

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1548

Chapter 205, Laws of 2009

61st Legislature
2009 Regular Session

PUBLIC RETIREMENT SYSTEMS--MILITARY SERVICE CREDIT

EFFECTIVE DATE: 07/26/09

Passed by the House February 23, 2009
Yeas 91 Nays 1

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 10, 2009
Yeas 47 Nays 0

BRAD OWEN

President of the Senate

Approved April 24, 2009, 1:51 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1548** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

April 27, 2009

**Secretary of State
State of Washington**

HOUSE BILL 1548

Passed Legislature - 2009 Regular Session

State of Washington

61st Legislature

2009 Regular Session

By Representatives Bailey, Conway, Seaquist, Crouse, Kenney, Kelley, Simpson, Morrell, and Ormsby; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board

Read first time 01/23/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to interruptive military service credit within
2 plans 2 and 3 of the public employees' retirement system, plans 2 and
3 3 of the school employees' retirement system, plans 2 and 3 of the
4 teachers' retirement system, plan 2 of the law enforcement officers'
5 and firefighters' retirement system, plan 2 of the Washington state
6 patrol retirement system, and the public safety employees' retirement
7 system; and amending RCW 41.40.710, 41.40.805, 41.37.260, 41.35.470,
8 41.35.650, 41.32.810, 41.32.865, 41.26.520, and 43.43.260.

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

10 **Sec. 1.** RCW 41.40.710 and 2005 c 64 s 2 are each amended to read
11 as follows:

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

15 (2) A member who receives compensation from an employer while on an
16 authorized leave of absence to serve as an elected official of a labor
17 organization, and whose employer is reimbursed by the labor
18 organization for the compensation paid to the member during the period
19 of absence, may also be considered to be on a paid leave of absence.

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

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

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

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

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

23 (4) A member who leaves the employ of an employer to enter the
24 uniformed services of the United States shall be entitled to retirement
25 system service credit for up to five years of military service. This
26 subsection shall be administered in a manner consistent with the
27 requirements of the federal uniformed services employment and
28 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 41.45.061 and 41.45.067 within five years of resumption of service or
37 prior to retirement, whichever comes sooner; or

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

4 (iv) Prior to retirement the member provides to the director proof
5 that the member's interruptive military service was during a period of
6 war as defined in RCW 41.04.005. Any member who made payments for
7 service credit for interruptive military service in a period of war as
8 defined in RCW 41.04.005 may, prior to retirement and on a form
9 provided by the department, request a refund of the funds standing to
10 his or her credit for up to five years of such service, and this amount
11 shall be paid to him or her. Members with one or more periods of
12 interruptive military service during a period of war may receive no
13 more than five years of free retirement system service credit under
14 this subsection.

15 (b) Upon receipt of member contributions under (a)(ii), (d)(iii),
16 or (e)(iii) of this subsection, or adequate proof under (a)(iv),
17 (d)(iv), or (e)(iv) of this subsection, the department shall establish
18 the member's service credit and shall bill the employer for its
19 contribution required under RCW 41.45.060, 41.45.061, and 41.45.067 for
20 the period of military service, plus interest as determined by the
21 department.

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

27 (d) The surviving spouse or eligible child or children of a member
28 who left the employ of an employer to enter the uniformed services of
29 the United States and died while serving in the uniformed services may,
30 on behalf of the deceased member, apply for retirement system service
31 credit under this subsection up to the date of the member's death in
32 the uniformed services. The department shall establish the deceased
33 member's service credit if the surviving spouse or eligible child or
34 children:

35 (i) Provides to the director proof of the member's death while
36 serving in the uniformed services;

37 (ii) Provides to the director proof of the member's honorable
38 service in the uniformed services prior to the date of death; and

1 (iii) Pays the employee contributions required under chapter 41.45
2 RCW within five years of the date of death or prior to the distribution
3 of any benefit, whichever comes first; or

4 (iv) Prior to the distribution of any benefit, provides to the
5 director proof that the member's interruptive military service was
6 during a period of war as defined in RCW 41.04.005. If the deceased
7 member made payments for service credit for interruptive military
8 service during a period of war as defined in RCW 41.04.005, the
9 surviving spouse or eligible child or children may, prior to the
10 distribution of any benefit and on a form provided by the department,
11 request a refund of the funds standing to the deceased member's credit
12 for up to five years of such service, and this amount shall be paid to
13 the surviving spouse or eligible child or children. Members with one
14 or more periods of interruptive military service during a period of war
15 may receive no more than five years of free retirement system service
16 credit under this subsection.

