
SUBSTITUTE SENATE BILL 5846

State of Washington

62nd Legislature

2011 Regular Session

By Senate Ways & Means (originally sponsored by Senators Brown, McAuliffe, Tom, Fraser, Hobbs, Conway, Harper, Nelson, Rockefeller, Keiser, Kilmer, Litzow, Hatfield, Prentice, Shin, Kohl-Welles, and White)

READ FIRST TIME 04/15/11.

1 AN ACT Relating to offering health benefit subsidies for certain
2 retired public employees; amending RCW 41.32.570; and adding a new
3 section to chapter 41.05 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.05 RCW
6 to read as follows:

7 From September 1, 2011, through August 31, 2014, the health care
8 authority shall provide an optional subsidy of two hundred fifty
9 dollars per month for health benefit premiums to any member of plan 1
10 of the teachers' retirement system who:

- 11 (1) Is ineligible for medicare;
- 12 (2) Applies for retirement under RCW 41.32.480 between June 1,
13 2011, and August 31, 2011; and
- 14 (3) Receives the first installment of a retirement allowance as
15 provided under RCW 41.32.480 before October 31, 2011.

16 **Sec. 2.** RCW 41.32.570 and 2007 c 50 s 3 are each amended to read
17 as follows:

- 18 (1)(a) If a retiree enters employment with an employer sooner than

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

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

10 (2) Except under subsection (3) of this section, any retired
11 teacher or retired administrator who enters service in any public
12 educational institution in Washington state at least one calendar month
13 after his or her accrual date shall cease to receive pension payments
14 while engaged in such service, after the retiree has rendered service
15 for more than eight hundred sixty-seven hours in a school year.

16 (3) Any retired teacher or retired administrator who enters service
17 in any public educational institution in Washington state one and one-
18 half calendar months or more after his or her accrual date and:

19 (a) Is hired pursuant to a written policy into a position for which
20 the school board has documented a justifiable need to hire a retiree
21 into the position;

22 (b) Is hired through the established process for the position with
23 the approval of the school board or other highest decision-making
24 authority of the prospective employer;

25 (c) Whose employer retains records of the procedures followed and
26 the decisions made in hiring the retired teacher or retired
27 administrator and provides those records in the event of an audit;
28 ((and))

29 (d) The employee has not already rendered a cumulative total of
30 more than one thousand nine hundred hours of service while in receipt
31 of pension payments beyond an annual threshold of eight hundred sixty-
32 seven hours; and

33 (e) Is not currently receiving the subsidy provided in section 1 of
34 this act;

35 shall cease to receive pension payments while engaged in that service
36 after the retiree has rendered service for more than one thousand five
37 hundred hours in a school year. The one thousand nine hundred hour

1 cumulative total limitation under this section applies prospectively
2 after July 22, 2007.

3 (4) When a retired teacher or administrator renders service beyond
4 eight hundred sixty-seven hours, the department shall collect from the
5 employer the applicable employer retirement contributions for the
6 entire duration of the member's employment during that fiscal year.

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

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

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