
HOUSE BILL 2855

State of Washington

64th Legislature

2016 Regular Session

By Representatives Sells and Kilduff

Read first time 01/22/16. Referred to Committee on Appropriations.

1 AN ACT Relating to prior military service credit for members of
2 the teachers' retirement system, plans 2 and 3; and amending RCW
3 41.32.810 and 41.32.865.

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

5 **Sec. 1.** RCW 41.32.810 and 2009 c 205 s 6 are each amended to
6 read as follows:

7 (1) A member who is on a paid leave of absence authorized by a
8 member's employer shall continue to receive service credit as
9 provided for under the provisions of RCW 41.32.755 through 41.32.825.

10 (2) A member who receives compensation from an employer while on
11 an authorized leave of absence to serve as an elected official of a
12 labor organization, and whose employer is reimbursed by the labor
13 organization for the compensation paid to the member during the
14 period of absence, may also be considered to be on a paid leave of
15 absence. This subsection shall only apply if the member's leave of
16 absence is authorized by a collective bargaining agreement that
17 provides that the member retains seniority rights with the employer
18 during the period of leave. The earnable compensation reported for a
19 member who establishes service credit under this subsection may not
20 be greater than the salary paid to the highest paid job class covered
21 by the collective bargaining agreement.

1 (3) Except as specified in subsection (6) of this section, a
2 member shall be eligible to receive a maximum of two years service
3 credit during a member's entire working career for those periods when
4 a member is on an unpaid leave of absence authorized by an employer.
5 Such credit may be obtained only if the member makes both the
6 employer and member contributions plus interest as determined by the
7 department for the period of the authorized leave of absence within
8 five years of resumption of service or prior to retirement whichever
9 comes sooner.

10 (4) If a member fails to meet the time limitations of subsection
11 (3) of this section, the member may receive a maximum of two years of
12 service credit during a member's working career for those periods
13 when a member is on unpaid leave of absence authorized by an
14 employer. This may be done by paying the amount required under RCW
15 41.50.165(2) prior to retirement.

16 (5) For the purpose of subsection (3) of this section, the
17 contribution shall not include the contribution for the unfunded
18 supplemental present value as required by RCW 41.32.775. The
19 contributions required shall be based on the average of the member's
20 earnable compensation at both the time the authorized leave of
21 absence was granted and the time the member resumed employment.

22 (6) A member who leaves the employ of an employer to enter the
23 uniformed services of the United States shall be entitled to
24 retirement system service credit for up to five years of military
25 service. This subsection shall be administered in a manner consistent
26 with the requirements of the federal uniformed services employment
27 and reemployment rights act. A member shall also be entitled to
28 retirement system service credit for up to five years of service as
29 an active duty member of the uniformed services of the United States
30 prior to employment by an employer; however, the total interruptive
31 and prior military service creditable to a member under subsection
32 (4) of this section is five years.

33 (a) The member qualifies for service credit under this subsection
34 if:

35 (i) Within ninety days of the member's honorable discharge from
36 the uniformed services of the United States, the member applies for
37 reemployment with the employer who employed the member immediately
38 prior to the member entering the uniformed services; and

1 (ii) The member makes the employee contributions required under
2 RCW 41.32.775 within five years of resumption of service or prior to
3 retirement, whichever comes sooner; or

4 (iii) Prior to retirement and not within ninety days of the
5 member's honorable discharge or five years of resumption of service
6 the member pays the amount required under RCW 41.50.165(2); or

7 (iv) Prior to retirement the member provides to the director
8 proof that the member's (~~interruptive~~) military service was during
9 a period of war as defined in RCW 41.04.005. Any member who made
10 payments for service credit for interruptive military service during
11 a period of war as defined in RCW 41.04.005 may, prior to retirement
12 and on a form provided by the department, request a refund of the
13 funds standing to his or her credit for up to five years of such
14 service, and this amount shall be paid to him or her. Members with
15 one or more periods of (~~interruptive~~) military service credit
16 during a period of war may receive no more than five years of free
17 retirement system service credit under this subsection.

18 (b) Upon receipt of member contributions under (a)(ii), (d)(iii),
19 or (e)(iii) of this subsection, or adequate proof under (a)(iv),
20 (d)(iv), or (e)(iv) of this subsection, the department shall
21 establish the member's service credit and shall bill the employer for
22 its contribution required under RCW 41.32.775 for the period of
23 military service, plus interest as determined by the department.

