SENATE BILL 6009

State of Washington60th Legislature2007 Regular SessionBy Senators Rasmussen, Hatfield, Shin, Morton, Tom, Kohl-Welles,
Roach and Hobbs

Read first time 02/13/2007. Referred to Committee on Ways & Means.

1 AN ACT Relating to military service credit; and amending RCW 2 41.32.810, 41.35.470, and 41.40.710.

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

4 Sec. 1. RCW 41.32.810 and 2005 c 64 s 7 are each amended to read 5 as follows:

6 (1) A member who is on a paid leave of absence authorized by a 7 member's employer shall continue to receive service credit as provided 8 for under the provisions of RCW 41.32.755 through 41.32.825.

9 (2) A member who receives compensation from an employer while on an 10 authorized leave of absence to serve as an elected official of a labor whose employer is reimbursed 11 organization, and by the labor 12 organization for the compensation paid to the member during the period of absence, may also be considered to be on a paid leave of absence. 13 This subsection shall only apply if the member's leave of absence is 14 15 authorized by a collective bargaining agreement that provides that the 16 member retains seniority rights with the employer during the period of leave. The earnable compensation reported for a member who establishes 17 18 service credit under this subsection may not be greater than the salary paid to the highest paid job class covered by the collective bargaining
 agreement.

(3) Except as specified in subsection (6) of this section, a member 3 shall be eligible to receive a maximum of two years service credit 4 during a member's entire working career for those periods when a member 5 is on an unpaid leave of absence authorized by an employer. 6 Such 7 credit may be obtained only if the member makes both the employer and member contributions plus interest as determined by the department for 8 the period of the authorized leave of absence within five years of 9 resumption of service or prior to retirement whichever comes sooner. 10

(4) If a member fails to meet the time limitations of subsection (3) of this section, the member may receive a maximum of two years of service credit during a member's working career for those periods when a member is on unpaid leave of absence authorized by an employer. This may be done by paying the amount required under RCW 41.50.165(2) prior to retirement.

17 (5) For the purpose of subsection (3) of this section, ((the 18 contribution shall not include the contribution for the unfunded 19 supplemental present value as required by RCW 41.32.775.)) the 20 contributions required shall be based on the average of the member's 21 earnable compensation at both the time the authorized leave of absence 22 was granted and the time the member resumed employment.

(6) ((A member who leaves the employ of an employer to enter the uniformed services of the United States shall be entitled to retirement system service credit for up to five years of military service. This subsection shall be administered in a manner consistent with the requirements of the federal uniformed services employment and reemployment rights act.

29 (a) The member qualifies for service credit under this subsection
30 if:

31 (i) Within ninety days of the member's honorable discharge from the 32 uniformed services of the United States, the member applies for 33 reemployment with the employer who employed the member immediately 34 prior to the member entering the uniformed services; and

35 (ii) The member makes the employee contributions required under RCW
36 41.32.775 within five years of resumption of service or prior to
37 retirement, whichever comes sooner; or

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(iii) Prior to retirement and not within ninety days of the
 member's honorable discharge or five years of resumption of service the
 member pays the amount required under RCW 41.50.165(2).

4 (b) Upon receipt of member contributions under (a)(ii), (d)(iii),
5 or (e)(iii) of this subsection, the department shall establish the
6 member's service credit and shall bill the employer for its
7 contribution required under RCW 41.32.775 for the period of military
8 service, plus interest as determined by the department.

9 (c) The contributions required under (a)(ii), (d)(iii), or (e)(iii) 10 of this subsection shall be based on the compensation the member would 11 have earned if not on leave, or if that cannot be estimated with 12 reasonable certainty, the compensation reported for the member in the 13 year prior to when the member went on military leave.

14 (d)) <u>A member who has served or shall serve on active federal</u> 15 <u>service in the uniformed services of the United States and who left or</u> 16 <u>shall leave an employer to enter such service shall be deemed to be on</u> 17 <u>military leave of absence if he or she has resumed or shall resume</u> 18 <u>employment as an employee within one year from termination.</u>

19 (7) If he or she has applied or shall apply for reinstatement of 20 employment, within one year from termination of the military service, 21 and is refused employment for reasons beyond his or her control, he or 22 she shall, upon resumption of service within ten years have such 23 service credited to him or her.

