

SENATE BILL REPORT

SB 5521

As Reported By Senate Committee On:
Government Operations & Elections, February 24, 2005

Title: An act relating to military service credit.

Brief Description: Crediting military service to certain employees.

Sponsors: Senators Rasmussen, McAuliffe, Schmidt, Oke, Keiser, Shin, Thibaudeau, Kline, Kohl-Welles and Benson.

Brief History:

Committee Activity: Government Operations & Elections: 2/15/05, 2/22/05, 2/24/05 [DP-WM, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Berkey, Vice Chair; Roach, Ranking Minority Member; Fairley, Haugen, Kline, Mulliken and Pridemore.

Minority Report: That it be referred without recommendation.

Signed by Senator Benton.

Staff: Cindy Fazio (786-7405)

Background: Employees of the Teachers' Retirement plan, Washington School Employees' Retirement System, and Washington Public Employees' Retirement System, are eligible to receive a maximum service credit of five years for an authorized leave of absence for military service.

The credit can be obtained if the employee applies for re-employment with the leave-of-absence employer within ninety days of receiving an honorable discharge, and the employee pays his or her portion of the plan contribution, for the leave of absence period, within five years of resumption of employment, or prior to retirement, whichever comes sooner.

Alternatively, credit can be obtained when the employee pays the actuarial value of the resulting increase in their benefit, in a manner defined by the department, prior to retirement but not within ninety days of the employee's honorable discharge, or not within five years of the employee's resumption of employment.

Summary of Bill: The employee is now eligible for service credit by applying for resumption of employment within one year of termination of military service. If the employee is refused re-employment, for reasons beyond his or her control, the employee remains eligible if he or she resumes employment within ten years.

Additionally, any employee with twenty-five years of creditable service can receive a maximum of five years of military service credit regardless of whether the employee took a

leave of absence from the employer during that twenty-five years. The employee must still restore all withdrawn accumulated contributions and must be a veteran as defined in law.

There is also a technical change in the bill which removes a reference to a repealed statute.

Finally, the definition of veteran is changed to include the military campaigns: Afghanistan, Operation Enduring Freedom; and Iraqi, Operation Iraqi Freedom.

Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Requested on February 1, 2005.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is very important legislation. It has been carefully worked through various organizations. With the large number of people being called up through the national guard and reserves, there is a large impact on their employment stability. We owe it to our service members to look after their employment. This legislation could impact some five thousand state employees. Plan 1 members have this credit already and Plan 3 members may ask for the credit as well. We want to continue to work together to ensure employment stability for our service member employees.

Testimony Against: None.

Who Testified: PRO: Senator Rasmussen, prime sponsor; Lynn Maier, Washington Public Employees Association.