

# SENATE BILL REPORT

## SB 6123

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As of May 26, 2015

**Title:** An act relating to retirement service credit.

**Brief Description:** Concerning retirement service credit.

**Sponsors:** Senators Bailey, Schoesler, Hewitt, Angel, Brown, O'Ban, Padden, Rivers, Roach, Honeyford, Miloscia and Warnick.

**Brief History:**

**Committee Activity:** Ways & Means:

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Pete Cutler (786-7474)

**Background:** State elected officials have the option to become members of the Public Employees Retirement System (PERS) for their periods of elected service. Persons who have five or more years of service in PERS and are age 65 are eligible to receive a retirement benefit that is calculated as follows: 2 percent x Years of Service x Average Final Compensation (AFC). For PERS Plan 2 members the AFC is calculated as the average of the highest consecutive sixty months of compensation earned while in a PERS position. For example a PERS Plan 2 member who retired with 25 years of service and an AFC of \$100,000 would be eligible for an annual benefit of \$50,000, or \$4,167 per month.

PERS 2 members may receive up a maximum of two years service credit for periods when the member is on an unpaid leave of absence that is authorized by a PERS employer. The service credit may be obtained if the member makes both the employer and member contributions, plus interest, for the period of absence. The contributions are based on the average of the member's compensation at both the time the authorized leave of absence was granted and the time a member resumed employment. As of May 2015, the PERS 2 employer contribution rate is 9.21 percent and the member contribution rate is 4.92 percent.

**Summary of Bill:** A PERS Plan 2 member who is a state elected official shall not receive service credit for an authorized leave of absence that is provided after the member has been charged with a felony offense, unless the felony charges are dismissed or the member is acquitted of the felony charges.

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*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.*

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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