(8) In any event, after completing twenty-five years of creditable 24 service, any member may have service in the uniformed services credited 25 to him or her as a member whether or not he or she left the employ of 26 27 an employer to enter the uniformed services: PROVIDED, That in no instance, described in this section, shall military service in excess 28 of five years be credited: AND PROVIDED FURTHER, That in each instance 29 the member must restore all withdrawn accumulated contributions, which 30 restoration must be completed within five years of membership service 31 following the first resumption of employment or complete twenty-five 32 years of creditable service: AND PROVIDED FURTHER, That this section 33 will not apply to any individual, not a veteran within the meaning of 34 35 <u>RCW 41.04.005.</u>

36 (9) The surviving spouse or eligible child or children of a member 37 who left the employ of an employer to enter the uniformed services of 38 the United States and died while serving in the uniformed services may, on behalf of the deceased member, apply for retirement system service credit under this ((subsection)) section up to the date of the member's death in the uniformed services. The department shall establish the deceased member's service credit if the surviving spouse or eligible child or children:

6 (((i))) (a) Provides to the director proof of the member's death
7 while serving in the uniformed services;

8 (((ii))) <u>(b)</u> Provides to the director proof of the member's 9 honorable service in the uniformed services prior to the date of death; 10 and

11 (((iii))) (c) Pays the employee contributions required under 12 chapter 41.45 RCW within five years of the date of death or prior to 13 the distribution of any benefit, whichever comes first.

14 (((e))) <u>(10)</u> A member who leaves the employ of an employer to enter 15 the uniformed services of the United States and becomes totally 16 incapacitated for continued employment by an employer while serving in 17 the uniformed services is entitled to retirement system service credit 18 under this subsection up to the date of discharge from the uniformed 19 services if:

20 $(((\div)))$ (a) The member obtains a determination from the director 21 that he or she is totally incapacitated for continued employment due to 22 conditions or events that occurred while serving in the uniformed 23 services;

24 ((((ii))) (b) The member provides to the director proof of honorable 25 discharge from the uniformed services; and

26 (((iii))) (c) The member pays the employee contributions required 27 under chapter 41.45 RCW within five years of the director's 28 determination of total disability or prior to the distribution of any 29 benefit, whichever comes first.

30 **Sec. 2.** RCW 41.35.470 and 2005 c 64 s 4 are each amended to read 31 as follows:

32 (1) A member who is on a paid leave of absence authorized by a 33 member's employer shall continue to receive service credit as provided 34 for under the provisions of RCW 41.35.400 through 41.35.599.

35 (2) A member who receives compensation from an employer while on an 36 authorized leave of absence to serve as an elected official of a labor 37 organization, and whose employer is reimbursed by the labor

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organization for the compensation paid to the member during the period 1 2 of absence, may also be considered to be on a paid leave of absence. This subsection shall only apply if the member's leave of absence is 3 authorized by a collective bargaining agreement that provides that the 4 member retains seniority rights with the employer during the period of 5 leave. The compensation earnable reported for a member who establishes 6 7 service credit under this subsection may not be greater than the salary paid to the highest paid job class covered by the collective bargaining 8 9 agreement.

10 (3) Except as specified in subsection (4) of this section, a member 11 shall be eligible to receive a maximum of two years service credit 12 during a member's entire working career for those periods when a member 13 is on an unpaid leave of absence authorized by an employer. Such 14 credit may be obtained only if:

15 (a) The member makes both the plan 2 employer and member 16 contributions plus interest as determined by the department for the 17 period of the authorized leave of absence within five years of 18 resumption of service or prior to retirement whichever comes sooner; or

(b) If not within five years of resumption of service but prior toretirement, pay the amount required under RCW 41.50.165(2).

The contributions required under (a) of this subsection shall be based on the average of the member's compensation earnable at both the time the authorized leave of absence was granted and the time the member resumed employment.

(4) ((A member who leaves the employ of an employer to enter the uniformed services of the United States shall be entitled to retirement system service credit for up to five years of military service. This subsection shall be administered in a manner consistent with the requirements of the federal uniformed services employment and reemployment rights act.

31 (a) The member qualifies for service credit under this subsection
32 if:

33 (i) Within ninety days of the member's honorable discharge from the 34 uniformed services of the United States, the member applies for 35 reemployment with the employer who employed the member immediately 36 prior to the member entering the uniformed services; and

37 (ii) The member makes the employee contributions required under RCW

1 41.35.430 within five years of resumption of service or prior to

2 retirement, whichever comes sooner; or

3 (iii) Prior to retirement and not within ninety days of the 4 member's honorable discharge or five years of resumption of service the 5 member pays the amount required under RCW 41.50.165(2).

