirement allowance computed according to the  
15 provisions of RCW 41.32.840, except that a member retiring pursuant  
16 to this subsection shall have the retirement allowance reduced by  
17 three percent per year to reflect the difference in the number of  
18 years between age at retirement and the attainment of age sixty-five.

19 (b) (i) On or after September 1, 2008, any member who has  
20 completed at least thirty service credit years and has attained age  
21 fifty-five shall be eligible to retire and to receive a retirement  
22 allowance computed according to the provisions of RCW 41.32.840,  
23 except that a member retiring pursuant to this subsection shall have  
24 the retirement allowance reduced as follows:

Retirement	Percent
Age	Reduction
55	20%
56	17%
57	14%
58	11%
59	8%
60	5%
61	2%
62	0%
63	0%
64	0%

1        (ii) While the governor's emergency COVID-19 proclamations 20.05  
 2 and 20.09 are in effect, any member who has completed at least thirty  
 3 service credit years and has attained age fifty-five is eligible to  
 4 retire and to receive a retirement allowance computed according to  
 5 RCW 41.32.840. However, a member retiring under this subsection shall  
 6 have the retirement allowance as follows:

<u>Retirement</u>	<u>Percent</u>
<u>Age</u>	<u>Reduction</u>
<u>55</u>	<u>20%</u>
<u>56</u>	<u>17%</u>
<u>57</u>	<u>14%</u>
<u>58</u>	<u>11%</u>
<u>59</u>	<u>8%</u>
<u>60</u>	<u>0%</u>
<u>61</u>	<u>0%</u>
<u>62</u>	<u>0%</u>
<u>63</u>	<u>0%</u>
<u>64</u>	<u>0%</u>

19        (iii)(A) Any member who retires under the provisions of this  
 20 subsection is ineligible for the postretirement employment provisions  
 21 of RCW 41.32.862(2) until the retired member has reached sixty-five  
 22 years of age. For purposes of this subsection, employment with an  
 23 employer also includes any personal service contract, service by an  
 24 employer as a temporary or project employee, or any other similar  
 25 compensated relationship with any employer included under the  
 26 provisions of RCW 41.32.860(1).

27        (B) The subsidized reductions for alternate early retirement in  
 28 this subsection as set forth in section 4, chapter 491, Laws of 2007  
 29 were intended by the legislature as replacement benefits for gain-  
 30 sharing. Until there is legal certainty with respect to the repeal of  
 31 chapter 41.31A RCW, the right to retire under this subsection is  
 32 noncontractual, and the legislature reserves the right to amend or  
 33 repeal this subsection. Legal certainty includes, but is not limited  
 34 to, the expiration of any: Applicable limitations on actions; and  
 35 periods of time for seeking appellate review, up to and including  
 36 reconsideration by the Washington supreme court and the supreme court

1 of the United States. Until that time, eligible members may still  
2 retire under this subsection, and upon receipt of the first  
3 installment of a retirement allowance computed under this subsection,  
4 the resulting benefit becomes contractual for the recipient. If the  
5 repeal of chapter 41.31A RCW is held to be invalid in a final  
6 determination of a court of law, and the court orders reinstatement  
7 of gain-sharing or other alternate benefits as a remedy, then  
8 retirement benefits for any member who has completed at least thirty  
9 service credit years and has attained age fifty-five but has not yet  
10 received the first installment of a retirement allowance under this  
11 subsection shall be computed using the reductions in (a) of this  
12 subsection.

13 (c) Members who first become employed by an employer in an  
14 eligible position on or after May 1, 2013, are not eligible for the  
15 alternate early retirement provisions of (a) or (b) of this  
16 subsection. Any member who first becomes employed by an employer in  
17 an eligible position on or after May 1, 2013, and has completed at  
18 least thirty service credit years and has attained age fifty-five  
19 shall be eligible to retire and to receive a retirement allowance  
20 computed according to the provisions of RCW 41.32.840, except that a  
21 member retiring pursuant to this subsection shall have the retirement  
22 allowance reduced by five percent per year to reflect the difference  
23 in the number of years between age at retirement and the attainment  
24 of age sixty-five.

25 **Sec. 4.** RCW 41.35.420 and 2012 1st sp.s. c 7 s 3 are each  
26 amended to read as follows:

27 (1) NORMAL RETIREMENT. Any member with at least five service  
28 credit years who has attained at least age sixty-five shall be  
29 eligible to retire and to receive a retirement allowance computed  
30 according to the provisions of RCW 41.35.400.

31 (2) EARLY RETIREMENT. Any member who has completed at least  
32 twenty service credit years and has attained age fifty-five shall be  
33 eligible to retire and to receive a retirement allowance computed  
34 according to the provisions of RCW 41.35.400, except that a member  
35 retiring pursuant to this subsection shall have the retirement  
36 allowance actuarially reduced to reflect the difference in the number  
37 of years between age at retirement and the attainment of age sixty-  
38 five. While the governor's emergency COVID-19 proclamations 20.05 and

1 20.09 are in effect, the annual actuarial reduction is three percent  
2 per year for members over the age of sixty.

