

**SENATE BILL REPORT**

**SB 5510**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 2, 1993**

**Brief Description:** Notifying reentering state employees of their ability to restore previously withdrawn contributions.

**SPONSORS:** Senator Niemi

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** That Substitute Senate Bill No. 5510 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Anderson, Bauer, Bluechel, Cantu, Gaspard, Hargrove, Hochstatter, Jesernig, McDonald, Moyer, Niemi, Owen, L. Smith, Snyder, Sutherland, Talmadge, West, Williams, and Wojahn.

**Staff:** Denise Graham (786-7715)

**Hearing Dates:** March 1, 1993; March 2, 1993

**BACKGROUND:**

A public employee who leaves public employment can withdraw his or her contributions to the state's retirement systems. If that employee later decides to reenter public employment, he or she can restore previously earned service credit by repaying the withdrawn contributions, plus interest, within a specified period of time.

Plan I of the Teachers' and Public Employees' Retirement Systems require the Department of Retirement Systems to notify a returning employee 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 completed.

There is no requirement that the Department of Retirement Systems notify returning employees in Plan II of the state retirement systems of their ability to restore withdrawn contributions and service credit.

**SUMMARY:**

The Department of Retirement Systems is required to notify all members of Plan II of the Public Employees' Retirement System who reenter state service of their ability to restore withdrawn contributions and to inform the members of the amount due and the repayment schedule.

**EFFECT OF PROPOSED SUBSTITUTE:**

The Department of Retirement Systems is required to notify a member of any state-run retirement system who is eligible to restore withdrawn contributions of his or her ability to make the restoration, the potential service that can be restored, the cost of the restoration and the date by which it must be accomplished.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

Since the members of Plan I systems receive notification that they can restore withdrawn retirement contributions, members of Plan II should also receive this notification.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Gary Moore, Washington Federation of State Employees  
(pro)