

HOUSE BILL REPORT

HB 2388

As Reported by House Committee On:
Appropriations

Title: An act relating to conforming the Washington state retirement systems to federal requirements on veterans.

Brief Description: Conforming the Washington state retirement systems to federal requirements on veterans.

Sponsors: Representatives Conway, Doumit, Cooper, Alexander, Delvin, Eickmeyer, Miloscia, Chase, Linville, Edwards, Lysen, Haigh, Kenney and Simpson; by request of Joint Committee on Pension Policy.

Brief History:

Committee Activity:

Appropriations: 1/24/02, 2/5/02 [DP].

Brief Summary of Bill

- Conforms the Public Employees' Retirement System Plan 1 and the Washington State Patrol Retirement System statutes to federal law with regard to military service credit.
- Redefines the Vietnam era in statute so that it is consistent with federal statute.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 24 members: Representatives Sommers, Chair; Doumit, 1st Vice Chair; Fromhold, 2nd Vice Chair; Sehlin, Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cody, Cox, Dunshee, Grant, Kagi, Kenney, Kessler, Linville, Lisk, McIntire, Pearson, Pflug, Ruderman, Schual-Berke, Talcott and Tokuda.

Staff: Andrea Hardy (786-7349).

Background:

Military Service Credit

If a member of either Washington State Patrol Retirement System (WSPRS) and the

Public Employees Retirement System Plan 1 (PERS 1) has a minimum of 25 years of service, the member may receive free of charge up to five years of interruptive or prior military service credit that may be applied to their service to the state retirement systems. Currently, in the WSPRS and PERS 1, that provision only applies to those members not already receiving full federal military retirement benefits. Those members receiving full federal military retirement benefits are expressly prohibited from receiving military service credit for same the period from the state.

A federal statute requires that, if a state law allows members of a state retirement system to receive service credit for time served in the military, that allowance must be calculated without respect to any federal retirement benefits they may be receiving. This means that the federal statute conflicts with the state statute.

Definition of Vietnam Era

A state statute defines "veteran" for pension purposes as any member of the retirement systems who, at the time the member seeks specified veteran's benefits through the state retirement systems, served particular specified functions in any branch of the military during any period of war, as defined in statute. This statute defines the Vietnam Era as that period beginning August 5, 1964, and ending May 7, 1975. This statute was amended in early 1996 to match the federal statutory definitions.

The same year that the state statute was amended, the federal statute was also amended to extend the definition of the Vietnam Era to include the period beginning February 28, 1961, and ending May 7, 1975, for those veterans serving in the Republic of Vietnam during that period.

Summary of Bill:

Military Service Credit

For members of WSPRS and PERS 1 who receive full federal military retirement benefits, the bill eliminates the prohibition on receiving state service credit based on that same period of military service. This revised requirement conforms to the federal code.

Definition of the Vietnam Era

For public pension purposes, the Vietnam Era is redefined as either 1) the period beginning August 5, 1964, and ending May 7, 1975, for all veterans or 2) the period beginning February 28, 1961, and ending May 7, 1975, for those veterans serving in the Republic of Vietnam during that period. This revised definition conforms to the federal statute.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: We support this bill on federal requirements on veterans. It should also be noted that this bill presents a good benefit enhancement, one that is currently unavailable to members of the Teachers' Retirement System Plan 1 (TRS 1). The TRS 1 members who are Vietnam veterans cannot buy the additional five years' service after working 25 years. There was a bill introduced last session that addressed this problem, but it was a costly bill.

Testimony Against: None.

Testified: John Kvamme, Washington Association of School Administrators and Association of Washington School Principals; and Gene St. John, Washington Public Employees Association.