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HOUSE BILL 1217

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State of Washington

55th Legislature

1997 Regular Session

By Representatives Cooke, H. Sommers, Ogden and Mason; by request of Joint Committee on Pension Policy

Read first time 01/17/97. Referred to Committee on Appropriations.

1 AN ACT Relating to public employees' retirement system plan I  
2 members who separate from service without withdrawing their  
3 contributions from the retirement system; amending RCW 41.40.150; and  
4 creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 41.40.150 and 1994 c 197 s 26 are each amended to read  
7 as follows:

8 Should any member die, or should the individual separate or be  
9 separated from service without leave of absence before attaining age  
10 sixty years, or should the individual become a beneficiary, except a  
11 beneficiary of an optional retirement allowance as provided by RCW  
12 41.40.188, the individual shall thereupon cease to be a member except;

13 (1) As provided in RCW 41.40.170.

14 (2) An employee not previously retired who reenters service shall  
15 upon completion of six months of continuous service and upon the  
16 restoration, in one lump sum or in annual installments, of all  
17 withdrawn contributions: (a) With interest as computed by the  
18 director, which restoration must be completed within a total period of  
19 five years of membership service following the member's first

1 resumption of employment or (b) paying the amount required under RCW  
2 41.50.165(2), be returned to the status, either as an original member  
3 or new member which the member held at time of separation.

4 (3)(a) A member who separates or has separated after having  
5 completed at least five years of service, but has not attained the age  
6 of fifty with at least twenty years of service, shall remain a member  
7 during the period of absence from service for the exclusive purpose of  
8 receiving a retirement allowance to begin at attainment of age sixty-  
9 five, however, such a member may on written notice to the director  
10 elect to receive a reduced retirement allowance on or after age sixty  
11 which allowance shall be the actuarial equivalent of the sum necessary  
12 to pay regular retirement benefits as of age sixty-five: PROVIDED,  
13 That if such member should withdraw all or part of the member's  
14 accumulated contributions except those additional contributions made  
15 pursuant to RCW 41.40.330(2), the individual shall thereupon cease to  
16 be a member and this section shall not apply.

17 (b) A member who separates or has separated after attaining the age  
18 of fifty with at least twenty years of service shall remain a member  
19 during the period of absence from service for the exclusive purpose of  
20 receiving a retirement allowance to begin at attainment of age sixty.  
21 If such a member should withdraw all or part of the member's  
22 accumulated contributions except those additional contributions made  
23 pursuant to RCW 41.40.330(2), the individual shall thereupon cease to  
24 be a member and this section shall not apply.

25 (4)(a) The recipient of a retirement allowance who is employed in  
26 an eligible position other than under RCW 41.40.023(12) shall be  
27 considered to have terminated his or her retirement status and shall  
28 immediately become a member of the retirement system with the status of  
29 membership the member held as of the date of retirement. Retirement  
30 benefits shall be suspended during the period of eligible employment  
31 and the individual shall make contributions and receive membership  
32 credit. Such a member shall have the right to again retire if eligible  
33 in accordance with RCW 41.40.180: PROVIDED, That where any such right  
34 to retire is exercised to become effective before the member has  
35 rendered two uninterrupted years of service the type of retirement  
36 allowance the member had at the time of the member's previous  
37 retirement shall be reinstated;

38 (b) The recipient of a retirement allowance elected to office or  
39 appointed to office directly by the governor, and who shall apply for

1 and be accepted in membership as provided in RCW 41.40.023(3) shall be  
2 considered to have terminated his or her retirement status and shall  
3 become a member of the retirement system with the status of membership  
4 the member held as of the date of retirement. Retirement benefits  
5 shall be suspended from the date of return to membership until the date  
6 when the member again retires and the member shall make contributions  
7 and receive membership credit. Such a member shall have the right to  
8 again retire if eligible in accordance with RCW 41.40.180: PROVIDED,  
9 That where any such right to retire is exercised to become effective  
10 before the member has rendered six uninterrupted months of service the  
11 type of retirement allowance the member had at the time of the member's  
12 previous retirement shall be reinstated, but no additional service  
13 credit shall be allowed: AND PROVIDED FURTHER, That if such a  
14 recipient of a retirement allowance does not elect to apply for reentry  
15 into membership as provided in RCW 41.40.023(3), the member shall be  
16 considered to remain in a retirement status and the individual's  
17 retirement benefits shall continue without interruption.

18 ~~((5) Any member who leaves the employment of an employer and  
19 enters the employ of a public agency or agencies of the state of  
20 Washington, other than those within the jurisdiction of this retirement  
21 system, and who establishes membership in a retirement system or a  
22 pension fund operated by such agency or agencies and who shall continue  
23 membership therein until attaining age sixty, shall remain a member for  
24 the exclusive purpose of receiving a retirement allowance without the  
25 limitation found in RCW 41.40.180(1) to begin on attainment of age  
26 sixty five; however, such a member may on written notice to the  
27 director elect to receive a reduced retirement allowance on or after  
28 age sixty which allowance shall be the actuarial equivalent of the sum  
29 necessary to pay regular retirement benefits commencing at age sixty-  
30 five: PROVIDED, That if such member should withdraw all or part of the  
31 member's accumulated contributions except those additional  
32 contributions made pursuant to RCW 41.40.330(2), the individual shall  
33 thereupon cease to be a member and this section shall not apply.))~~

34 NEW SECTION. **Sec. 2.** This act applies to all members who will  
35 separate from service under RCW 41.40.150(3) on or after January 1,  
36 1997, if they are not retirees as of the effective date of this act.

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