

SENATE BILL REPORT

ESSB 5092

AS PASSED SENATE, FEBRUARY 16, 1992

**Brief Description:** Continuing retirement system membership while on active duty in operation Desert Shield.

**SPONSORS:** Senate Committee on Ways & Means (originally sponsored by Senators Roach, Snyder, Stratton, Amondson, L. Kreidler, McCaslin, Erwin, Newhouse, Niemi, Sellar, Craswell, Gaspard, Hayner, Skratek, L. Smith, Talmadge, Oke, Bauer, Rasmussen, Thorsness, Johnson, Wojahn, Cantu and West).

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** That Substitute Senate Bill No. 5092 be substituted therefor, and the substitute bill do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, Johnson, L. Kreidler, Metcalf, Murray, Newhouse, Niemi, Owen, Rinehart, Saling, L. Smith, Talmadge, West, Williams, and Wojahn.

**Staff:** Denise Graham (786-7715)

**Hearing Dates:** February 28, 1991; March 4, 1991

**HOUSE COMMITTEE ON APPROPRIATIONS**

**BACKGROUND:**

Federal Law. Under the federal veterans' reemployment rights law, a person who leaves a job to enter active duty with the armed forces is entitled to be reemployed in a job with similar seniority, status, and pay. "Similar seniority" also means the employee is entitled to any benefits based on seniority, such as retirement credit, as though the employee had not left employment to be in the armed forces. The employee cannot be required to make employer contributions to earn the retirement credit.

The returning employee is eligible for these rights if the employee:

- (a) Left the job for the purpose of going on active duty with the armed forces. This includes employees who are drafted, volunteer, or are members of the National Guard or Reserve voluntarily or involuntarily are called to active duty;
- (b) Remains on active duty no longer than four years;
- (c) Receives an honorable discharge; and

- (d) Applies for reemployment with the same employer within 90 days of separation from active duty.

State Law. Plan I of the state's retirement systems already allows members who leave employment to receive up to five years of retirement service credit for military service, without paying the employer contributions for that credit.

In Plan II, however, members can only receive two years of service credit for unpaid, authorized leave of absence over their working careers. The member must contribute both the employee and the employer contributions to earn the credit, and the member must have been drafted into the military in order to have military service considered an unpaid, authorized leave of absence.

**SUMMARY:**

In Plan II of the state's retirement systems, a member who leaves covered employment to enter the U.S. armed forces is entitled to retirement service credit for up to four years of military service. The member qualifies if the member:

- (a) Is reemployed with his or her previous employer within 90 days of the member's honorable discharge from the armed forces; and
- (b) Makes the employee contributions required, plus interest as determined by the Department of Retirement Systems, within five years of resumption of employment.

Once the department has received the member contributions, it will bill the employer for the employer contributions, plus interest, for the member's service. Contributions are based on the average of the member's salary at the time the member left employment to enter the armed forces and the time the member resumed employment.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**TESTIMONY FOR:**

This bill offers a good way to show our gratitude to the men and women who served in Desert Storm.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Senator Roach (pro); Gerald Allard, State Actuary; Councilman Harold Moss, Tacoma (pro); Joe Daniels, Federation of Professional and Technical Engineers (pro); Keith Sherman, Chair, Veterans' Legislative Coal Association (pro); Kathleen Collins, Association of Washington Cities; Howard Vietzke, Washington State Council of Fire Fighters (pro); Sam Kinville, Washington State Council of County and City Employees (pro)

**HOUSE AMENDMENT(S):**

To qualify for military service credit, the employee is required only to apply for reemployment within 90 days of honorable discharge from the military, in conformance with federal law. The employee is not required to be reemployed at the end of the 90 days.

The contribution paid by the member is based on the average of the member's compensation at the time the member left employment to enter the armed forces and the time the member resumed employment.