

FINAL BILL REPORT

ESHB 1670

Synopsis as Enacted

C 95 L 93

Brief Description: Providing service credit for periods of paid leave.

By House Committee on Appropriations (originally sponsored by Representatives Sommers, Heavey, Locke, King, Jacobsen, Vance, Wineberry, Mielke, Linville, Lisk, J. Kohl, Wolfe, Basich, Orr, Valle, Veloria, Anderson, G. Cole, Dorn, Jones, R. Fisher, Holm, Ogden and Kremen).

House Committee on Appropriations
Senate Committee on Labor & Commerce

Background: Public employee collective bargaining agreements typically contain provisions authorizing certain employees to take a leave of absence to engage in bargaining and other labor relations activities. In some cases, while on leave, an employee may continue to receive a salary from his or her public employer. The employer, however, is reimbursed by the employee union.

Ordinarily, an employee on a paid leave of absence receives retirement service credit for the leave period. However, questions have been raised about whether an employee on leave for bargaining purposes is authorized to receive service credit since the employee's salary is indirectly paid by the union.

In 1992, the Legislature allowed members of the Teachers' Retirement System (TRS), who had taken leaves of absence to serve as elected officials of an education association, to receive service credit for leave taken prior to the 1992-93 school year. Members of TRS I were also granted the ability to earn up to four years of credit for future leaves of absence for this purpose, but only if the member paid the requisite employer and employee contributions.

Summary: A public employee who takes leave to serve as an elected official of a labor organization is considered to be on a paid leave of absence and is eligible to receive retirement service credit, as long as: (1) the leave is authorized by a collective bargaining agreement; (2) the agreement provides the employee with seniority rights during the leave; and (3) the employer is reimbursed by the labor

organization for compensation paid to the employee during the leave.

The compensation reported for such a member to the Department of Retirement Systems (DRS) cannot be greater than the salary paid to the highest paid job class covered by the collective bargaining agreement.

These provisions apply to members of Plan I and II of the Teachers' Retirement System (TRS), the Public Employees' Retirement System (PERS), and the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF).

The compensation reported for this type of paid leave may be counted in a PERS or TRS member's average final compensation. Paid leave may already be counted in LEOFF.

These provisions apply retroactively for any members who had compensation reported to the Department of Retirement Systems. The provisions also apply retroactively to January 1, 1992, for any members who would have had compensation reported had it not been for a 1992 law addressing this topic.

A 1992 law addressing this topic, but only for members of TRS, is repealed.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: April 21, 1993