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**SUBSTITUTE SENATE BILL 5277**

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**State of Washington**

**55th Legislature**

**1998 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Winsley, Fraser, Prince, Long, Franklin, Loveland, Oke, Roach, Hochstatter, Swecker, Bauer and Patterson; by request of Joint Committee on Pension Policy)

Read first time 02/10/98.

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 1997 c 254 s 12 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17 withdrawn contributions: (a) With interest as computed by the  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) The recipient of a retirement allowance elected to office or  
26 appointed to office directly by the governor, and who shall apply for  
27 and be accepted in membership as provided in RCW 41.40.023(3) shall be  
28 considered to have terminated his or her retirement status and shall  
29 become a member of the retirement system with the status of membership  
30 the member held as of the date of retirement. Retirement benefits  
31 shall be suspended from the date of return to membership until the date  
32 when the member again retires and the member shall make contributions  
33 and receive membership credit. Such a member shall have the right to  
34 again retire if eligible in accordance with RCW 41.40.180: PROVIDED,  
35 That where any such right to retire is exercised to become effective  
36 before the member has rendered six uninterrupted months of service the  
37 type of retirement allowance the member had at the time of the member's  
38 previous retirement shall be reinstated, but no additional service  
39 credit shall be allowed: AND PROVIDED FURTHER, That if such a

1 recipient of a retirement allowance does not elect to apply for reentry  
2 into membership as provided in RCW 41.40.023(3), the member shall be  
3 considered to remain in a retirement status and the individual's  
4 retirement benefits shall continue without interruption.

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

21 NEW SECTION. **Sec. 2.** This act applies to all members who will  
22 separate from service under RCW 41.40.150(3) on or after January 1,  
23 1998, if they are not retirees as of the effective date of this act.

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