

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 1699**

Chapter 110, Laws of 2022

67th Legislature  
2022 Regular Session

SCHOOL DISTRICT EMPLOYEES—RETIRED INDIVIDUALS—PENSION

EFFECTIVE DATE: March 23, 2022

Passed by the House March 10, 2022  
Yeas 95 Nays 3

LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate March 10, 2022  
Yeas 45 Nays 4

DENNY HECK

**President of the Senate**

Approved March 23, 2022 3:58 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1699** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

March 23, 2022

**Secretary of State  
State of Washington**

---

**ENGROSSED SUBSTITUTE HOUSE BILL 1699**

---

AS AMENDED BY THE SENATE

Passed Legislature - 2022 Regular Session

**State of Washington                      67th Legislature                      2022 Regular Session**

**By** House 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)

READ FIRST TIME 01/28/22.

1            AN ACT Relating to permitting individuals retired from the public  
2 employees retirement system, the teachers retirement system, and the  
3 school employees retirement system additional opportunities to work  
4 for a school district for up to 1,040 hours per school year while in  
5 receipt of pension benefits until July 1, 2025; amending RCW  
6 41.32.570, 41.32.802, 41.32.862, 41.35.060, and 41.40.037; repealing  
7 RCW 41.35.065 and 41.32.068; and declaring an emergency.

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

9            **Sec. 1.** RCW 41.32.570 and 2011 1st sp.s. c 47 s 10 are each  
10 amended to read as follows:

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

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

1 (2) Any retired teacher or retired administrator who enters  
2 service in any public educational institution in Washington state at  
3 least one calendar month after his or her accrual date shall cease to  
4 receive pension payments while engaged in such service, after the  
5 retiree has rendered service for more than eight hundred sixty-seven  
6 hours in a school year.

7 (3) (a) Between the effective date of this section and July 1,  
8 2025, a retiree who reenters employment more than one calendar month  
9 after his or her accrual date, and who enters service in a school  
10 district in a nonadministrative position shall continue to receive  
11 pension payments while engaged in such service, until the retiree has  
12 rendered service for more than 1,040 hours in a school year.

13 (b) Between the effective date of this section and July 1, 2025,  
14 a retiree that retired before January 1, 2022, and who enters service  
15 in a second-class school district, as defined in RCW 28A.300.065, as  
16 either a district superintendent or an in-school administrator shall  
17 continue to receive pension payments while engaged in such service,  
18 until the retiree has rendered service for more than 1,040 hours in a  
19 school year.

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

23 ~~((4))~~ (5) The legislature reserves the right to amend or repeal  
24 this section in the future and no member or beneficiary has a  
25 contractual right to be employed for more than five hundred twenty-  
26 five hours per year without a reduction of his or her pension.

27 **Sec. 2.** RCW 41.32.802 and 2011 1st sp.s. c 47 s 12 are each  
28 amended to read as follows:

29 (1) (a) If a retiree enters employment with an employer sooner  
30 than one calendar month after his or her accrual date, the retiree's  
31 monthly retirement allowance will be reduced by five and one-half  
32 percent for every seven hours worked during that month. This  
33 reduction will be applied each month until the retiree remains absent  
34 from employment with an employer for one full calendar month.

35 (b) The benefit reduction provided in (a) of this subsection will  
36 accrue for a maximum of one hundred forty hours per month. Any  
37 benefit reduction over one hundred percent will be applied to the  
38 benefit the retiree is eligible to receive in subsequent months.

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

9           (b) A retiree who has retired under the alternate early  
10 retirement provisions of RCW 41.32.765(3)(b) may be employed with an  
11 employer for up to 867 hours per calendar year without suspension of  
12 his or her benefit, provided that: (i) The retired teacher reenters  
13 employment more than one calendar month after his or her accrual date  
14 and after June 9, 2016; and (ii) the retired teacher is employed in a  
15 nonadministrative capacity.

