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**HOUSE BILL 1936**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Representatives Chase, Leavitt, and Pollet

Read first time 02/11/25. Referred to Committee on Appropriations.

1 AN ACT Relating to extending the expiration of certain school  
2 employee postretirement employment restrictions; amending RCW  
3 41.32.570, 41.32.802, 41.32.862, 41.35.060, and 41.40.037; and  
4 declaring an emergency.

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

6 **Sec. 1.** RCW 41.32.570 and 2022 c 110 s 1 are each amended to  
7 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 seven 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 forty hours per month. Any  
16 monthly benefit reduction over one hundred percent will be applied to  
17 the benefit the retiree is eligible to receive in subsequent months.

18 (2) Any retired teacher or retired administrator who enters  
19 service in any public educational institution in Washington state at  
20 least one calendar month after his or her accrual date shall cease to  
21 receive pension payments while engaged in such service, after the

1 retiree has rendered service for more than eight hundred sixty-seven  
2 hours in a school year.

3 (3) (a) Between March 23, 2022, and July 1, (~~2025~~) 2027, a  
4 retiree who reenters employment more than one calendar 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 school year.

9 (b) Between March 23, 2022, and July 1, (~~2025~~) 2027, a retiree  
10 that retired before January 1, 2022, and who enters service in a  
11 second-class school district, as defined in RCW 28A.300.065, as  
12 either a district superintendent or an in-school administrator shall  
13 continue to receive pension payments while engaged in such service,  
14 until the retiree has rendered service for more than 1,040 hours in a  
15 school year.

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

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

23 **Sec. 2.** RCW 41.32.802 and 2023 c 410 s 3 are each amended to  
24 read 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 seven 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 forty 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 who has satisfied the break in employment  
36 requirement of subsection (1) of this section, may work up to eight  
37 hundred sixty-seven hours per calendar year in an eligible position,  
38 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or  
39 as a firefighter or law enforcement officer, as defined in RCW

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

4 (b) (i) Between March 23, 2022, and July 1, (~~(2025)~~) 2027, a  
5 retiree who reenters employment more than one month after his or her  
6 accrual date, and who enters service in a school district in a  
7 nonadministrative position shall continue to receive pension payments  
8 while engaged in such service, until the retiree has rendered service  
9 for more than 1,040 hours in a calendar year.

10 (ii) Between March 23, 2022, and July 1, (~~(2025)~~) 2027, a retiree  
11 that retired before January 1, 2022, and who enters service in a  
12 second-class school district, as defined in RCW 28A.300.065, as  
13 either a district superintendent or an in-school administrator shall  
14 continue to receive pension payments while engaged in such service,  
15 until the retiree has rendered service for more than 1,040 hours in a  
16 calendar year.

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

21 (3) If the retiree opts to reestablish membership under RCW  
22 41.32.044, he or she terminates his or her retirement status and  
23 immediately becomes a member. Retirement benefits shall not accrue  
24 during the period of membership and the individual shall make  
25 contributions and receive membership credit. Such a member shall have  
26 the right to again retire if eligible.

27 **Sec. 3.** RCW 41.32.862 and 2023 c 410 s 4 are each amended to  
28 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)(i) Between March 23, 2022, and July 1, (~~2025~~) 2027, a  
10 retired teacher or retired administrator who reenters employment more  
11 than one month after his or her accrual date, and who enters service  
12 in a school district in a nonadministrative position shall continue  
13 to receive pension payments while engaged in such service, until the  
14 retiree has rendered service for more than 1,040 hours in a calendar  
15 year.

16 (ii) Between March 23, 2022, and July 1, (~~2025~~) 2027, a retiree  
17 that retired before January 1, 2022, and who enters service in a  
18 second-class school district, as defined in RCW 28A.300.065, as  
19 either a district superintendent or an in-school administrator shall  
20 continue to receive pension payments while engaged in such service,  
21 until the retiree has rendered service for more than 1,040 hours in a  
22 calendar year.

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

27 (3) If the retiree opts to reestablish membership under RCW  
28 41.32.044, he or she terminates his or her retirement status and  
29 immediately becomes a member. Retirement benefits shall not accrue  
30 during the period of membership and the individual shall make  
31 contributions and receive membership credit. Such a member shall have  
32 the right to again retire if eligible.

