

SENATE BILL REPORT

SHB 1938

As Reported By Senate Committee On:
Ways & Means, March 23, 2005

Title: An act relating to employment and retirement rights of members of the armed forces called to active duty.

Brief Description: Addressing the employment and retirement rights of members of the armed forces called to active duty.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Hinkle, Darneille, Morrell, Ericks and O'Brien).

Brief History: Passed House: 3/10/05, 94-0.

Committee Activity: Ways & Means: 3/23/05 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Zarelli, Ranking Minority Member; Brandland, Hewitt, Kohl-Welles, Parlette, Pflug, Pridemore, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Erik Sund (786-7454)

Background: A member of the Public Employees' Retirement System Plan 1 (PERS 1) who has accumulated 25 years of service credit may receive up to five years of additional retirement system service credit at no cost for military service that was rendered during a time of war or during specific periods of conflict. In order to receive credit, a member must receive an honorable discharge from the armed forces or a discharge for physical reasons with an honorable record of service. This credit is available to an eligible PERS 1 member regardless of whether or not he or she separated from employment in order to provide that military service, a feature provided by only one other Washington State retirement plan, the Washington State Patrol Retirement System Plan 1 (WSPRS 1).

A member of PERS 1 with fewer than 25 years of service credit may still receive up to five years of retirement system service credit for military service, provided that the member separated from PERS-eligible employment in order to provide that military service. In order to receive this credit for military service, the member must return to active employment within one year of being honorably discharged from the military. If the member applies for reinstatement of employment within one year but is refused, then he or she has up to 10 years to return to employment to qualify for the credit.

Summary of Amended Bill: The definition of "veteran" used for both interruptive and non-interruptive military service credit in PERS 1 is amended to include Operation Noble Eagle, Operation Enduring Freedom, and Operation Iraqi Freedom.

A member of PERS 1 qualifies for non-interruptive military service credit while a member is actively serving honorably, in addition to after being honorably discharged, or being discharged for physical reasons with an honorable record.

A member of PERS 1 qualifies for military service credit after completing 25 years of creditable service without returning to covered employment. A member who would have become eligible for a retirement benefit if they had continued working for a PERS 1 employer for a period that he or she is serving as a veteran may apply to the Department of Retirement Systems for military service credit.

Amended Bill Compared to Original Bill: Credit for non-interruptive military service rendered on or prior to January 1, 2005 may be granted to PERS 1 members while they are serving honorably. This provision applied only to service rendered after January 1, 2005 in the original Substitute House Bill.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: When the original statutes governing credit for military service in PERS 1 were written back in 1974, it was not envisioned that members would be called to military service at the end of their career. Today, however, PERS 1 members are being called up just before they qualify for retirement. They are not currently eligible to receive their retirement benefits without first being discharged and returning to work.

Testimony Against: None.

Who Testified: PRO: Representative Bill Hinkle, 13th Legislative District; Bob Cooper; Colonel Michael Pierce, Department of the Army, 70th Regional Readiness Command.