

SHB 1737: Retired Teachers as Substitutes

Issue

Should the post-retirement return-to-work (retire-rehire) rules be modified to allow Teachers' Retirement System (TRS) members who retire under the 2008 Early Retirement Factors (ERFs) to return to work before age 65 without a suspension of benefits?

Background

The SCPP has been contacted by multiple stakeholders over the last two interims regarding this issue. According to stakeholders, there is a shortage of substitute teachers, and this shortage could be at least partly addressed by a change to the retire-rehire rules.

Currently, members of the Plans 2/3 who retire under the 2008 ERFs are restricted from utilizing the retire-rehire provisions until they reach age 65.

Highlights of Analysis

- ❖ There are several types of ERFs, and the 2008 ERFs provide the smallest reduction (meaning the member has the highest take home) in benefits.
- ❖ Of the four types of ERFs, the 2008 ERFs are the only ones with this restriction on returning to work before age 65.
- ❖ This issue overlaps with education policy, and may be impacted by any decisions resulting from the *McCleary* decision and Initiative 1351.

Committee Activity

The SCPP studied this issue at the November and December meetings, and made a recommendation.

Recommendation to the 2016 Legislature

Enact SHB 1737, temporarily allowing TRS retirees under the 2008 ERFs to return to work as substitute teachers without a suspension of benefits.

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