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## Appropriations Committee

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### HB 1843

**Brief Description:** Awarding service credit under the teachers' retirement system plan 1 for military service.

**Sponsors:** Representatives Hunt, Darneille, Morrell, McCoy, Campbell, Simpson, Chase, Santos and Sells.

#### Brief Summary of Bill

- Permits members of the Teachers Retirement System Plan 1 to receive up to five years of prior military service credit.
- Requires members to contribute to the members reserve an amount determined by the Director of the Department of Retirement Systems.
- Prohibits members receiving full military retirement benefits from purchasing the prior military service credit.

**Hearing Date:** 2/17/05

**Staff:** Charlie Gavigan (786-7340).

#### Background:

There are four primary retirement systems for public employees: the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF), and the School Employees' Retirement System (SERS). PERS and TRS have 3 plans that have been established by the legislature over time (Plans 1, 2 and 3), while LEOFF (Plans 1 and 2) and SERS (Plans 2 and 3) each have two plans. Plans 1 and 2 are defined benefit plans, while Plan 3 consists of a defined benefit portion and a defined contribution portion.

While all of Washington's state-sponsored retirement systems provide credit for interruptive military service, only two plans provide military service credit for prior military service. Prior service credit applies to military service before joining PERS 1 or the Washington State Patrol Retirement System Plan 1, for up to 5 years of credit after 25 years of plan membership, and after the member pays the full actuarial value of the service credit. TRS 1 members are not authorized to receive credit for prior military service.

Federal law provides employment and re-employment rights to members of the military, and Washington law is currently in conformance with these federal requirements. A conditioning of eligibility for, or receipt of, federal military retirement benefits would violate federal law.

**Summary of Bill:**

TRS Plan 1 members are authorized to receive credit for prior military service. The prior military service credit applies to military service before joining TRS 1, for up to 5 years of credit after 25 years of plan membership, and after the member pays the full actuarial value of the service credit.

TRS 1 members receiving full military retirement benefits cannot receive this state service credit.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.