

# SENATE BILL REPORT

## SB 5296

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As Passed Senate, February 22, 2023

**Title:** An act relating to interruptive military service credit for members of the state retirement systems.

**Brief Description:** Concerning interruptive military service credit for members of the state retirement systems.

**Sponsors:** Senators Nobles, Van De Wege, Billig, Boehnke, Braun, Cleveland, Conway, Fortunato, Holy, Hunt, Lovick, Rivers, Robinson, Stanford, Wagoner, Wellman and Wilson, C.; by request of LEOFF Plan 2 Retirement Board, Select Committee on Pension Policy, Office of the State Actuary.

**Brief History:**

**Committee Activity:** Ways & Means: 1/23/23, 2/07/23 [DP].

**Floor Activity:** Passed Senate: 2/22/23, 49-0.

**Brief Summary of Bill**

- Expands the definition of "period of war" for veterans' benefits in state pension systems, legal assistance, scoring criteria on civil service exams, and other programs, to include any armed conflicts where an expeditionary medal was awarded.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Rolfes, Chair; Robinson, Vice Chair, Operating & Revenue; Mullet, Vice Chair, Capital; Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Billig, Boehnke, Braun, Conway, Dhingra, Hasegawa, Hunt, Keiser, Muzzall, Nguyen, Pedersen, Saldaña, Torres, Van De Wege, Wagoner and

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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 part of the legislation nor does it constitute a statement of legislative intent.*

Wellman.

**Staff:** Amanda Cecil (786-7460)

**Background:** The state provides certain recognition benefits to people based on their status as a military service veteran. Veteran status generally is recognized for a service member who received an honorable discharge, or other excusable discharge. Benefits for such general service status include, among others, free license plate decals; admission to state soldiers' and veterans' homes; veterans' scoring preference on civil service exams; veteran homeownership down payment assistance programs; and certain services administered by the Washington State Department of Veterans Affairs.

A separate status is recognized for veterans who served in a period of war or conflict. Such combat veterans are eligible to receive additional benefits, including, but not limited to higher scoring preference on civil service exams; participation in a designated shared leave pool program; special designated license plates; and property tax relief for senior surviving spouses of veterans.

The federal Uniform Services Employment and Reemployment Rights Act (USERRA) requires employers to determine a reemployed service member's eligibility for participation in a pension plan and the vesting and accrual of the service member's pension benefits as if the service member had not left for military service. Consistent with USERRA, members of the state's retirement systems who leave employment to enter the armed forces of the United States may be eligible for interruptive military service credit. Interruptive military service credit applies to all Washington state retirement systems. A member qualifies for this benefit when a leave of absence is taken from a Department of Retirement System (DRS) covered position to serve in the United States military. When this occurs, membership in the retirement system is considered to be interrupted.

There are two types of pension benefits for interruptive military service—fully subsidized or no cost interruptive military service credit, and partially subsidized where the member pays the employee portion of contributions for that period and in some cases interest. A member can qualify for up to five years of no-cost interruptive military service credit. The employer and state pay their contributions plus interest and the system subsidizes the member contributions and interest. To qualify for no-cost interruptive military service credit the member must meet the definition of veteran under law and have served during a "period of war" for which the member was awarded a campaign medal.

The Department of Defense (DOD) awards campaign, expeditionary, deployed service, and individual service badges or medals. Campaign medals recognize deployed participation in large-scale or long-duration combat operations. Campaign medals are associated with the highest level of personal risk and hardship. They are awarded to service members who are deployed to the geographic areas where the combat is actually occurring. Expeditionary medals are also awarded to members deployed in support of combat operations, but

generally to those who are not in the geographic area where the combat is occurring.

In 2020, the Select Committee on Pension Policy and the Law Enforcement Officers' and Firefighters' Plan 2 Retirement Board were directed to study providing expanded no-cost military service credit to members of the retirement systems to members who received an expeditionary medal, and report to the Legislature by January 2, 2021.

**Summary of Bill:** The definition of "period of war" is expanded for veterans' benefits in state pension systems, legal assistance, scoring criteria on civil service exams, and other programs, to include any armed conflicts where a expeditionary medal was awarded.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: This has been a longstanding issue that has been raised by members of pension systems who have qualified for this expeditionary medal, but not a campaign medal, and wanted this no-cost interrupted military service credit. In the past, cost has been an issue, but that cost has been identified and this bill is endorsed by the LEOFF 2 board and the select committee.

**Persons Testifying:** PRO: Jacob White, LEOFF 2 Board.

**Persons Signed In To Testify But Not Testifying:** No one.