

SENATE BILL REPORT

SB 5738

As of February 20, 2025

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 up to 1,040 hours per year while in receipt of pension benefits.

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 up to 1,040 hours per year while in receipt of pension benefits.

Sponsors: Senators Wellman, Short, Cortes, Warnick, Cleveland, Liias, Stanford, Valdez and Wilson, C..

Brief History:

Committee Activity: Ways & Means: 2/20/25.

Brief Summary of Bill

- Allows specified retirees of the state's retirement system to continue to work up to 1040 hours in certain positions until July 1, 2029.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Amanda Cecil (786-7460)

Background: The Teacher's Retirement System (TRS), Public Employees' Retirement System (PERS) and the School Employees' Retirement System (SERS) Plans 2 and 3 have a normal retirement age of 65 and allow for a reduced early retirement benefit beginning at age 55.

TRS, PERS and SERS retirees are able to work up to 867 hours per year in a position covered by any of the state's pension systems while receiving a retirement benefit. A retiree

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that works more than 867 hours is reinstated as an active member and their retirement benefit ceases.

Additionally, until July 1, 2025, the following retirees may work 1040 hours in retirement while collecting a pension benefit:

- PERS, TRS, and SERS retirees working for a school district in a nonadministrative position;
- TRS retirees that retired prior to January 1, 2022, working for a school district with less than 2000 students as a district superintendent or an in-school administrator; and
- PERS and PSERS retirees working for a state agency in a nonadministrative position as a licensed nurse.

Summary of Bill: Provisions allowing PERS, TRS, and SERS retirees to work up to 1040 hours until July 1, 2025, are extended to July 1, 2029.

Appropriation: None.

Fiscal Note: Requested on February 12, 2025.

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: PRO: SB 5738 helps small, rural school districts fill critical positions such as administrators, teachers, and support staff. The bill extends the current law allowing retirees to work up to 1040 hours in these districts, providing flexibility to address staffing shortages without additional state funding. This extension is especially crucial in class two districts with fewer than 2000 students, where recruiting qualified staff is a significant challenge. Retired educators bring valuable experience, stability, and leadership, ensuring continuity in small schools that often struggle with turnover and limited resources. The bill will save the state money by allowing retirees to work without receiving benefits like sick leave or insurance. It is viewed as a cost-effective solution that enhances student success by providing experienced leadership in rural districts.

Persons Testifying: PRO: Jim Kowalkowski, Rural Education Center; Devin Gombosky, ESD 105 Schools Coalition; Lynn Scharff, Great Northern School District; Steve Jantz, Keller School District ; Dr. Ann Varkados, Lyle and Centerville school districts; Tye Churchwell, Wishram School Superintendent ; Tommy Gallegos, Tommy Gallegos.

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