3 (3) ALTERNATE EARLY RETIREMENT.

4 (a) Any member who has completed at least thirty service credit  
5 years and has attained age fifty-five shall be eligible to retire and  
6 to receive a retirement allowance computed according to the  
7 provisions of RCW 41.35.400, except that a member retiring pursuant  
8 to this subsection shall have the retirement allowance reduced by  
9 three percent per year to reflect the difference in the number of  
10 years between age at retirement and the attainment of age sixty-five.

11 (b) (i) On or after September 1, 2008, any member who has  
12 completed at least thirty service credit years and has attained age  
13 fifty-five shall be eligible to retire and to receive a retirement  
14 allowance computed according to the provisions of RCW 41.35.400,  
15 except that a member retiring pursuant to this subsection shall have  
16 the retirement allowance reduced as follows:

Retirement	Percent
Age	Reduction
55	20%
56	17%
57	14%
58	11%
59	8%
60	5%
61	2%
62	0%
63	0%
64	0%

29 (ii) While the governor's emergency COVID-19 proclamations 20.05  
30 and 20.09 are in effect, any member who has completed at least thirty  
31 service credit years and has attained age fifty-five is eligible to  
32 retire and to receive a retirement allowance computed according to  
33 RCW 41.35.400. However, a member retiring under this subsection shall  
34 have the retirement allowance as follows:

<u>Retirement</u>	<u>Percent</u>
<u>Age</u>	<u>Reduction</u>



1	<u>55</u>	<u>20%</u>
2	<u>56</u>	<u>17%</u>
3	<u>57</u>	<u>14%</u>
4	<u>58</u>	<u>11%</u>
5	<u>59</u>	<u>8%</u>
6	<u>60</u>	<u>0%</u>
7	<u>61</u>	<u>0%</u>
8	<u>62</u>	<u>0%</u>
9	<u>63</u>	<u>0%</u>
10	<u>64</u>	<u>0%</u>

11        (iii)(A) Any member who retires under the provisions of this  
12 subsection is ineligible for the postretirement employment provisions  
13 of RCW 41.35.060(2) until the retired member has reached sixty-five  
14 years of age. For purposes of this subsection, employment with an  
15 employer also includes any personal service contract, service by an  
16 employer as a temporary or project employee, or any other similar  
17 compensated relationship with any employer included under the  
18 provisions of RCW 41.35.230(1).

19        (B) The subsidized reductions for alternate early retirement in  
20 this subsection as set forth in section 6, chapter 491, Laws of 2007  
21 were intended by the legislature as replacement benefits for gain-  
22 sharing. Until there is legal certainty with respect to the repeal of  
23 chapter 41.31A RCW, the right to retire under this subsection is  
24 noncontractual, and the legislature reserves the right to amend or  
25 repeal this subsection. Legal certainty includes, but is not limited  
26 to, the expiration of any: Applicable limitations on actions; and  
27 periods of time for seeking appellate review, up to and including  
28 reconsideration by the Washington supreme court and the supreme court  
29 of the United States. Until that time, eligible members may still  
30 retire under this subsection, and upon receipt of the first  
31 installment of a retirement allowance computed under this subsection,  
32 the resulting benefit becomes contractual for the recipient. If the  
33 repeal of chapter 41.31A RCW is held to be invalid in a final  
34 determination of a court of law, and the court orders reinstatement  
35 of gain-sharing or other alternate benefits as a remedy, then  
36 retirement benefits for any member who has completed at least thirty  
37 service credit years and has attained age fifty-five but has not yet

1 received the first installment of a retirement allowance under this  
2 subsection shall be computed using the reductions in (a) of this  
3 subsection.

4 (c) Members who first become employed by an employer in an  
5 eligible position on or after May 1, 2013, are not eligible for the  
6 alternate early retirement provisions of (a) or (b) of this  
7 subsection. Any member who first becomes employed by an employer in  
8 an eligible position on or after May 1, 2013, and has completed at  
9 least thirty service credit years and has attained age fifty-five  
10 shall be eligible to retire and to receive a retirement allowance  
11 computed according to the provisions of RCW 41.35.400, except that a  
12 member retiring pursuant to this subsection shall have the retirement  
13 allowance reduced by five percent per year to reflect the difference  
14 in the number of years between age at retirement and the attainment  
15 of age sixty-five.

16 **Sec. 5.** RCW 41.35.680 and 2012 1st sp.s. c 7 s 4 are each  
17 amended to read as follows:

18 (1) NORMAL RETIREMENT. Any member who is at least age sixty-five  
19 and who has:

20 (a) Completed ten service credit years; or

21 (b) Completed five service credit years, including twelve service  
22 credit months after attaining age forty-four; or

23 (c) Completed five service credit years by September 1, 2000,  
24 under the public employees' retirement system plan 2 and who  
25 transferred to plan 3 under RCW 41.35.510;  
26 shall be eligible to retire and to receive a retirement allowance  
27 computed according to the provisions of RCW 41.35.620.

