
HOUSE BILL 2241

State of Washington

54th Legislature

1996 Regular Session

By Representatives H. Sommers, Carlson and Cooke; by request of
Department of Retirement Systems

Read first time 01/08/96. Referred to Committee on Appropriations.

1 AN ACT Relating to implementing the military service credit
2 requirements of the federal uniformed services employment and
3 reemployment act; amending RCW 41.26.520, 41.32.810, 41.32.865, and
4 41.40.710; and providing an effective date.

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

6 **Sec. 1.** RCW 41.26.520 and 1994 c 197 s 10 are each amended to read
7 as follows:

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

11 (2) A member who receives compensation from an employer while on an
12 authorized leave of absence to serve as an elected official of a labor
13 organization, and whose employer is reimbursed by the labor
14 organization for the compensation paid to the member during the period
15 of absence, may also be considered to be on a paid leave of absence.
16 This subsection shall only apply if the member's leave of absence is
17 authorized by a collective bargaining agreement that provides that the
18 member retains seniority rights with the employer during the period of
19 leave. The basic salary reported for a member who establishes service

1 credit under this subsection may not be greater than the salary paid to
2 the highest paid job class covered by the collective bargaining
3 agreement.

4 (3) Except as specified in subsection (6) of this section, a member
5 shall be eligible to receive a maximum of two years service credit
6 during a member's entire working career for those periods when a member
7 is on an unpaid leave of absence authorized by an employer. Such
8 credit may be obtained only if the member makes the employer, member,
9 and state contributions plus interest as determined by the department
10 for the period of the authorized leave of absence within five years of
11 resumption of service or prior to retirement whichever comes sooner.

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

18 (5) For the purpose of subsection (3) of this section the
19 contribution shall not include the contribution for the unfunded
20 supplemental present value as required by RCW 41.26.450. The
21 contributions required shall be based on the average of the member's
22 basic salary at both the time the authorized leave of absence was
23 granted and the time the member resumed employment.

24 (6) A member who leaves the employ of an employer to enter the
25 armed forces of the United States shall be entitled to retirement
26 system service credit for up to ~~((four))~~ five years of military
27 service. This subsection shall be administered in a manner consistent
28 with the requirements of the federal uniformed services employment and
29 reemployment rights act.

30 (a) The member qualifies for service credit under this subsection
31 if:

32 (i) Within ninety days of the member's honorable discharge from the
33 United States armed forces, the member applies for reemployment with
34 the employer who employed the member immediately prior to the member
35 entering the United States armed forces; and

36 (ii) The member makes the employee contributions required under RCW
37 41.26.450 ~~((plus interest as determined by the department))~~ within five
38 years of resumption of service or prior to retirement, whichever comes
39 sooner; or

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

4 (b) Upon receipt of member contributions under (a)(ii) of this
5 subsection, the department shall establish the member's service credit
6 and shall bill the employer and the state for their respective
7 contributions required under RCW 41.26.450 for the period of military
8 service, plus interest as determined by the department.

9 (c) The contributions required under (a)(ii) of this subsection
10 shall be based on the ~~((average of the member's basic salary at both~~
11 ~~the time the member left the employ of the employer to enter the armed~~
12 ~~forces and the time the member resumed employment))~~ compensation the
13 member would have earned if not on leave, or if that cannot be
14 estimated with reasonable certainty, the compensation reported for the
15 member in the year prior to when the member went on military leave.

16 (7) A member receiving benefits under Title 51 RCW who is not
17 receiving benefits under this chapter shall be deemed to be on unpaid,
18 authorized leave of absence.

19 **Sec. 2.** RCW 41.32.810 and 1994 c 197 s 20 are each amended to read
20 as follows:

21 (1) A member who is on a paid leave of absence authorized by a
22 member's employer shall continue to receive service credit as provided
23 for under the provisions of RCW 41.32.755 through 41.32.825.