6 (b) Upon receipt of member contributions under (a)(ii), (d)(iii), 7 or (e)(iii) of this subsection, the department shall establish the 8 member's service credit and shall bill the employer for its 9 contribution required under RCW 41.35.430 for the period of military 10 service, plus interest as determined by the department.

11 (c) The contributions required under (a)(ii), (d)(iii), or (e)(iii) 12 of this subsection shall be based on the compensation the member would 13 have earned if not on leave, or if that cannot be estimated with 14 reasonable certainty, the compensation reported for the member in the 15 year prior to when the member went on military leave.)) A member who has served or shall serve on active federal service in the uniformed 16 services of the United States and who left or shall leave an employer 17 to enter such service shall be deemed to be on military leave of 18 absence if he or she has resumed or shall resume employment as an 19 employee within one year from termination. 20

(5) If he or she has applied or shall apply for reinstatement of employment, within one year from termination of the military service, and is refused employment for reasons beyond his or her control, he or she shall, upon resumption of service within ten years have such service credited to him or her.

26 (6) In any event, after completing twenty-five years of creditable service, any member may have service in the uniformed services credited 27 to him or her as a member whether or not he or she left the employ of 28 an employer to enter the uniformed services: PROVIDED, That in no 29 instance, described in this section, shall military service in excess 30 of five years be credited: AND PROVIDED FURTHER, That in each instance 31 the member must restore all withdrawn accumulated contributions, which 32 restoration must be completed within five years of membership service 33 following the first resumption of employment or complete twenty-five 34 years of creditable service: AND PROVIDED FURTHER, That this section 35 36 will not apply to any individual, not a veteran within the meaning of 37 RCW 41.04.005.

 $((\frac{d}{d}))$ <u>(7)</u> The surviving spouse or eligible child or children of 1 2 a member who left the employ of an employer to enter the uniformed services of the United States and died while serving in the uniformed 3 services may, on behalf of the deceased member, apply for retirement 4 5 system service credit under this ((subsection)) section up to the date of the member's death in the uniformed services. The department shall 6 7 establish the deceased member's service credit if the surviving spouse or eligible child or children: 8

9 (((i))) <u>(a)</u> Provides to the director proof of the member's death 10 while serving in the uniformed services;

11 (((ii))) (b) Provides to the director proof of the member's 12 honorable service in the uniformed services prior to the date of death; 13 and

14 (((iii))) (c) Pays the employee contributions required under 15 chapter 41.45 RCW within five years of the date of death or prior to 16 the distribution of any benefit, whichever comes first.

17 (((e))) (8) A member who leaves the employ of an employer to enter 18 the uniformed services of the United States and becomes totally 19 incapacitated for continued employment by an employer while serving in 20 the uniformed services is entitled to retirement system service credit 21 under this subsection up to the date of discharge from the uniformed 22 services if:

23 $((\langle i \rangle))$ (a) The member obtains a determination from the director 24 that he or she is totally incapacitated for continued employment due to 25 conditions or events that occurred while serving in the uniformed 26 services;

27 ((((ii))) (b) The member provides to the director proof of honorable 28 discharge from the uniformed services; and

29 (((iii))) (c) The member pays the employee contributions required 30 under chapter 41.45 RCW within five years of the director's 31 determination of total disability or prior to the distribution of any 32 benefit, whichever comes first.

33 Sec. 3. RCW 41.40.710 and 2005 c 64 s 2 are each amended to read 34 as follows:

35 (1) A member who is on a paid leave of absence authorized by a 36 member's employer shall continue to receive service credit as provided 37 for under the provisions of RCW 41.40.610 through 41.40.740.

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(2) A member who receives compensation from an employer while on an 1 2 authorized leave of absence to serve as an elected official of a labor organization, and whose employer is reimbursed by the 3 labor organization for the compensation paid to the member during the period 4 of absence, may also be considered to be on a paid leave of absence. 5 This subsection shall only apply if the member's leave of absence is 6 7 authorized by a collective bargaining agreement that provides that the member retains seniority rights with the employer during the period of 8 9 leave. The compensation earnable reported for a member who establishes 10 service credit under this subsection may not be greater than the salary paid to the highest paid job class covered by the collective bargaining 11 12 agreement.

(3) Except as specified in subsection (4) of this section, a member shall be eligible to receive a maximum of two years service credit during a member's entire working career for those periods when a member is on an unpaid leave of absence authorized by an employer. Such credit may be obtained only if:

18 (a) The member makes both the plan 2 employer and member 19 contributions plus interest as determined by the department for the 20 period of the authorized leave of absence within five years of 21 resumption of service or prior to retirement whichever comes sooner; or

(b) If not within five years of resumption of service but prior to
 retirement, pay the amount required under RCW 41.50.165(2).

