

SENATE BILL REPORT

SSB 6186

AS PASSED SENATE, FEBRUARY 18, 1992

Brief Description: Authorizing service credit for periods of unpaid leaves of absence for elected officials of a Washington education association.

SPONSORS: Senate Committee on Ways & Means (originally sponsored by Senators Nelson, Johnson, Niemi, Craswell, Rasmussen, Moore, Snyder, Oke, Bauer, Gaspard, Saling and Bailey; by request of Joint Committee on Pension Policy)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6186 be substituted therefor, and the substitute bill do pass.

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

Staff: Denise Graham (786-7715)

Hearing Dates: February 5, 1992; February 6, 1992

BACKGROUND:

Education associations in Washington State are not part of the public employees' retirement systems. A member of Teachers' Retirement System (TRS) Plan II who leaves a job with a school district or community and technical college district to serve as an elected official in an education association is considered to be on unpaid leave of absence and can earn up to two years of service credit by paying the employee and the employer contributions for such periods. A member of TRS Plan I who leaves a job with a district to serve as an elected official of an education association cannot earn retirement service credit for such periods.

The practice until recently has been for districts to continue to report earnable compensation to the Department of Retirement Systems (DRS) for employees who leave their jobs with a district in order to become elected officials of an education association. The education associations have reimbursed the districts for the pension contributions. The Department of Retirement Systems ruled in the fall of 1990 that this practice was not consistent with current law.

SUMMARY:

A member of TRS Plan I or II who, prior to June 30, 1992, left a job with a school district or community and technical college district in order to serve as an elected official in

an education association can receive retirement service credit for the period he or she was with the education association if the district reported earnable compensation to DRS for the period of authorized leave. Members for whom employee or employer contributions have not yet been made for the 1990-91 or 1991-92 school years have until January 1, 1993 to make the contributions with interest.

After June 30, 1992, a member of TRS Plan I can earn up to four years of service credit for periods spent on unpaid authorized leaves of absence from a school district or a community and technical college district to work as an elected official of an education association. The member must make both the employer and the employee contributions within five years of returning to his or her job with the district.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The WEA has challenged the Department of Retirement System's interpretation of current law. This bill will settle the legal disagreement. It will also be a fairer approach for those people who in the past served as elected officials in the WEA believing that they were earning retirement service credit for their employment there.

TESTIMONY AGAINST: None

TESTIFIED: Karen Davis, Washington Education Association (pro)