

FINAL BILL REPORT

SB 5522

C 363 L 05

Synopsis as Enacted

Brief Description: Extending the ability to purchase service credit lost due to injury.

Sponsors: Senators Franklin, Weinstein, Keiser, Kastama, Zarelli, Rasmussen, Hewitt, Kline, Schmidt and Rockefeller.

Senate Committee on Ways & Means
House Committee on Appropriations

Background: The Public Employees' Retirement System (PERS) Plans 1, 2, and 3 provide retirement benefits to most Washington State and local government employees. Each plan includes provisions for members to purchase service credit for periods of leave from employment, such as temporary leave for disabilities and for periods of state service interrupted by military service. Depending on the plan and the type of optional service a member has earned, the member may have to make contributions to the retirement systems to claim the service credit.

Members of PERS who become disabled in the line of duty and are receiving benefits from the Department of Labor and Industries can continue to earn service credit for up to 12 months if they pay employee contributions based upon the regular compensation the member would have received had the disability not occurred. Employer contributions will be collected by the Department of Retirement Systems (DRS) for the service related to contributions made by the disabled employee. If contributions are made retroactively, interest is charged on both the employee and employer contributions at a rate determined by the Director of DRS. This provision is not available to members who separate from employment.

Summary: The period of unearned service credit that a member of PERS may purchase related to an injury incurred in the line of duty is increased from 12 months to 24 months.

Votes on Final Passage:

Senate	48	0	
House	94	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 24, 2005