
HOUSE BILL 2723

State of Washington

52nd Legislature

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By Representatives Fraser, Brumsickle, Belcher, Bowman, Basich, Paris, J. Kohl and Grant

Read first time 01/24/92. Referred to Committee on Appropriations.

1 AN ACT Relating to retirement from public service; amending RCW
2 41.32.500 and 41.40.150; and declaring an emergency.

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

4 **Sec. 1.** RCW 41.32.500 and 1991 c 35 s 57 are each amended to read
5 as follows:

6 (1) Membership in the retirement system is terminated when a member
7 retires for service or disability, dies, withdraws the accumulated
8 contributions or does not establish service credit with the retirement
9 system for five consecutive years; however, a member may retain
10 membership in the teachers' retirement system by leaving the
11 accumulated contributions in the teachers' retirement fund under one of
12 the following conditions:

13 (a) If he or she is eligible for retirement;

1 (b) If he or she is a member of another public retirement system in
2 the state of Washington by reason of change in employment and has
3 arranged to have membership extended during the period of such
4 employment;

5 (c) If he or she is not eligible for retirement but has established
6 five or more years of Washington membership service credit.

7 The prior service certificate becomes void when a member dies,
8 withdraws the accumulated contributions or does not establish service
9 credit with the retirement system for five consecutive years, and any
10 prior administrative interpretation of the board of trustees,
11 consistent with this section, is hereby ratified, affirmed and
12 approved.

13 (2) Any member, except an elected official, who reentered service
14 with enough prior service credits to be vested in the retirement system
15 and who failed to restore withdrawn contributions, shall now have from
16 April 4, ((1986)) 1992, through June 30, ((1987)) 1993, to restore the
17 contributions, with interest as determined by the director.

18 The department of retirement systems shall administer this
19 subsection, and shall adopt rules to carry out its purposes.

20 (3) Within the ninety days following the employee's resumption of
21 employment, the employer shall notify the department of the resumption
22 and the department shall then return to the employer a statement of the
23 potential service credit to be restored, the amount of funds required
24 for restoration, and the date when the restoration must be
25 accomplished. The employee shall be given a copy of the statement and
26 shall sign a copy of the statement which signed copy shall be placed in
27 the employee's personnel file.

28 **Sec. 2.** RCW 41.40.150 and 1990 c 249 s 17 are each amended to read
29 as follows:

1 Should any member die, or should the individual separate or be
2 separated from service without leave of absence before attaining age
3 sixty years, or should the individual become a beneficiary, except a
4 beneficiary of an optional retirement allowance as provided by RCW
5 41.40.188, the individual shall thereupon cease to be a member except;

6 (1) As provided in RCW 41.40.170.

7 (2) An employee not previously retired who reenters service shall
8 upon completion of six months of continuous service and upon the
9 restoration of all withdrawn contributions with interest as computed by
10 the director, which restoration must be completed within a total period
11 of five years of membership service following the member's first
12 resumption of employment, be returned to the status, either as an
13 original member or new member which the member held at time of
14 separation.

15 (3) Within the ninety days following the employee's resumption of
16 employment, the employer shall notify the department of the resumption
17 and the department shall then return to the employer a statement of the
18 potential service credit to be restored, the amount of funds required
19 for restoration, and the date when the restoration must be
20 accomplished. The employee shall be given a copy of the statement and
21 shall sign a copy of the statement which signed copy shall be placed in
22 the employee's personnel file.

23 (4) Any member, except an elected official, who reentered service
24 with enough prior service credits to be vested in the retirement system
25 and who failed to restore withdrawn contributions, shall now have from
26 April 4, 1992, through June 30, 1993, to restore the contributions,
27 with interest as determined by the director.

28 The department of retirement systems shall administer this
29 subsection, and shall adopt rules to carry out its purposes.

1 (5) A member who separates or has separated after having completed
2 at least five years of service shall remain a member during the period
3 of absence from service for the exclusive purpose of receiving a
4 retirement allowance to begin at attainment of age sixty-five, however,
5 such a member may on written notice to the director elect to receive a
6 reduced retirement allowance on or after age sixty which allowance
7 shall be the actuarial equivalent of the sum necessary to pay regular
8 retirement benefits as of age sixty-five: PROVIDED, That if such
9 member should withdraw all or part of the member's accumulated
10 contributions except those additional contributions made pursuant to
11 RCW 41.40.330(2), the individual shall thereupon cease to be a member
12 and this section shall not apply.

13 (~~(5)~~) (6)(a) The recipient of a retirement allowance who is
14 employed in an eligible position other than under RCW (~~(41.40.120(12))~~)
15 41.40.023(12) shall be considered to have terminated his or her
16 retirement status and shall immediately become a member of the
17 retirement system with the status of membership the member held as of
18 the date of retirement. Retirement benefits shall be suspended during
19 the period of eligible employment and the individual shall make
20 contributions and receive membership credit. Such a member shall have
21 the right to again retire if eligible in accordance with RCW 41.40.180:
22 PROVIDED, That where any such right to retire is exercised to become
23 effective before the member has rendered two uninterrupted years of
24 service the type of retirement allowance the member had at the time of
25 the member's previous retirement shall be reinstated;

26 (b) The recipient of a retirement allowance elected to office or
27 appointed to office directly by the governor, and who shall apply for
28 and be accepted in membership as provided in RCW (~~(41.40.120(3))~~)
29 41.40.023(3) shall be considered to have terminated his or her
30 retirement status and shall become a member of the retirement system

1 with the status of membership the member held as of the date of
2 retirement. Retirement benefits shall be suspended from the date of
3 return to membership until the date when the member again retires and
4 the member shall make contributions and receive membership credit.
5 Such a member shall have the right to again retire if eligible in
6 accordance with RCW 41.40.180: PROVIDED, That where any such right to
7 retire is exercised to become effective before the member has rendered
8 six uninterrupted months of service the type of retirement allowance
9 the member had at the time of the member's previous retirement shall be
10 reinstated, but no additional service credit shall be allowed: AND
11 PROVIDED FURTHER, That if such a recipient of a retirement allowance
12 does not elect to apply for reentry into membership as provided in RCW
13 (~~(41.40.120(3))~~) 41.40.023(3), the member shall be considered to remain
14 in a retirement status and the individual's retirement benefits shall
15 continue without interruption.

16 (~~(6)~~) (7) Any member who leaves the employment of an employer and
17 enters the employ of a public agency or agencies of the state of
18 Washington, other than those within the jurisdiction of the Washington
19 public employees' retirement system, and who establishes membership in
20 a retirement system or a pension fund operated by such agency or
21 agencies and who shall continue membership therein until attaining age
22 sixty, shall remain a member for the exclusive purpose of receiving a
23 retirement allowance without the limitation found in RCW 41.40.180(1)
24 to begin on attainment of age sixty-five; however, such a member may on
25 written notice to the director elect to receive a reduced retirement
26 allowance on or after age sixty which allowance shall be the actuarial
27 equivalent of the sum necessary to pay regular retirement benefits
28 commencing at age sixty-five: PROVIDED, That if such member should
29 withdraw all or part of the member's accumulated contributions except
30 those additional contributions made pursuant to RCW 41.40.330(2), the

1 individual shall thereupon cease to be a member and this section shall
2 not apply.

3 NEW SECTION. **Sec. 3.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

7 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of the
9 state government and its existing public institutions, and shall take
10 effect immediately.