
SENATE BILL 6156

State of Washington 54th Legislature 1996 Regular Session

By Senators Bauer, Long, Fraser, Winsley and Roach; by request of Joint Committee on Pension Policy

Read first time 01/08/96. Referred to Committee on Ways & Means.

1 AN ACT Relating to public employees' retirement system plan I
2 members who separate from service without withdrawing their
3 contributions from the retirement system; amending RCW 41.40.150; and
4 creating a new section.

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

6 **Sec. 1.** RCW 41.40.150 and 1994 c 197 s 26 are each amended to read
7 as follows:

8 Should any member die, or should the individual separate or be
9 separated from service without leave of absence before attaining age
10 sixty years, or should the individual become a beneficiary, except a
11 beneficiary of an optional retirement allowance as provided by RCW
12 41.40.188, the individual shall thereupon cease to be a member except;

13 (1) As provided in RCW 41.40.170.

14 (2) An employee not previously retired who reenters service shall
15 upon completion of six months of continuous service and upon the
16 restoration, in one lump sum or in annual installments, of all
17 withdrawn contributions: (a) With interest as computed by the
18 director, which restoration must be completed within a total period of
19 five years of membership service following the member's first

1 resumption of employment or (b) paying the amount required under RCW
2 41.50.165(2), be returned to the status, either as an original member
3 or new member which the member held at time of separation.

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

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

29 (b) The recipient of a retirement allowance elected to office or
30 appointed to office directly by the governor, and who shall apply for
31 and be accepted in membership as provided in RCW 41.40.023(3) shall be
32 considered to have terminated his or her retirement status and shall
33 become a member of the retirement system with the status of membership
34 the member held as of the date of retirement. Retirement benefits
35 shall be suspended from the date of return to membership until the date
36 when the member again retires and the member shall make contributions
37 and receive membership credit. Such a member shall have the right to
38 again retire if eligible in accordance with RCW 41.40.180: PROVIDED,
39 That where any such right to retire is exercised to become effective

1 before the member has rendered six uninterrupted months of service the
2 type of retirement allowance the member had at the time of the member's
3 previous retirement shall be reinstated, but no additional service
4 credit shall be allowed: AND PROVIDED FURTHER, That if such a
5 recipient of a retirement allowance does not elect to apply for reentry
6 into membership as provided in RCW 41.40.023(3), the member shall be
7 considered to remain in a retirement status and the individual's
8 retirement benefits shall continue without interruption.

9 ~~((5) Any member who leaves the employment of an employer and
10 enters the employ of a public agency or agencies of the state of
11 Washington, other than those within the jurisdiction of this retirement
12 system, and who establishes membership in a retirement system or a
13 pension fund operated by such agency or agencies and who shall continue
14 membership therein until attaining age sixty, shall remain a member for
15 the exclusive purpose of receiving a retirement allowance without the
16 limitation found in RCW 41.40.180(1) to begin on attainment of age
17 sixty five; however, such a member may on written notice to the
18 director elect to receive a reduced retirement allowance on or after
19 age sixty which allowance shall be the actuarial equivalent of the sum
20 necessary to pay regular retirement benefits commencing at age sixty-
21 five: PROVIDED, That if such member should withdraw all or part of the
22 member's accumulated contributions except those additional
23 contributions made pursuant to RCW 41.40.330(2), the individual shall
24 thereupon cease to be a member and this section shall not apply.))~~

25 NEW SECTION. **Sec. 2.** This act applies to all members who have
26 separated or will separate from service under RCW 41.40.150(3), if they
27 are not retirees as of the effective date of this act.

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