
SENATE BILL 5933

State of Washington 52nd Legislature 1991 Regular Session

By Senators Owen, Skratek, Sutherland and Conner.

Read first time March 6, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to retirement from public service; and amending RCW
2 41.32.500 and 41.40.150.

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

4 **Sec. 1.** RCW 41.32.500 and 1986 c 317 s 2 are each amended to read
5 as follows:

6 (1) Membership in the retirement system is terminated when a member
7 retires for service or disability, dies, withdraws his accumulated
8 contributions or does not establish service credit with the retirement
9 system for five consecutive years; however, a member may retain
10 membership in the teachers' retirement system by leaving his
11 accumulated contributions in the teachers' retirement fund under one of
12 the following conditions:

13 (a) If he is eligible for retirement;

1 (b) If he is a member of another public retirement system in the
2 state of Washington by reason of change in employment and has arranged
3 to have membership extended during the period of such employment;

4 (c) If he is not eligible for retirement but has established five
5 or more years of Washington membership service credit.

6 The prior service certificate becomes void when a member dies,
7 withdraws his accumulated contributions or does not establish service
8 credit with the retirement system for five consecutive years, and any
9 prior administrative interpretation of the board of trustees,
10 consistent with this section, is hereby ratified, affirmed and
11 approved.

12 (2) Any member, except an elected official, who reentered service
13 and who failed to restore withdrawn contributions, shall now have from
14 (~~April 4, 1986,~~) the effective date of this 1991 act through June 30,
15 (~~1987~~) 1992, to restore the contributions, with interest as
16 determined by the director.

17 (3) Within the ninety days following the employee's resumption of
18 employment, the employer shall notify the department of the resumption
19 and the department shall then return to the employer a statement of the
20 potential service credit to be restored, the amount of funds required
21 for restoration, and the date when the restoration must be
22 accomplished. The employee shall be given a copy of the statement and
23 shall sign a copy of the statement which signed copy shall be placed in
24 the employee's personnel file.

25 **Sec. 2.** RCW 41.40.150 and 1990 c 249 s 17 are each amended to read
26 as follows:

27 Should any member die, or should the individual separate or be
28 separated from service without leave of absence before attaining age
29 sixty years, or should the individual become a beneficiary, except a

1 beneficiary of an optional retirement allowance as provided by RCW
2 41.40.188, the individual shall thereupon cease to be a member except;

3 (1) As provided in RCW 41.40.170.

4 (2) An employee not previously retired who reenters service shall
5 upon completion of six months of continuous service and upon the
6 restoration of all withdrawn contributions with interest as computed by
7 the director, which restoration must be completed within a total period
8 of five years of membership service following the member's first
9 resumption of employment, be returned to the status, either as an
10 original member or new member which the member held at time of
11 separation.

12 (3) Within the ninety days following the employee's resumption of
13 employment, the employer shall notify the department of the resumption
14 and the department shall then return to the employer a statement of the
15 potential service credit to be restored, the amount of funds required
16 for restoration, and the date when the restoration must be
17 accomplished. The employee shall be given a copy of the statement and
18 shall sign a copy of the statement which signed copy shall be placed in
19 the employee's personnel file.

20 (4) A member who separates or has separated after having completed
21 at least five years of service shall remain a member during the period
22 of absence from service for the exclusive purpose of receiving a
23 retirement allowance to begin at attainment of age sixty-five, however,
24 such a member may on written notice to the director elect to receive a
25 reduced retirement allowance on or after age sixty which allowance
26 shall be the actuarial equivalent of the sum necessary to pay regular
27 retirement benefits as of age sixty-five: PROVIDED, That if such
28 member should withdraw all or part of the member's accumulated
29 contributions except those additional contributions made pursuant to

1 RCW 41.40.330(2), the individual shall thereupon cease to be a member
2 and this section shall not apply.

3 (5)(a) The recipient of a retirement allowance who is employed in
4 an eligible position other than under RCW 41.40.120(12) shall be
5 considered to have terminated his or her retirement status and shall
6 immediately become a member of the retirement system with the status of
7 membership the member held as of the date of retirement. Retirement
8 benefits shall be suspended during the period of eligible employment
9 and the individual shall make contributions and receive membership
10 credit. Such a member shall have the right to again retire if eligible
11 in accordance with RCW 41.40.180: PROVIDED, That where any such right
12 to retire is exercised to become effective before the member has
13 rendered two uninterrupted years of service the type of retirement
14 allowance the member had at the time of the member's previous
15 retirement shall be reinstated;

16 (b) The recipient of a retirement allowance elected to office or
17 appointed to office directly by the governor, and who shall apply for
18 and be accepted in membership as provided in RCW 41.40.120(3) shall be
19 considered to have terminated his or her retirement status and shall
20 become a member of the retirement system with the status of membership
21 the member held as of the date of retirement. Retirement benefits
22 shall be suspended from the date of return to membership until the date
23 when the member again retires and the member shall make contributions
24 and receive membership credit. Such a member shall have the right to
25 again retire if eligible in accordance with RCW 41.40.180: PROVIDED,
26 That where any such right to retire is exercised to become effective
27 before the member has rendered six uninterrupted months of service the
28 type of retirement allowance the member had at the time of the member's
29 previous retirement shall be reinstated, but no additional service
30 credit shall be allowed: AND PROVIDED FURTHER, That if such a

1 recipient of a retirement allowance does not elect to apply for reentry
2 into membership as provided in RCW 41.40.120(3), the member shall be
3 considered to remain in a retirement status and the individual's
4 retirement benefits shall continue without interruption.

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

22 (7) Any member, except an elected official, who reentered service
23 and who failed to restore withdrawn contributions, shall now have from
24 the effective date of this 1991 act through June 30, 1992, to restore
25 the contributions, with interest as determined by the director.