24 (c) The contributions required under (a)(ii), (d)(iii), or
25 (e)(iii) of this subsection shall be based on the compensation the
26 member would have earned if not on leave, or if that cannot be
27 estimated with reasonable certainty, the compensation reported for
28 the member in the year prior to when the member went on military
29 leave.

30 (d) The surviving spouse or eligible child or children of a
31 member who left the employ of an employer to enter the uniformed
32 services of the United States and died while serving in the uniformed
33 services may, on behalf of the deceased member, apply for retirement
34 system service credit under this subsection up to the date of the
35 member's death in the uniformed services. The department shall
36 establish the deceased member's service credit if the surviving
37 spouse or eligible child or children:

38 (i) Provides to the director proof of the member's death while
39 serving in the uniformed services;

1 (ii) Provides to the director proof of the member's honorable
2 service in the uniformed services prior to the date of death; and

3 (iii) Pays the employee contributions required under chapter
4 41.45 RCW within five years of the date of death or prior to the
5 distribution of any benefit, whichever comes first; or

6 (iv) Prior to the distribution of any benefit, provides to the
7 director proof that the member's interruptive military service was
8 during a period of war as defined in RCW 41.04.005. If the deceased
9 member made payments for service credit for interruptive military
10 service during a period of war as defined in RCW 41.04.005, the
11 surviving spouse or eligible child or children may, prior to the
12 distribution of any benefit and on a form provided by the department,
13 request a refund of the funds standing to the deceased member's
14 credit for up to five years of such service, and this amount shall be
15 paid to the surviving spouse or children. Members with one or more
16 periods of interruptive military service during a period of war may
17 receive no more than five years of free retirement system service
18 credit under this subsection.

19 (e) A member who leaves the employ of an employer to enter the
20 uniformed services of the United States and becomes totally
21 incapacitated for continued employment by an employer while serving
22 in the uniformed services is entitled to retirement system service
23 credit under this subsection up to the date of discharge from the
24 uniformed services if:

25 (i) The member obtains a determination from the director that he
26 or she is totally incapacitated for continued employment due to
27 conditions or events that occurred while serving in the uniformed
28 services;

29 (ii) The member provides to the director proof of honorable
30 discharge from the uniformed services; and

31 (iii) The member pays the employee contributions required under
32 chapter 41.45 RCW within five years of the director's determination
33 of total disability or prior to the distribution of any benefit,
34 whichever comes first; or

35 (iv) Prior to retirement the member provides to the director
36 proof that the member's interruptive military service was during a
37 period of war as defined in RCW 41.04.005. Any member who made
38 payments for service credit for interruptive military service during
39 a period of war as defined in RCW 41.04.005 may, prior to retirement
40 and on a form provided by the department, request a refund of the

1 funds standing to his or her credit for up to five years of such
2 service, and this amount shall be paid to him or her. Members with
3 one or more periods of interruptive military service credit during a
4 period of war may receive no more than five years of free retirement
5 system service credit under this subsection.

6 **Sec. 2.** RCW 41.32.865 and 2009 c 205 s 7 are each amended to
7 read as follows:

8 (1) A member who is on a paid leave of absence authorized by a
9 member's employer shall continue to receive service credit.

10 (2) A member who receives compensation from an employer while on
11 an authorized leave of absence to serve as an elected official of a
12 labor organization, and whose employer is reimbursed by the labor
13 organization for the compensation paid to the member during the
14 period of absence, may also be considered to be on a paid leave of
15 absence. This subsection shall only apply if the member's leave of
16 absence is authorized by a collective bargaining agreement that
17 provides that the member retains seniority rights with the employer
18 during the period of leave. The earnable compensation reported for a
19 member who establishes service credit under this subsection may not
20 be greater than the salary paid to the highest paid job class covered
21 by the collective bargaining agreement.

22 (3) Except as specified in subsection (4) of this section, a
23 member shall be eligible to receive a maximum of two years service
24 credit during a member's entire working career for those periods when
25 a member is on an unpaid leave of absence authorized by an employer.
26 Such credit may be obtained only if:

27 (a) The member makes the contribution on behalf of the employer,
28 plus interest, as determined by the department; and

29 (b) The member makes the employee contribution, plus interest, as
30 determined by the department, to the defined contribution portion.

31 The contributions required shall be based on the average of the
32 member's earnable compensation at both the time the authorized leave
33 of absence was granted and the time the member resumed employment.