24 (2) A member who receives compensation from an employer while on an
25 authorized leave of absence to serve as an elected official of a labor
26 organization, and whose employer is reimbursed by the labor
27 organization for the compensation paid to the member during the period
28 of absence, may also be considered to be on a paid leave of absence.
29 This subsection shall only apply if the member's leave of absence is
30 authorized by a collective bargaining agreement that provides that the
31 member retains seniority rights with the employer during the period of
32 leave. The earnable compensation reported for a member who establishes
33 service credit under this subsection may not be greater than the salary
34 paid to the highest paid job class covered by the collective bargaining
35 agreement.

36 (3) Except as specified in subsection (6) of this section, a member
37 shall be eligible to receive a maximum of two years service credit
38 during a member's entire working career for those periods when a member

1 is on an unpaid leave of absence authorized by an employer. Such
2 credit may be obtained only if the member makes both the employer and
3 member contributions plus interest as determined by the department for
4 the period of the authorized leave of absence within five years of
5 resumption of service or prior to retirement whichever comes sooner.

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

12 (5) For the purpose of subsection (3) of this section, the
13 contribution shall not include the contribution for the unfunded
14 supplemental present value as required by RCW 41.32.775. The
15 contributions required shall be based on the average of the member's
16 earnable compensation at both the time the authorized leave of absence
17 was granted and the time the member resumed employment.

18 (6) A member who leaves the employ of an employer to enter the
19 armed forces of the United States shall be entitled to retirement
20 system service credit for up to (~~four~~) five years of military
21 service. This subsection shall be administered in a manner consistent
22 with the requirements of the federal uniformed services employment and
23 reemployment rights act.

24 (a) The member qualifies for service credit under this subsection
25 if:

26 (i) Within ninety days of the member's honorable discharge from the
27 United States armed forces, the member applies for reemployment with
28 the employer who employed the member immediately prior to the member
29 entering the United States armed forces; and

30 (ii) The member makes the employee contributions required under RCW
31 41.32.775 (~~plus interest as determined by the department~~) within five
32 years of resumption of service or prior to retirement, whichever comes
33 sooner; or

34 (iii) Prior to retirement and not within ninety days of the
35 member's honorable discharge or five years of resumption of service the
36 member pays the amount required under RCW 41.50.165(2).

37 (b) Upon receipt of member contributions under (a)(ii) of this
38 subsection, the department shall establish the member's service credit
39 and shall bill the employer for its contribution required under RCW

1 41.32.775 for the period of military service, plus interest as
2 determined by the department.

3 (c) The contributions required under (a)(ii) of this subsection
4 shall be based on the ~~((average of the member's earnable compensation~~
5 ~~at both the time the member left the employ of the employer to enter~~
6 ~~the armed forces and the time the member resumed employment))~~
7 compensation the member would have earned if not on leave, or if that
8 cannot be estimated with reasonable certainty, the compensation
9 reported for the member in the year prior to when the member went on
10 military leave.

11 **Sec. 3.** RCW 41.32.865 and 1995 c 239 s 111 are each amended to
12 read as follows:

13 (1) A member who is on a paid leave of absence authorized by a
14 member's employer shall continue to receive service credit.

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

27 (3) Except as specified in subsection (4) of this section, a member
28 shall be eligible to receive a maximum of two years service credit
29 during a member's entire working career for those periods when a member
30 is on an unpaid leave of absence authorized by an employer. Such
31 credit may be obtained only if:

32 (a) The member makes the contribution on behalf of the employer,
33 plus interest, as determined by the department; and

34 (b) The member makes the employee contribution, plus interest, as
35 determined by the department, to the defined contribution portion.

36 The contributions required shall be based on the average of the
37 member's earnable compensation at both the time the authorized leave of
38 absence was granted and the time the member resumed employment.

1 (4) A member who leaves the employ of an employer to enter the
2 armed forces of the United States shall be entitled to retirement
3 system service credit for up to (~~four~~) five years of military service
4 if within ninety days of the member's honorable discharge from the
5 United States armed forces, the member applies for reemployment with
6 the employer who employed the member immediately prior to the member
7 entering the United States armed forces. This subsection shall be
8 administered in a manner consistent with the requirements of the
9 federal uniformed services employment and reemployment rights act.