17 (e) A member who leaves the employ of an employer to enter the
18 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 (i) The member obtains a determination from the director that he or
24 she is totally incapacitated for continued employment due to conditions
25 or events that occurred while serving in the uniformed services;

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

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

32 (iv) Prior to retirement the member provides to the director proof
33 that the member's interruptive military service was during a period of
34 war as defined in RCW 41.04.005. Any member who made payments for
35 service credit for interruptive military service during a period of war
36 as defined in RCW 41.04.005 may, prior to retirement and on a form
37 provided by the department, request a refund of the funds standing to
38 his or her credit for up to five years of such service, and this amount

1 shall be paid to him or her. Members with one or more periods of
2 interruptive military service credit during a period of war may receive
3 no more than five years of free retirement system service credit under
4 this subsection.

5 **Sec. 2.** RCW 41.40.805 and 2005 c 64 s 3 are each amended to read
6 as follows:

7 (1) A member who is on a paid leave of absence authorized by a
8 member's employer shall continue to receive service credit.

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

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

26 (a) The member makes the contribution on behalf of the employer,
27 plus interest, as determined by the department; and

28 (b) The member makes the employee contribution, plus interest, as
29 determined by the department, to the defined contribution portion.

30 The contributions required shall be based on the average of the
31 member's earnable compensation at both the time the authorized leave of
32 absence was granted and the time the member resumed employment.

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

5 The department shall establish the member's service credit and
6 shall bill the employer for its contribution required under RCW
7 41.45.060 and 41.45.067 for the period of military service, plus
8 interest as determined by the department. Service credit under this
9 subsection may be obtained only if the member makes the employee
10 contribution to the defined contribution portion as determined by the
11 department, or prior to retirement, the member provides to the director
12 proof that the member's interruptive military service was during a
13 period of war as defined in RCW 41.04.005. Any member who made
14 payments for service credit for interruptive military service during a
15 period of war as defined in RCW 41.04.005 may, prior to retirement and
16 on a form provided by the department, request a refund of the funds
17 standing to his or her credit for up to five years of such service, and
18 this amount shall be paid to him or her. Members with one or more
19 periods of interruptive military service during a period of war may
20 receive no more than five years of free retirement system service
21 credit under this subsection.

22 The contributions required shall be based on the compensation the
23 member would have earned if not on leave, or if that cannot be
24 estimated with reasonable certainty, the compensation reported for the
25 member in the year prior to when the member went on military leave.

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

34 (i) Provides to the director proof of the member's death while
35 serving in the uniformed services;

36 (ii) Provides to the director proof of the member's honorable
37 service in the uniformed services prior to the date of death; and

1 (iii) Pays the employee contributions required under this
2 subsection within five years of the date of death or prior to the
3 distribution of any benefit, whichever comes first; or

4 (iv) Prior to the distribution of any benefit, provides to the
5 director proof that the member's interruptive military service was
6 during a period of war as defined in RCW 41.04.005. If the deceased
7 member made payments for service credit for interruptive military
8 service during a period of war as defined in RCW 41.04.005, the
9 surviving spouse or eligible child or children may, prior to the
10 distribution of any benefit and on a form provided by the department,
11 request a refund of the funds standing to the deceased member's credit
12 for up to five years of such service, and this amount shall be paid to
13 the surviving spouse or children. Members with one or more periods of
14 interruptive military service during a period of war may receive no
15 more than five years of free retirement system service credit under
16 this subsection.

17 (b) A member who leaves the employ of an employer to enter the
18 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 (i) The member obtains a determination from the director that he or
24 she is totally incapacitated for continued employment due to conditions
25 or events that occurred while serving in the uniformed services;

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

28 (iii) The member pays the employee contributions required under
29 this subsection within five years of the director's determination of
30 total disability or prior to the distribution of any benefit, whichever
31 comes first; or

32 (iv) Prior to retirement the member provides to the director proof
33 that the member's interruptive military service was during a period of
34 war as defined in RCW 41.04.005. Any member who made payments for
35 service credit for interruptive military service during a period of war
36 as defined in RCW 41.04.005 may, prior to retirement and on a form
37 provided by the department, request a refund of the funds standing to
38 his or her credit for up to five years of such service, and this amount

1 shall be paid to him or her. Members with one or more periods of
2 interruptive military service credit during a period of war may receive
3 no more than five years of free retirement system service credit under
4 this subsection.

5 **Sec. 3.** RCW 41.37.260 and 2005 c 64 s 11 are each amended to read
6 as follows:

7 (1) A member who is on a paid leave of absence authorized by a
8 member's employer shall continue to receive service credit as provided
9 for under RCW 41.37.190 through 41.37.290.

