

# HOUSE BILL REPORT

## HB 1325

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### As Passed Legislature

**Title:** An act relating to interruptive military service credit within the public employees' retirement system, the school employees' retirement system, the teachers' retirement system, the law enforcement officers' and fire fighters' retirement system plan 2, the Washington state patrol retirement system, and the public safety employees' retirement system.

**Brief Description:** Authorizing interruptive military service credit.

**Sponsors:** By Representatives Conway, Fromhold, Crouse, Simpson, Morrell, Moeller, Sells, Chase and Campbell; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board.

### Brief History:

#### Committee Activity:

Appropriations: 1/27/05, 2/14/05 [DP].

#### Floor Activity:

Passed House: 3/8/05, 91-0.

Passed Senate: 4/5/05, 49-0.

Passed Legislature.

### Brief Summary of Bill

- Permits survivors or members of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2), Public Employees' Retirement System Plan 2 or 3 (PERS 2/3), Public Safety Employees' Retirement System Plan 2 (PSERS 2), School Employees' Retirement System Plan 2 or 3 (SERS 2/3), Teachers' Retirement System Plan 2 or 3 (TRS 2/3), or the Washington State Patrol Retirement System Plan 2 (WSPRS 2) to purchase military service credit without requiring a resumption of employment if the member dies in the uniformed services or is discharged from the uniformed services totally incapacitated for further employment.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 29 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney,

Kessler, Linville, McDermott, McIntire, Miloscia, Pearson, Priest, Schual-Berke, Talcott and Walsh.

**Staff:** David Pringle (786-7310).

**Background:**

A member of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2), Public Employees' Retirement System Plan 2 or 3 (PERS 2/3), Public Safety Employees' Retirement System Plan 2 (PSERS 2), School Employees' Retirement System Plan 2 or 3 (SERS 2/3), Teachers' Retirement System Plan 2 or 3 (TRS 2/3), or the Washington State Patrol Retirement System Plan 2 (WSPRS 2) who leaves employment to enter the armed forces of the United States may receive up to five years of retirement system service credit.

To receive this service credit, the member must resume retirement system-covered service within one year of the end of his or her service in the armed forces. If a member applies but is refused reemployment within one year, then the member must resume retirement system-covered employment within 10 years.

Following re-employment in a retirement system-covered position, a member may have up to five years of their military service credited to his or her retirement system if they pay the employee contributions plus interest. The contributions are based on the average of the member's compensation at the time the member left employment to join the armed forces and at the time the member resumed employment, and payment must be completed within five years following either the first resumption of state employment or accumulation of 25 years of service credit.

In the event that a member is not reemployed in a retirement system-covered position following his or her military service, the member cannot elect to pay the required employee contributions and interest and receive retirement system service credit for service in the armed forces.

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**Summary of Bill:**

The surviving spouse or children of a member of LEOFF 2, PERS 2/3, PSERS 2, SERS 2/3, TRS 2/3, or WSPRS 2 who dies while serving in the uniformed services may, on behalf of the deceased member, apply for retirement system service credit for the member up until the date of the member's death. The survivors will provide the Director of the Department of Retirement Systems (Director) with proof of the member's death while in the uniformed services, and proof of the member's honorable service prior to the date of death.

A member of LEOFF 2, PERS 2/3, PSERS 2, SERS 2/3, TRS 2/3, or WSPRS 2 who is totally incapacitated for continued employment due to conditions or events that occurred while in the uniformed services and who provides the Director with proof of an honorable discharge is entitled to purchase service credit for the period up to the date of his or her discharge.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed, except for section 11, relating to the Public Safety Employees Retirement System, which takes effect July 1, 2006.

**Testimony For:** The LEOFF Plan 2 Retirement Board unanimously recommended this bill, and I encourage your support.

**Testimony Against:** None.

**Persons Testifying:** Steve Nelsen, LEOFF 2 Retirement Board.

**Persons Signed In To Testify But Not Testifying:** None.