10 The department shall establish the member's service credit and
11 shall bill the employer for its contribution required under chapter
12 239, Laws of 1995 for the period of military service, plus interest as
13 determined by the department. Service credit under this subsection may
14 be obtained only if the member makes the employee contribution (~~plus~~
15 interest)) to the defined contribution portion as determined by the
16 department.

17 The contributions required shall be based on the (~~average of the~~
18 ~~member's earnable compensation at both the time the member left the~~
19 ~~employ of the employer to enter the armed forces and the time the~~
20 ~~member resumed employment)) compensation the member would have earned
21 if not on leave, or if that cannot be estimated with reasonable
22 certainty, the compensation reported for the member in the year prior
23 to when the member went on military leave.~~

24 **Sec. 4.** RCW 41.40.710 and 1994 c 197 s 28 are each amended to read
25 as follows:

26 (1) A member who is on a paid leave of absence authorized by a
27 member's employer shall continue to receive service credit as provided
28 for under the provisions of RCW 41.40.610 through 41.40.740.

29 (2) A member who receives compensation from an employer while on an
30 authorized leave of absence to serve as an elected official of a labor
31 organization, and whose employer is reimbursed by the labor
32 organization for the compensation paid to the member during the period
33 of absence, may also be considered to be on a paid leave of absence.
34 This subsection shall only apply if the member's leave of absence is
35 authorized by a collective bargaining agreement that provides that the
36 member retains seniority rights with the employer during the period of
37 leave. The compensation earnable reported for a member who establishes
38 service credit under this subsection may not be greater than the salary

1 paid to the highest paid job class covered by the collective bargaining
2 agreement.

3 (3) Except as specified in subsection (4) of this section, a member
4 shall be eligible to receive a maximum of two years service credit
5 during a member's entire working career for those periods when a member
6 is on an unpaid leave of absence authorized by an employer. Such
7 credit may be obtained only if:

8 (a) The member makes both the plan II employer and member
9 contributions plus interest as determined by the department for the
10 period of the authorized leave of absence within five years of
11 resumption of service or prior to retirement whichever comes sooner; or

12 (b) If not within five years of resumption of service but prior to
13 retirement, pay the amount required under RCW 41.50.165(2).

14 The contributions required under (a) of this subsection shall be
15 based on the average of the member's compensation earnable at both the
16 time the authorized leave of absence was granted and the time the
17 member resumed employment.

18 (4) A member who leaves the employ of an employer to enter the
19 armed forces of the United States shall be entitled to retirement
20 system service credit for up to (~~four~~) five years of military
21 service. This subsection shall be administered in a manner consistent
22 with the requirements of the federal uniformed services employment and
23 reemployment rights act.

24 (a) The member qualifies for service credit under this subsection
25 if:

26 (i) Within ninety days of the member's honorable discharge from the
27 United States armed forces, the member applies for reemployment with
28 the employer who employed the member immediately prior to the member
29 entering the United States armed forces; and

30 (ii) The member makes the employee contributions required under RCW
31 41.40.650 (~~plus interest as determined by the department~~) within five
32 years of resumption of service or prior to retirement, whichever comes
33 sooner; or

34 (iii) Prior to retirement and not within ninety days of the
35 member's honorable discharge or five years of resumption of service the
36 member pays the amount required under RCW 41.50.165(2).

37 (b) Upon receipt of member contributions under (a)(ii) of this
38 subsection, the department shall establish the member's service credit
39 and shall bill the employer for its contribution required under RCW

1 41.40.650 for the period of military service, plus interest as
2 determined by the department.

3 (c) The contributions required under (a)(ii) of this subsection
4 shall be based on the ~~((average of the member's compensation earnable
5 at both the time the member left the employ of the employer to enter
6 the armed forces and the time the member resumed employment))~~
7 compensation the member would have earned if not on leave, or if that
8 cannot be estimated with reasonable certainty, the compensation
9 reported for the member in the year prior to when the member went on
10 military leave.

11 NEW SECTION. **Sec. 5.** Section 3 of this act shall take effect July
12 1, 1996.

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