The contributions required under (a) of this subsection shall be based on the average of the member's compensation earnable at both the time the authorized leave of absence was granted and the time the member resumed employment.

(4) ((A member who leaves the employ of an employer to enter the uniformed services of the United States shall be entitled to retirement system service credit for up to five years of military service. This subsection shall be administered in a manner consistent with the requirements of the federal uniformed services employment and reemployment rights act.

34 (a) The member qualifies for service credit under this subsection
35 if:

36 (i) Within ninety days of the member's honorable discharge from the 37 uniformed services of the United States, the member applies for

- 1 reemployment with the employer who employed the member immediately
 2 prior to the member entering the uniformed services; and
- 3 (ii) The member makes the employee contributions required under RCW
 4 41.45.061 and 41.45.067 within five years of resumption of service or
 5 prior to retirement, whichever comes sooner; or
- 6 (iii) Prior to retirement and not within ninety days of the
 7 member's honorable discharge or five years of resumption of service the
 8 member pays the amount required under RCW 41.50.165(2).

9 (b) Upon receipt of member contributions under (a)(ii), (d)(iii), 10 or (e)(iii) of this subsection, the department shall establish the 11 member's service credit and shall bill the employer for its 12 contribution required under RCW 41.45.060, 41.45.061, and 41.45.067 for 13 the period of military service, plus interest as determined by the 14 department.

15 (c) The contributions required under (a)(ii), (d)(iii), or (e)(iii) of this subsection shall be based on the compensation the member would 16 have earned if not on leave, or if that cannot be estimated with 17 reasonable certainty, the compensation reported for the member in the 18 19 year prior to when the member went on military leave.)) A member who 20 has served or shall serve on active federal service in the uniformed 21 services of the United States and who left or shall leave an employer to enter such service shall be deemed to be on military leave of 22 absence if he or she has resumed or shall resume employment as an 23 24 employee within one year from termination.

25 (5) If he or she has applied or shall apply for reinstatement of 26 employment, within one year from termination of the military service, 27 and is refused employment for reasons beyond his or her control, he or 28 she shall, upon resumption of service within ten years have such 29 service credited to him or her.

(6) In any event, after completing twenty-five years of creditable 30 service, any member may have service in the uniformed services credited 31 to him or her as a member whether or not he or she left the employ of 32 an employer to enter the uniformed services: PROVIDED, That in no 33 instance, described in this section, shall military service in excess 34 of five years be credited: AND PROVIDED FURTHER, That in each instance 35 36 the member must restore all withdrawn accumulated contributions, which restoration must be completed within five years of membership service 37 following the first resumption of employment or complete twenty-five 38

1 years of creditable service: AND PROVIDED FURTHER, That this section 2 will not apply to any individual, not a veteran within the meaning of 3 RCW 41.04.005.

(((d))) (7) The surviving spouse or eligible child or children of 4 5 a member who left the employ of an employer to enter the uniformed services of the United States and died while serving in the uniformed 6 7 services may, on behalf of the deceased member, apply for retirement system service credit under this ((subsection)) section up to the date 8 of the member's death in the uniformed services. The department shall 9 establish the deceased member's service credit if the surviving spouse 10 or eligible child or children: 11

12 $(((\div)))$ (a) Provides to the director proof of the member's death 13 while serving in the uniformed services;

14 (((ii))) <u>(b)</u> Provides to the director proof of the member's 15 honorable service in the uniformed services prior to the date of death; 16 and

17 (((iii))) (c) Pays the employee contributions required under 18 chapter 41.45 RCW within five years of the date of death or prior to 19 the distribution of any benefit, whichever comes first.

20 (((e))) (8) A member who leaves the employ of an employer to enter 21 the uniformed services of the United States and becomes totally 22 incapacitated for continued employment by an employer while serving in 23 the uniformed services is entitled to retirement system service credit 24 under this subsection up to the date of discharge from the uniformed 25 services if:

26 $((\langle i \rangle))$ (a) The member obtains a determination from the director 27 that he or she is totally incapacitated for continued employment due to 28 conditions or events that occurred while serving in the uniformed 29 services;

30 ((((ii))) (b) The member provides to the director proof of honorable 31 discharge from the uniformed services; and

32 (((iii))) (c) The member pays the employee contributions required 33 under chapter 41.45 RCW within five years of the director's 34 determination of total disability or prior to the distribution of any 35 benefit, whichever comes first.

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