28 (2) EARLY RETIREMENT. Any member who has attained at least age  
29 fifty-five and has completed at least ten years of service shall be  
30 eligible to retire and to receive a retirement allowance computed  
31 according to the provisions of RCW 41.35.620, except that a member  
32 retiring pursuant to this subsection shall have the retirement  
33 allowance actuarially reduced to reflect the difference in the number  
34 of years between age at retirement and the attainment of age sixty-  
35 five. While the governor's emergency COVID-19 proclamations 20.05 and  
36 20.09 are in effect, the annual actuarial reduction is three percent  
37 per year for members over the age of sixty.

38 (3) ALTERNATE EARLY RETIREMENT.

1 (a) Any member who has completed at least thirty service credit  
 2 years and has attained age fifty-five shall be eligible to retire and  
 3 to receive a retirement allowance computed according to the  
 4 provisions of RCW 41.35.620, except that a member retiring pursuant  
 5 to this subsection shall have the retirement allowance reduced by  
 6 three percent per year to reflect the difference in the number of  
 7 years between age at retirement and the attainment of age sixty-five.

8 (b) (i) On or after September 1, 2008, any member who has  
 9 completed at least thirty service credit years and has attained age  
 10 fifty-five shall be eligible to retire and to receive a retirement  
 11 allowance computed according to the provisions of RCW 41.35.620,  
 12 except that a member retiring pursuant to this subsection shall have  
 13 the retirement allowance reduced as follows:

Retirement Age	Percent Reduction
55	20%
56	17%
57	14%
58	11%
59	8%
60	5%
61	2%
62	0%
63	0%
64	0%

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26 (ii) While the governor's emergency COVID-19 proclamations 20.05  
 27 and 20.09 are in effect, any member who has completed at least thirty  
 28 service credit years and has attained age fifty-five is eligible to  
 29 retire and to receive a retirement allowance computed according to  
 30 RCW 41.35.620. However, a member retiring under this subsection shall  
 31 have the retirement allowance as follows:

<u>Retirement Age</u>	<u>Percent Reduction</u>
<u>55</u>	<u>20%</u>
<u>56</u>	<u>17%</u>

1	<u>57</u>	<u>14%</u>
2	<u>58</u>	<u>11%</u>
3	<u>59</u>	<u>8%</u>
4	<u>60</u>	<u>0%</u>
5	<u>61</u>	<u>0%</u>
6	<u>62</u>	<u>0%</u>
7	<u>63</u>	<u>0%</u>
8	<u>64</u>	<u>0%</u>

9        (iii)(A) Any member who retires under the provisions of this  
10 subsection is ineligible for the postretirement employment provisions  
11 of RCW 41.35.060(2) until the retired member has reached sixty-five  
12 years of age. For purposes of this subsection, employment with an  
13 employer also includes any personal service contract, service by an  
14 employer as a temporary or project employee, or any other similar  
15 compensated relationship with any employer included under the  
16 provisions of RCW 41.35.230(1).

17        (B) The subsidized reductions for alternate early retirement in  
18 this subsection as set forth in section 8, chapter 491, Laws of 2007  
19 were intended by the legislature as replacement benefits for gain-  
20 sharing. Until there is legal certainty with respect to the repeal of  
21 chapter 41.31A RCW, the right to retire under this subsection is  
22 noncontractual, and the legislature reserves the right to amend or  
23 repeal this subsection. Legal certainty includes, but is not limited  
24 to, the expiration of any: Applicable limitations on actions; and  
25 periods of time for seeking appellate review, up to and including  
26 reconsideration by the Washington supreme court and the supreme court  
27 of the United States. Until that time, eligible members may still  
28 retire under this subsection, and upon receipt of the first  
29 installment of a retirement allowance computed under this subsection,  
30 the resulting benefit becomes contractual for the recipient. If the  
31 repeal of chapter 41.31A RCW is held to be invalid in a final  
32 determination of a court of law, and the court orders reinstatement  
33 of gain-sharing or other alternate benefits as a remedy, then  
34 retirement benefits for any member who has completed at least thirty  
35 service credit years and has attained age fifty-five but has not yet  
36 received the first installment of a retirement allowance under this

1 subsection shall be computed using the reductions in (a) of this  
2 subsection.

3 (c) Members who first become employed by an employer in an  
4 eligible position on or after May 1, 2013, are not eligible for the  
5 alternate early retirement provisions of (a) or (b) of this  
6 subsection. Any member who first becomes employed by an employer in  
7 an eligible position on or after May 1, 2013, and has completed at  
8 least thirty service credit years and has attained age fifty-five  
9 shall be eligible to retire and to receive a retirement allowance  
10 computed according to the provisions of RCW 41.35.620, except that a  
11 member retiring pursuant to this subsection shall have the retirement  
12 allowance reduced by five percent per year to reflect the difference  
13 in the number of years between age at retirement and the attainment  
14 of age sixty-five.

15 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
16 preservation of the public peace, health, or safety, or support of  
17 the state government and its existing public institutions, and takes  
18 effect immediately.

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