33 **Sec. 4.** RCW 41.35.060 and 2023 c 410 s 6 are each amended to  
34 read as follows:

35 (1)(a) If a retiree enters employment with an employer sooner  
36 than one calendar month after his or her accrual date, the retiree's  
37 monthly retirement allowance will be reduced by five and one-half  
38 percent for every eight hours worked during that month. This

1 reduction will be applied each month until the retiree remains absent  
2 from employment with an employer for one full calendar month.

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

7 (2)(a) A retiree who has satisfied the break in employment  
8 requirement of subsection (1) of this section may work up to eight  
9 hundred sixty-seven hours per calendar year in an eligible position,  
10 as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or  
11 as a firefighter or law enforcement officer, as defined in RCW  
12 41.26.030, or in a position covered by annuity and retirement income  
13 plans offered by institutions of higher education pursuant to RCW  
14 28B.10.400, without suspension of his or her benefit.

15 (b) Between March 23, 2022, and July 1, (~~2025~~) 2027, a retiree,  
16 including a retiree who has retired under the alternate early  
17 retirement provisions of RCW 41.35.420(3)(b) or 41.35.680(3)(b), who  
18 reenters employment more than one month after his or her accrual  
19 date, and who enters service in a school district in a  
20 nonadministrative position shall continue to receive pension payments  
21 while engaged in such service, until the retiree has rendered service  
22 for more than 1,040 hours in a calendar year. The legislature  
23 reserves the right to amend or repeal this subsection (2)(b) in the  
24 future and no member or beneficiary has a contractual right to be  
25 employed for more than 867 hours in a calendar year without a  
26 reduction of his or her pension.

27 (3) If the retiree opts to reestablish membership under RCW  
28 41.35.030, he or she terminates his or her retirement status and  
29 becomes a member. Retirement benefits shall not accrue during the  
30 period of membership and the individual shall make contributions and  
31 receive membership credit. Such a member shall have the right to  
32 again retire if eligible in accordance with RCW 41.35.420 or  
33 41.35.680. However, if the right to retire is exercised to become  
34 effective before the member has rendered two uninterrupted years of  
35 service, the retirement formula and survivor options the member had  
36 at the time of the member's previous retirement shall be reinstated.

37 **Sec. 5.** RCW 41.40.037 and 2023 c 99 s 2 are each amended to read  
38 as follows:

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

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

11 (2) (a) A retiree from plan 1, plan 2, or plan 3 who has satisfied  
12 the break in employment requirement of subsection (1) of this section  
13 may work up to eight hundred sixty-seven hours per calendar year in  
14 an eligible position, as defined in RCW 41.32.010, 41.35.010,  
15 41.37.010, or 41.40.010, or as a firefighter or law enforcement  
16 officer, as defined in RCW 41.26.030, or in a position covered by  
17 annuity and retirement income plans offered by institutions of higher  
18 education pursuant to RCW 28B.10.400, without suspension of his or  
19 her benefit.

20 (b) Between March 23, 2022, and July 1, (~~2025~~) 2027, a retiree,  
21 including a retiree who has retired under the alternate early  
22 retirement provisions of RCW 41.40.630(3)(b) or 41.40.820(3)(b), who  
23 reenters employment more than 100 days after his or her accrual date,  
24 and who enters service in a school district in a nonadministrative  
25 position shall continue to receive pension payments while engaged in  
26 such service, until the retiree has rendered service for more than  
27 1,040 hours in a calendar year.

28 (c) Between April 14, 2023, and July 1, 2026, a retiree,  
29 including a retiree who has retired under the alternate early  
30 retirement provisions of RCW 41.40.630(3)(b) or 41.40.820(3)(b), and  
31 who enters service in a nonadministrative position as a licensed  
32 nurse for a state agency, shall continue to receive pension payments  
33 while engaged in such service, until the retiree has rendered service  
34 for more than 1,040 hours in a calendar year.

35 (3) If the retiree opts to reestablish membership under RCW  
36 41.40.023(12), he or she terminates his or her retirement status and  
37 becomes a member. Retirement benefits shall not accrue during the  
38 period of membership and the individual shall make contributions and  
39 receive membership credit. Such a member shall have the right to  
40 again retire if eligible in accordance with RCW 41.40.180. However,

1 if the right to retire is exercised to become effective before the  
2 member has rendered two uninterrupted years of service, the  
3 retirement formula and survivor options the member had at the time of  
4 the member's previous retirement shall be reinstated.

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

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

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

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