

SENATE BILL REPORT

SB 6233

As Passed Senate, February 5, 1996

Title: An act relating to implementing the military service credit requirements of the federal uniformed services employment and reemployment act.

Brief Description: Determining retirement system service credit for military service.

Sponsors: Senators Long and Oke; by request of Department of Retirement Systems.

Brief History:

Committee Activity: Ways & Means: 1/11/96, 1/23/96 [DP].
Passed Senate, 2/5/96, 46-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Hochstatter, Johnson, Long, Moyer, Roach, Sheldon, Snyder, Spanel, Strannigan, Sutherland and West.

Staff: Denise Graham (786-7715)

Background: The Uniformed Services Employment and Reemployment Rights Act (USERRA) was enacted by Congress in 1994 to replace the Veterans Reemployment Rights law that had governed the reemployment rights of veterans since 1940. USERRA requires that members of defined benefit plans who leave employment for active military service receive retirement service credit for up to five years of active military service. The retirement plan can require the member to pay member contributions as a condition of receiving the service credit, but may not charge interest on the contributions if paid during the repayment period provided under USERRA. Further, the compensation used to calculate member contributions for periods of military leave should be the compensation the member would have earned if not on leave, or if that cannot be estimated, the compensation earned in the year prior to when the military leave was taken.

Under current Washington State statutes, a member of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan II, the Public Employees' Retirement System Plan II, or the Teachers' Retirement System Plans II or III who leaves employment to enter the armed forces of the United States may receive up to four years of retirement system service credit. To receive this service credit, the member must pay the employee contributions plus interest. The contributions are based on the average of the member's compensation at the time the member left employment to join the armed forces and at the time the member resumed employment.

Summary of Bill: A member of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan II, the Public Employees' Retirement System Plan II or the

Teachers' Retirement System Plans II or III who leaves employment to enter the armed forces of the United States may receive up to five years of retirement system service credit. Members must pay the employee contributions to receive service credit, based on the compensation the member would have earned if not on leave. If such compensation cannot be estimated with reasonable certainty, the contributions are based on the member's compensation in the year prior to the member going on military leave.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Testimony For: This is department request legislation. It needs to be enacted so that state laws are in compliance with federal laws.

Testimony Against: None.

Testified: Sheryl Wilson, Dept. of Retirement Systems.