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SENATE BILL 6381

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State of Washington 57th Legislature

2002 Regular Session

By Senators Fraser, Winsley, Spanel, Regala and Jacobsen; by request of Joint Committee on Pension Policy

Read first time 01/16/2002. Referred to Committee on Ways & Means.

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

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

5 **Sec. 1.** RCW 41.40.150 and 1997 c 254 s 12 are each amended to read  
6 as follows:

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

12 (1) As provided in RCW 41.40.170.

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16 withdrawn contributions: (a) With interest as computed by the  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

1 41.50.165(2), be returned to the status, either as an original member  
2 or new member which the member held at time of separation.

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

16 (b) A member who:

17 (i) Separates from service under this subsection on or after  
18 January 1, 2002; and

19 (ii) Attains the age of fifty with at least twenty years of service  
20 prior to separation; and

21 (iii) Is not retired as of the effective date of this act shall  
22 remain a member during the period of absence from service for the  
23 exclusive purpose of receiving a retirement allowance to begin at  
24 attainment of age sixty.

25 If such a member should withdraw all or part of the member's  
26 accumulated contributions except those additional contributions made  
27 pursuant to RCW 41.40.330(2), the individual shall thereupon cease to  
28 be a member and this section shall not apply.

29 (4) The recipient of a retirement allowance elected to office or  
30 appointed to office directly by the governor, and who shall apply for  
31 and be accepted in membership as provided in RCW 41.40.023(3) shall be  
32 considered to have terminated his or her retirement status and shall  
33 become a member of the retirement system with the status of membership  
34 the member held as of the date of retirement. Retirement benefits  
35 shall be suspended from the date of return to membership until the date  
36 when the member again retires and the member shall make contributions  
37 and receive membership credit. Such a member shall have the right to  
38 again retire if eligible in accordance with RCW 41.40.180: PROVIDED,  
39 That where any such right to retire is exercised to become effective

1 before the member has rendered six uninterrupted months of service the  
2 type of retirement allowance the member had at the time of the member's  
3 previous retirement shall be reinstated, but no additional service  
4 credit shall be allowed: AND PROVIDED FURTHER, That if such a  
5 recipient of a retirement allowance does not elect to apply for reentry  
6 into membership as provided in RCW 41.40.023(3), the member shall be  
7 considered to remain in a retirement status and the individual's  
8 retirement benefits shall continue without interruption.

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

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