

SENATE BILL REPORT

SB 5474

As Passed Senate, March 13, 1995

Title: An act relating to benefits under prior retirement systems.

Brief Description: Restoring service credit.

Sponsors: Senators Fraser and Hargrove.

Brief History:

Committee Activity: Ways & Means: 3/1/95 3/3/95 [DP].
Passed Senate, 3/13/95, 47-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Gaspard, Hargrove, Hochstatter, Johnson, Long, McDonald, Moyer, Pelz, Roach, Sheldon, Snyder, Spanel, Strannigan, West, Winsley and Wojahn.

Staff: Denise Graham (786-7715)

Background: When an employee becomes a dual member of two retirement systems, he or she must restore contributions withdrawn from the prior system within 24 consecutive months or prior to the date of retirement, whichever comes first.

If the member misses this deadline, service credit can be restored prior to retirement at a greater cost.

Summary of Bill: The 24-month deadline is waived for dual members who failed to meet the deadline for lack of notice, and filed a petition requesting an extension with the Director of the Department of Retirement Systems prior to January 1, 1995. The member must elect to restore the withdrawn contributions by the earlier of July 1, 1995, or prior to retirement.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill extends the two-year restoration deadline under the portability statutes for certain employees who missed the deadline due to lack of notice.

Testimony Against: None.

Testified: Robert F. Hauth, Esq., Owens Davies Mackie, attorney for John M. Willits, Jr. of Peninsula College.