

SENATE BILL REPORT

SB 6645

As Reported By Senate Committee On:
Ways & Means, February 12, 2008

Title: An act relating to interruptive military service credit within plans 2 and 3 of the public employees' retirement system, plans 2 and 3 of the teachers' retirement system, plan 2 of the law enforcement officers' and firefighters' retirement system, plan 2 of the Washington state patrol retirement system, and the public safety employees' retirement system.

Brief Description: Providing interruptive military service credit for members of plans 2 and 3 who provide proof to the director that their interruptive military service was during a period of war defined in RCW 41.04.005.

Sponsors: Senators Pridemore, Carrell, Murray, Schoesler, Holmquist, Stevens, Kohl-Welles, Roach and Rasmussen; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board.

Brief History:

Committee Activity: Ways & Means: 1/31/08, 2/12/08 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6645 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Hatfield, Hobbs, Oemig, Parlette, Rasmussen, Rockefeller and Schoesler.

Staff: Erik Sund (786-7454)

Background: Members of Plans 2 and 3 of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), and the School Employees' Retirement System (SERS); and of Plan 2 of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF), the Public Safety Employees' Retirement System (PSERS), and the Washington State Patrol Retirement System (WSPRS) are eligible to receive retirement system service credit for a maximum of five years spent on authorized leave of absence for the purpose of rendering military service. The credit can be obtained if the employee leaves eligible employment to serve in the military, applies for re-employment with an eligible employer within 90 days of receiving an honorable discharge, and the employee pays the member contributions that he or she would have otherwise made during time spent in the military.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Payment must be made within five years of resumption of employment, or prior to retirement, whichever comes sooner. If the employee does not pay his or her portion within this time period, the employee may still purchase the service credit prior to retirement at full actuarial cost. In the event that the member dies while serving in the military, a survivor may purchase service credit for the time that the member's period of military service in which case the additional service credit is included in the calculation of the survivor benefit.

Members of Plan 1 of PERS or WSPRS are eligible for up to 5 years of service credit for time spent in military service before or after joining PERS, provided that the service was rendered in a time of war or conflict. In order to receive credit for prior military service a member must first earn 25 years of service credit within PERS. No contributions are required of members eligible for such service credit.

Members Plan 1 of LEOFF or TRS may receive up to 5 years of service credit for military service if they leave eligible employment in order to render that service and return to eligible employment afterwards. Members of TRS 1 must pay the appropriate retirement system employee contributions that they missed while serving in the military in order to receive the service credit. Members of LEOFF 1 are not required to make contributions to receive military service credit.

Summary of Bill (Recommended Substitute): Members of Plans 2 and 3 of the PERS, TRS, SERS; and of Plan 2 of LEOFF, PSERS, WSPRS are not required to pay member contributions in order to receive retirement system service credit for time spent in military service during a period of war. They must still have left eligible employment in order to serve in the military and must return to eligible employment after the period of military service. In the case of a member who dies in the course of military service during a period of war, the benefit paid to a survivor will be calculated including the military service credit at no cost to the survivor.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): Corrects the title of the bill by adding a reference to the School Employees' Retirement System (SERS).

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill would provide an incentive for soldiers leaving the military to return to state service. It would aid the recruitment efforts of the military and of state agencies, especially in public safety positions. This is the least that we can do for state employees that left their jobs to serve our country in a time of war.

Persons Testifying: PRO: Alia Griffins, Washington Federation of State Employees; Mike Holyan, Washington Federation of State Employees.