
SENATE BILL 5306

State of Washington

69th Legislature

2025 Regular Session

By Senators Holy, Riccelli, Bateman, Conway, Krishnadasan, and Nobles; by request of LEOFF Plan 2 Retirement Board

Read first time 01/16/25. Referred to Committee on Ways & Means.

1 AN ACT Relating to the purchase of pension service credit for
2 authorized leaves of absence; and amending RCW 41.26.520.

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

4 **Sec. 1.** RCW 41.26.520 and 2016 c 115 s 2 are each amended to
5 read as follows:

6 (1) A member who is on a paid leave of absence authorized by a
7 member's employer shall continue to receive service credit as
8 provided for under the provisions of RCW 41.26.410 through 41.26.550.

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

1 (3) Except as specified in subsection (7) 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 If the member retires instead of returning to work, the member is
6 eligible for this credit. Such credit may be obtained only if the
7 member makes the employer, member, and state contributions plus
8 interest as determined by the department for the period of the
9 authorized leave of absence within five years of resumption of
10 service or prior to retirement whichever comes sooner.

11 (4) A law enforcement member may be authorized by an employer to
12 work part time and to go on a part-time leave of absence. During a
13 part-time leave of absence a member is prohibited from any other
14 employment with their employer. A member is eligible to receive
15 credit for any portion of service credit not earned during a month of
16 part-time leave of absence if the member makes the employer, member,
17 and state contributions, plus interest, as determined by the
18 department for the period of the authorized leave within five years
19 of resumption of full-time service or prior to retirement whichever
20 comes sooner. Any service credit purchased for a part-time leave of
21 absence is included in the two-year maximum provided in subsection
22 (3) of this section.

23 (5) If a member fails to meet the time limitations of subsection
24 (3) or (4) of this section, the member may receive a maximum of two
25 years of service credit during a member's working career for those
26 periods when a member is on unpaid leave of absence authorized by an
27 employer. This may be done by paying the amount required under RCW
28 41.50.165(2) prior to retirement.

29 (6) For the purpose of subsection (3) or (4) of this section, the
30 contribution shall not include the contribution for the unfunded
31 supplemental present value as required by RCW 41.45.060, 41.45.061,
32 and 41.45.067. The contributions required shall be based on the
33 average of the member's basic salary at both the time the authorized
34 leave of absence was granted and the time the member resumed
35 employment. If the member retires instead of returning to work, the
36 contributions required shall be based on the member's basic salary at
37 the time the authorized leave of absence was granted adjusted for any
38 cost-of-living or other pay increases provided to similar jobs or job
39 classes during the leave period.

1 (7) A member who leaves the employ of an employer to enter the
2 uniformed services of the United States shall be entitled to
3 retirement system service credit for up to five years of military
4 service. This subsection shall be administered in a manner consistent
5 with the requirements of the federal uniformed services employment
6 and reemployment rights act.

7 (a) The member qualifies for service credit under this subsection
8 if:

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

13 (ii) The member makes the employee contributions required under
14 RCW 41.45.060, 41.45.061, and 41.45.067 within five years of
15 resumption of service or prior to retirement, whichever comes sooner;
16 or

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

20 (iv) Prior to retirement the member provides to the director
21 proof that the member's interruptive military service was during a
22 period of war as defined in RCW 41.04.005. Any member who made
23 payments for service credit for interruptive military service during
24 a period of war as defined in RCW 41.04.005 may, prior to retirement
25 and on a form provided by the department, request a refund of the
26 funds standing to his or her credit for up to five years of such
27 service, and this amount shall be paid to him or her. Members with
28 one or more periods of interruptive military service credit during a
29 period of war may receive no more than five years of free retirement
30 system service credit under this subsection.

31 (b) Upon receipt of member contributions under (a)(ii), (d)(iii),
32 or (e)(iii) of this subsection, or adequate proof under (a)(iv),
33 (d)(iv), or (e)(iv) of this subsection, the department shall
34 establish the member's service credit and shall bill the employer and
35 the state for their respective contributions required under RCW
36 41.26.450 for the period of military service, plus interest as
37 determined by the department.

38 (c) The contributions required under (a)(ii), (d)(iii), or
39 (e)(iii) of this subsection shall be based on the compensation the
40 member would have earned if not on leave, or if that cannot be

1 estimated with reasonable certainty, the compensation reported for
2 the member in the year prior to when the member went on military
3 leave.

4 (d) The surviving spouse, domestic partner, or eligible child or
5 children of a member who left the employ of an employer to enter the
6 uniformed services of the United States and died while serving in the
7 uniformed services may, on behalf of the deceased member, apply for
8 retirement system service credit under this subsection up to the date
9 of the member's death in the uniformed services. The department shall
10 establish the deceased member's service credit if the surviving
11 spouse or eligible child or children:

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

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

16 (iii) Pays the employee contributions required under chapter
17 41.45 RCW within five years of the date of death or prior to the
18 distribution of any benefit, whichever comes first; or

19 (iv) Prior to the distribution of any benefit, provides to the
20 director proof that the member's interruptive military service was
21 during a period of war as defined in RCW 41.04.005. If the deceased
22 member made payments for service credit for interruptive military
23 service during a period of war as defined in RCW 41.04.005, the
24 surviving spouse or eligible child or children may, prior to the
25 distribution of any benefit and on a form provided by the department,
26 request a refund of the funds standing to the deceased member's
27 credit for up to five years of such service, and this amount shall be
28 paid to the surviving spouse or children. Members with one or more
29 periods of interruptive military service during a period of war may
30 receive no more than five years of free retirement system service
31 credit under this subsection.

32 (e) A member who leaves the employ of an employer to enter the
33 uniformed services of the United States and becomes totally
34 incapacitated for continued employment by an employer while serving
35 in the uniformed services is entitled to retirement system service
36 credit under this subsection up to the date of discharge from the
37 uniformed services if:

38 (i) The member obtains a determination from the director that he
39 or she is totally incapacitated for continued employment due to

1 conditions or events that occurred while serving in the uniformed
2 services;

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

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

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

20 (f) The surviving spouse, domestic partner, or eligible child or
21 children of a member who left the employ of an employer to enter the
22 uniformed services of the United States, federal emergency management
23 agency, or national disaster medical system of the United States
24 department of health and human services and died while performing
25 service in response to a disaster, major emergency, special event,
26 federal exercise, or official training on or after March 22, 2014,
27 may, on behalf of the deceased member, apply for retirement system
28 service credit under this subsection up to the date of the member's
29 death in such service. The department shall establish the deceased
30 member's service credit if the surviving spouse or eligible child or
31 children provides to the director proof of the member's death while
32 in such service.

33 (g) A member who leaves the employ of an employer to enter the
34 uniformed services of the United States, federal emergency management
35 agency, or national disaster medical system of the United States
36 department of health and human services and becomes totally
37 incapacitated for continued employment by an employer while providing
38 such service is entitled to retirement system service credit under
39 this subsection up to the date of separation from such service if the
40 member obtains a determination from the director that he or she is

1 totally incapacitated for continued employment due to conditions or
2 events that occurred while performing such service.

3 (8) A member receiving benefits under Title 51 RCW who is not
4 receiving benefits under this chapter shall be deemed to be on
5 unpaid, authorized leave of absence.

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