

HOUSE BILL REPORT

HB 2028

As Reported By House Committee On:
Appropriations

Title: An act relating to notification to employees of ability to restore withdrawn retirement system contributions.

Brief Description: Requiring notice to retirement system members who are eligible to restore contributions.

Sponsors: Representatives Orr and Wolfe.

Brief History:

Reported by House Committee on:
Appropriations, February 25, 1993, DP.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 24 members: Representatives Locke, Chair; Valle, Vice Chair; Silver, Ranking Minority Member; Carlson, Assistant Ranking Minority Member; Appelwick; Basich; Cooke; Dellwo; Dorn; Dunshee; G. Fisher; Jacobsen; Lemmon; Linville; Morton; Peery; Rust; Sehlin; Sheahan; Sommers; Stevens; Talcott; Wang; and Wolfe.

Staff: Barbara McLain (786-7153).

Background: An employee who returns to public employment can restore any previously earned service credit in the state's retirement systems by repaying the amount of his or her withdrawn employee contributions, plus interest, within a specified time period of returning to work.

Plan I of the Teachers' and the Public Employees' Retirement Systems require the Department of Retirement Systems to notify such a returning employee, through the employer, of the amount of potential service credit that can be restored, the amount of funds required for restoration, and the date when the restoration must be accomplished.

There is no requirement that the Department of Retirement Systems notify returning employees in Plan II of the state retirement systems.

Summary of Bill: The director of the Department of Retirement Systems is to notify a member of any of the

state's retirement systems of the employee's ability to restore withdrawn retirement contributions. The director will send a statement to the member's employer of the potential service credit to be restored, the amount of funds required, the date by when the restoration must be accomplished, and the options for repayment. The employer will provide the statement to the member and place a copy in the member's personnel file.

The bill is null and void unless an appropriation in the operating budget is made to carry out its purposes.

Fiscal Note: Available.

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

Testimony For: None.

Testimony Against: None.

Witnesses: None.