

HOUSE BILL REPORT

SSB 6186

*As Passed House
March 3, 1992*

Title: An act relating to providing service credit for periods of unpaid leave of absence as an elected official of a Washington education association.

Brief Description: Authorizing service credit for periods of unpaid leaves of absence for elected officials of a Washington education association.

Sponsor(s): By Senate Committee on Ways & Means (originally sponsored by Senators Nelson, Johnson, Niemi, Craswell, Rasmussen, Moore, Snyder, Oke, Bauer, Gaspard, Saling and Bailey; by request of Joint Committee on Pension Policy).

Brief History:

Reported by House Committee on:
Appropriations, February 24, 1992, DP;
Passed House, March 3, 1992, 96-0.

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *Do pass.* Signed by 24 members: Representatives Locke, Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Brekke; Carlson; Dorn; Ferguson; Fuhrman; Lisk; May; Mielke; Nealey; Peery; Rust; D. Sommers; H. Sommers; Valle; Vance; Wang; and Wineberry.

Staff: Barbara McLain (786-7153).

Background: The state retirement systems, which consist of the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF), differ regarding service credit granted for periods of unpaid leave of absence from work.

Provisions of Plan II of PERS, TRS, and LEOFF allow a member to receive up to two years service credit for unpaid leaves of absence, as long as the member makes both the employer and employee contributions for the period of leave. The contribution is based on an average of the member's compensation at the time of taking leave and upon returning

from leave. No special provision is made for leave taken to work for a labor or professional organization.

TRS Plan I does not generally provide service credit for unpaid leaves of absence, but TRS I members may receive up to two years service credit for leave taken for professional preparation, or four years credit for periods spent teaching in another state. LEOFF and PERS Plan I have no provisions to allow service credit for unpaid leaves of absence.

Labor organizations and educational associations are not considered "employers" under the Teachers' Retirement System Plan I, and therefore TRS I members who take leave to work for a labor organization or educational association currently have no means to receive service credit for these periods.

Summary of Bill:

Credit for Previous Service

Members of both Plan I and II of the Teachers' Retirement System (TRS) are granted service credit for periods of time spent prior to the 1992-93 school year on authorized, unpaid leaves of absence, where the leave was taken to work as an elected official in a Washington education association. These members are eligible for service credit only if their employing districts paid the necessary retirement contributions during the leave of absence. "Education association" is defined as an association organized to carry out collective bargaining, a majority of whose members are non-supervisory, certified school district employees or academic employees in community colleges.

Members on such a leave of absence during the 1990-91 or 1991-92 school years have until January 1, 1993, to pay districts the necessary retirement contributions, plus interest, to be eligible for service credit. Members who received refunds of contributions made in 1990 or 1991 for such leave are allowed to restore the contributions by January 1, 1993.

The bill applies retroactively for periods of leave occurring before the bill's effective date.

Credit for Future Service

Members of TRS Plan I who take authorized, unpaid leaves of absence to work as an elected official in a Washington education association after June 30, 1992, are eligible for up to four years of service credit for such service. In order to receive the credit, the member must pay both the

employee and the employer retirement contributions within five years of returning from the leave, or prior to retirement, whichever occurs first.

For members on leave from a school district, the contributions will be based on the salary of the position the member held immediately prior to taking leave. For members on leave from a community or technical college district, the contributions will be based on an average of the salary of the position the member left and the salary of the position the member returned to.

Fiscal Note: Available.

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

Testimony For: The bill prevents people who made employment and retirement decisions based on the assumption that they would receive service credit from being penalized for those decisions. It encourages service as an elected official.

Testimony Against: None.

Witnesses: Karen Davis, Washington Education Association.