16           (c)(i) Between the effective date of this section and July 1,  
17 2025, a retiree who reenters employment more than one month after his  
18 or her accrual date, and who enters service in a school district in a  
19 nonadministrative position shall continue to receive pension payments  
20 while engaged in such service, until the retiree has rendered service  
21 for more than 1,040 hours in a calendar year.

22           (ii) Between the effective date of this section and July 1, 2025,  
23 a retiree that retired before January 1, 2022, and who enters service  
24 in a second-class school district, as defined in RCW 28A.300.065, as  
25 either a district superintendent or an in-school administrator shall  
26 continue to receive pension payments while engaged in such service,  
27 until the retiree has rendered service for more than 1,040 hours in a  
28 calendar year.

29           (iii) The legislature reserves the right to amend or repeal this  
30 subsection (2)(c) in the future and no member or beneficiary has a  
31 contractual right to be employed for more than 867 hours in a  
32 calendar year without a reduction of his or her pension.

33           (3) If the retiree opts to reestablish membership under RCW  
34 41.32.044, he or she terminates his or her retirement status and  
35 immediately becomes a member. Retirement benefits shall not accrue  
36 during the period of membership and the individual shall make  
37 contributions and receive membership credit. Such a member shall have  
38 the right to again retire if eligible.

1       **Sec. 3.** RCW 41.32.862 and 2011 1st sp.s. c 47 s 14 are each  
2 amended to read as follows:

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

9       (b) The benefit reduction provided in (a) of this subsection will  
10 accrue for a maximum of one hundred forty hours per month. Any  
11 benefit reduction over one hundred percent will be applied to the  
12 benefit the retiree is eligible to receive in subsequent months.

13       (2)(a) A retiree who has satisfied the break in employment  
14 requirement of subsection (1) of this section, may work up to eight  
15 hundred sixty-seven hours per calendar year in an eligible position,  
16 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or  
17 as a firefighter or law enforcement officer, as defined in RCW  
18 41.26.030, or in a position covered by annuity and retirement income  
19 plans offered by institutions of higher education pursuant to RCW  
20 28B.10.400, without suspension of his or her benefit.

21       (b) A retiree who has retired under the alternate early  
22 retirement provisions of RCW 41.32.875(3)(b) may be employed with an  
23 employer for up to 867 hours per calendar year without suspension of  
24 his or her benefit, provided that: (i) The retired teacher reenters  
25 employment more than one calendar month after his or her accrual date  
26 and after June 9, 2016; and (ii) the retired teacher is employed in a  
27 nonadministrative capacity.

28       (c)(i) Between the effective date of this section and July 1,  
29 2025, a retired teacher or retired administrator who reenters  
30 employment more than one month after his or her accrual date, and who  
31 enters service in a school district in a nonadministrative position  
32 shall continue to receive pension payments while engaged in such  
33 service, until the retiree has rendered service for more than 1,040  
34 hours in a calendar year.

35       (ii) Between the effective date of this section and July 1, 2025,  
36 a retiree that retired before January 1, 2022, and who enters service  
37 in a second-class school district, as defined in RCW 28A.300.065, as  
38 either a district superintendent or an in-school administrator shall  
39 continue to receive pension payments while engaged in such service,

1 until the retiree has rendered service for more than 1,040 hours in a  
2 calendar year.

3 (iii) The legislature reserves the right to amend or repeal this  
4 subsection (2)(c) in the future and no member or beneficiary has a  
5 contractual right to be employed for more than 867 hours in a  
6 calendar year without a reduction of his or her pension.

7 (3) If the retiree opts to reestablish membership under RCW  
8 41.32.044, he or she terminates his or her retirement status and  
9 immediately becomes a member. Retirement benefits shall not accrue  
10 during the period of membership and the individual shall make  
11 contributions and receive membership credit. Such a member shall have  
12 the right to again retire if eligible.

