

FINAL BILL REPORT

HB 2028

PARTIAL VETO

Synopsis as Enacted

C 506 L 93

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

By Representatives Orr and Wolfe.

House Committee on Appropriations

Senate Committee on Ways & Means

Background: An employee who returns to public employment may restore any previously earned service credit in the state's retirement systems by repaying the amount of his or her withdrawn employee contributions, plus interest, within a specified time period of returning to work.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' (TRS) and the Public Employees' Retirement Systems (PERS) 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.

During the 1980s, members of PERS and TRS who had failed to repay their withdrawn contributions during the five-year time period were given additional windows of time during which they could restore their contributions. Elected officials, however, were excluded from the open windows.

Summary: 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Retirement Systems is to notify a member of any of the state's retirement systems of the employee's ability to restore withdrawn retirement contributions.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.

Nothing in this act or in existing statute authorizes the extension of statutory restoration deadlines for employees who do not receive notice of their eligibility to restore contributions. This is applied retroactively to restoration periods which expired prior to the effective date of the act.

Members of the Public Employees' Retirement System who were not eligible to restore contributions during the open window period offered in 1986 solely because they were elected judges are permitted to restore withdrawn contributions, along with interest, for periods of non-elected service by June 30, 1994.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House			(House concurred in part)
Senate	45	0	(Senate receded in part)
House	94	0	(House concurred)

Effective: July 25, 1993

Partial Veto Summary: The governor's veto of Section 1 of the bill removes the requirement that the Department of Retirement Systems notify the member of the employee's ability to restore withdrawn retirement contributions. The bill retains the window of eligibility for certain previously excluded classes of active or separated members. (See VETO MESSAGE)