34 (4) A member who leaves the employ of an employer to enter the
35 uniformed services of the United States shall be entitled to
36 retirement system service credit for up to five years of military
37 service if within ninety days of the member's honorable discharge
38 from the uniformed services of the United States, the member applies
39 for reemployment with the employer who employed the member

1 immediately prior to the member entering the uniformed services. This
2 subsection shall be administered in a manner consistent with the
3 requirements of the federal uniformed services employment and
4 reemployment rights act. A member shall also be entitled to
5 retirement system service credit for up to five years of service as
6 an active duty member of the uniformed services of the United States
7 prior to employment by an employer; however, the total interruptive
8 and prior military service creditable to a member under subsection
9 (4) of this section is five years.

10 The department shall establish the member's service credit and
11 shall bill the employer for its contribution required under chapter
12 239, Laws of 1995 for the period of military service, plus interest
13 as determined by the department. Service credit under this subsection
14 may be obtained only if the member makes the employee contribution to
15 the defined contribution portion as determined by the department, or
16 prior to retirement, the member provides to the director proof that
17 the member's ((interruptive)) military service was during a period of
18 war as defined in RCW 41.04.005. Any member who made payments for
19 service credit for interruptive military service during a period of
20 war as defined in RCW 41.04.005 may, prior to retirement and on a
21 form provided by the department, request a refund of the funds
22 standing to his or her credit for up to five years of such service,
23 and this amount shall be paid to him or her. Members with one or more
24 periods of ((interruptive)) military service during a period of war
25 may receive no more than five years of free retirement system service
26 credit under this subsection.

27 The contributions required shall be based on the compensation the
28 member would have earned if not on leave, or if that cannot be
29 estimated with reasonable certainty, the compensation reported for
30 the member in the year prior to when the member went on military
31 leave.

32 (a) The surviving spouse or eligible child or children of a
33 member who left the employ of an employer to enter the uniformed
34 services of the United States and died while serving in the uniformed
35 services may, on behalf of the deceased member, apply for retirement
36 system service credit under this subsection up to the date of the
37 member's death in the uniformed services. The department shall
38 establish the deceased member's service credit if the surviving
39 spouse or eligible child or children:

1 (i) Provides to the director proof of the member's death while
2 serving in the uniformed services;

3 (ii) Provides to the director proof of the member's honorable
4 service in the uniformed services prior to the date of death; and

5 (iii) Pays the employee contributions required under this
6 subsection within five years of the date of death or prior to the
7 distribution of any benefit, whichever comes first; or

8 (iv) Prior to the distribution of any benefit, provides to the
9 director proof that the member's interruptive military service was
10 during a period of war as defined in RCW 41.04.005. If the deceased
11 member made payments for service credit for interruptive military
12 service during a period of war as defined in RCW 41.04.005, the
13 surviving spouse or eligible child or children may, prior to the
14 distribution of any benefit and on a form provided by the department,
15 request a refund of the funds standing to the deceased member's
16 credit for up to five years of such service, and this amount shall be
17 paid to the surviving spouse or children. Members with one or more
18 periods of interruptive military service during a period of war may
19 receive no more than five years of free retirement system service
20 credit under this subsection.

21 (b) A member who leaves the employ of an employer to enter the
22 uniformed services of the United States and becomes totally
23 incapacitated for continued employment by an employer while serving
24 in the uniformed services is entitled to retirement system service
25 credit under this subsection up to the date of discharge from the
26 uniformed services if:

27 (i) The member obtains a determination from the director that he
28 or she is totally incapacitated for continued employment due to
29 conditions or events that occurred while serving in the uniformed
30 services;

31 (ii) The member provides to the director proof of honorable
32 discharge from the uniformed services; and

33 (iii) The member pays the employee contributions required under
34 this subsection within five years of the director's determination of
35 total disability or prior to the distribution of any benefit,
36 whichever comes first; or

37 (iv) Prior to retirement the member provides to the director
38 proof that the member's interruptive military service was during a
39 period of war as defined in RCW 41.04.005. Any member who made
40 payments for service credit for interruptive military service during

1 a period of war as defined in RCW 41.04.005 may, prior to retirement
2 and on a form provided by the department, request a refund of the
3 funds standing to his or her credit for up to five years of such
4 service, and this amount shall be paid to him or her. Members with
5 one or more periods of interruptive military service during a period
6 of war may receive no more than five years of free retirement system
7 service credit under this subsection.

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