13 **Sec. 4.** RCW 41.35.060 and 2011 1st sp.s. c 47 s 15 are each  
14 amended to read as follows:

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

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

25 (2)(a) A retiree who has satisfied the break in employment  
26 requirement of subsection (1) of this section may work up to eight  
27 hundred sixty-seven hours per calendar year in an eligible position,  
28 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or  
29 as a firefighter or law enforcement officer, as defined in RCW  
30 41.26.030, or in a position covered by annuity and retirement income  
31 plans offered by institutions of higher education pursuant to RCW  
32 28B.10.400, without suspension of his or her benefit.

33 (b) A retiree in the school employees' retirement system plan 2  
34 or plan 3 who has retired under the alternate early retirement  
35 provisions of RCW 41.35.420(3)(b) may be employed with an employer  
36 for up to 867 hours per calendar year without suspension of his or  
37 her benefit, provided that: (i) The retiree reenters employment more  
38 than one calendar month after his or her accrual date; and (ii) the  
39 retiree is employed in a nonadministrative position.

1 (c) Between the effective date of this section and July 1, 2025,  
2 a retiree, including a retiree who has retired under the alternate  
3 early retirement provisions of RCW 41.35.420(3)(b) or  
4 41.35.680(3)(b), who reenters employment more than one month after  
5 his or her accrual date, and who enters service in a school district  
6 in a nonadministrative position shall continue to receive pension  
7 payments while engaged in such service, until the retiree has  
8 rendered service for more than 1,040 hours in a calendar year. The  
9 legislature reserves the right to amend or repeal this subsection  
10 (2)(c) in the future and no member or beneficiary has a contractual  
11 right to be employed for more than 867 hours in a calendar year  
12 without a reduction of his or her pension.

13 (3) If the retiree opts to reestablish membership under RCW  
14 41.35.030, he or she terminates his or her retirement status and  
15 becomes a member. Retirement benefits shall not accrue during the  
16 period of membership and the individual shall make contributions and  
17 receive membership credit. Such a member shall have the right to  
18 again retire if eligible in accordance with RCW 41.35.420 or  
19 41.35.680. However, if the right to retire is exercised to become  
20 effective before the member has rendered two uninterrupted years of  
21 service, the retirement formula and survivor options the member had  
22 at the time of the member's previous retirement shall be reinstated.

23 **Sec. 5.** RCW 41.40.037 and 2015 c 75 s 1 are each amended to read  
24 as follows:

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

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

35 (2)(a) A retiree from plan 1, plan 2, or plan 3 who has satisfied  
36 the break in employment requirement of subsection (1) of this section  
37 may work up to eight hundred sixty-seven hours per calendar year in  
38 an eligible position, as defined in RCW 41.32.010, 41.35.010,  
39 41.37.010, or 41.40.010, or as a firefighter or law enforcement

1 officer, as defined in RCW 41.26.030, or in a position covered by  
2 annuity and retirement income plans offered by institutions of higher  
3 education pursuant to RCW 28B.10.400, without suspension of his or  
4 her benefit.

5 (b) Between the effective date of this section and July 1, 2025,  
6 a retiree, including a retiree who has retired under the alternate  
7 early retirement provisions of RCW 41.40.630(3)(b) or  
8 41.40.820(3)(b), who reenters employment more than 100 days after his  
9 or her accrual date, and who enters service in a school district in a  
10 nonadministrative position shall continue to receive pension payments  
11 while engaged in such service, until the retiree has rendered service  
12 for more than 1,040 hours in a calendar year.

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

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

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

30 NEW SECTION. Sec. 6. The following acts or parts of acts are  
31 each repealed:

32 (1) RCW 41.35.065 (Postretirement employment options) and 2019 c  
33 295 s 308; and

34 (2) RCW 41.32.068 (Postretirement employment options) and 2019 c  
35 295 s 307 & 2016 c 233 s 7.

36 NEW SECTION. Sec. 7. This act is necessary for the immediate  
37 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes  
2 effect immediately.

Passed by the House March 10, 2022.

Passed by the Senate March 10, 2022.

Approved by the Governor March 23, 2022.

Filed in Office of Secretary of State March 23, 2022.

--- END ---