

SENATE BILL REPORT

SB 5726

As Reported by Senate Committee On:
Ways & Means, January 20, 2022

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 Randall, Holy, Conway, Lovick, Nobles, Robinson, Rolfes and Wilson, C.; by request of Select Committee on Pension Policy, LEOFF Plan 2 Retirement Board.

Brief History:

Committee Activity: Ways & Means: 1/17/22, 1/20/22 [DP-TRAN].

Brief Summary of Bill

- Expands the definition of veteran for purposes of veterans' benefits in state pension systems, legal assistance, scoring criteria on civil service exams, and other programs, to include members that were awarded an expeditionary medal.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass and be referred to Committee on Transportation.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Schoesler, Assistant Ranking Member, Capital; Honeyford, Ranking Minority Member, Capital; Billig, Braun, Carlyle, Conway, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wellman.

Staff: Amanda Cecil (786-7460)

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.

Background: The state provides certain recognition benefits to people based on their status as a military service veteran. 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, reduced or no-cost service credit for retirement pension purposes, higher scoring preference on civil service exams, participation in a designated shared leave pool program, and property tax relief for senior widows of veterans.

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 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 in statute. The statute limits veterans to persons serving during a period of war in certain listed conflicts or those awarded a campaign badge or medal in any conflict.

The Department of Defense (DOD) awards medals or badges to service members who served during a specified conflict, and were stationed in a designated war zone as follows:

- campaign medals, as defined by DOD, are medals which recognize Service members who are deployed to the geographic area where the combat is actually occurring.
 - members awarded campaign medals have the highest degree of personal risk and hardship as they are conducting the combat operations and are deployed to the area where the combat is actually occurring; and
- expeditionary medals, as defined by DOD, are medals which recognize deployed participation in small scale and/or short-duration combat operations or military operations where there is an imminent threat of hostilities;
 - expeditionary medals are also awarded to members deployed in support of combat operations, but who are not in the geographic area where the actual combat is occurring;
 - expeditionary medals are associated with high levels of personal risk and hardship.

During 2020, the Select Committee on Pension Policy (SCPP) and Law Enforcement Officers' and Firefighters' Plan 2 Retirement Board (LEOFF 2 Board) were directed to study

and make recommendations to the Legislature regarding expanding no cost military service credit for interruptive service to members who were awarded an expeditionary medal. Both SCPP and LEOFF 2 Board recommended this expansion.

Summary of Bill: The definition of veteran 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 an expeditionary medal was awarded.

Appropriation: None.

Fiscal Note: Requested on January 11, 2022.

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 bill expands access to resources that our veterans have more than earned. This bill is an important step to recognize public employees that serviced our country. SCPP and LEOFF 2 worked collaboratively over the last year to do the research to come up with a cost for this policy.

Persons Testifying: PRO: Senator Emily Randall, Prime Sponsor; Steve Nelsen, LEOFF 2 Board; Bud Sizemore, WSCFF.

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