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

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

27 (a) The member makes both the employer and member contributions
28 plus interest as determined by the department for the period of the
29 authorized leave of absence within five years of resumption of service
30 or prior to retirement whichever comes sooner; or

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

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

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

7 (a) The member qualifies for service credit under this subsection
8 if:

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

13 (ii) The member makes the employee contributions required under RCW
14 41.37.220 within five years of resumption of service or prior to
15 retirement, whichever comes sooner; or

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

19 (iv) Prior to retirement the member provides to the director proof
20 that the member's interruptive military service was during a period of
21 war as defined in RCW 41.04.005. Any member who made payments for
22 service credit for interruptive military service during a period of war
23 as defined in RCW 41.04.005 may, prior to retirement and on a form
24 provided by the department, request a refund of the funds standing to
25 his or her credit for up to five years of such service, and this amount
26 shall be paid to him or her. Members with one or more periods of
27 interruptive military service credit during a period of war may receive
28 no more than five years of free retirement system service credit under
29 this subsection.

30 (b) Upon receipt of member contributions under (a)(ii), (d)(iii),
31 or (e)(iii) of this subsection, or adequate proof under (a)(iv),
32 (d)(iv), or (e)(iv) of this subsection, the department shall establish
33 the member's service credit and shall bill the employer for its
34 contribution required under RCW 41.37.220 for the period of military
35 service, plus interest as determined by the department.

36 (c) The contributions required under (a)(ii), (d)(iii), or (e)(iii)
37 of this subsection shall be based on the compensation the member would

1 have earned if not on leave, or if that cannot be estimated with
2 reasonable certainty, the compensation reported for the member in the
3 year prior to when the member went on military leave.

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

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

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

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

19 (iv) Prior to the distribution of any benefit, provides to the
20 director proof that the member's interruptive military service was
21 during a period of war as defined in RCW 41.04.005. If the deceased
22 member made payments for service credit for interruptive military
23 service during a period of war as defined in RCW 41.04.005, the
24 surviving spouse or eligible child or children may, prior to the
25 distribution of any benefit and on a form provided by the department,
26 request a refund of the funds standing to the deceased member's credit
27 for up to five years of such service, and this amount shall be paid to
28 the surviving spouse or children. Members with one or more periods of
29 interruptive military service during a period of war may receive no
30 more than five years of free retirement system service credit under
31 this subsection.

32 (e) A member who leaves the employ of an employer to enter the
33 uniformed services of the United States and becomes totally
34 incapacitated for continued employment by an employer while serving in
35 the uniformed services is entitled to retirement system service credit
36 under this subsection up to the date of discharge from the uniformed
37 services if:

1 (i) The member obtains a determination from the director that he or
2 she is totally incapacitated for continued employment due to conditions
3 or events that occurred while serving in the uniformed services;

4 (ii) The member provides to the director proof of honorable
5 discharge from the uniformed services; and

6 (iii) The member pays the employee contributions required under
7 chapter 41.45 RCW within five years of the director's determination of
8 total disability or prior to the distribution of any benefit, whichever
9 comes first; or

10 (iv) Prior to retirement the member provides to the director proof
11 that the member's interruptive military service was during a period of
12 war as defined in RCW 41.04.005. Any member who made payments for
13 service credit for interruptive military service during a period of war
14 as defined in RCW 41.04.005 may, prior to retirement and on a form
15 provided by the department, request a refund of the funds standing to
16 his or her credit for up to five years of such service, and this amount
17 shall be paid to him or her. Members with one or more periods of
18 interruptive military service credit during a period of war may receive
19 no more than five years of free retirement system service credit under
20 this subsection.

21 **Sec. 4.** RCW 41.35.470 and 2005 c 64 s 4 are each amended to read
22 as follows:

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

26 (2) A member who receives compensation from an employer while on an
27 authorized leave of absence to serve as an elected official of a labor
28 organization, and whose employer is reimbursed by the labor
29 organization for the compensation paid to the member during the period
30 of absence, may also be considered to be on a paid leave of absence.
31 This subsection shall only apply if the member's leave of absence is
32 authorized by a collective bargaining agreement that provides that the
33 member retains seniority rights with the employer during the period of
34 leave. The compensation earnable reported for a member who establishes
35 service credit under this subsection may not be greater than the salary
36 paid to the highest paid job class covered by the collective bargaining
37 agreement.

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

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

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

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

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

22 (a) The member qualifies for service credit under this subsection
23 if:

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

28 (ii) The member makes the employee contributions required under RCW
29 41.35.430 within five years of resumption of service or prior to
30 retirement, whichever comes sooner; or

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

34 (iv) Prior to retirement the member provides to the director proof
35 that the member's interruptive military service was during a period of
36 war as defined in RCW 41.04.005. Any member who made payments for
37 service credit for interruptive military service during a period of war
38 as defined in RCW 41.04.005 may, prior to retirement and on a form

1 provided by the department, request a refund of the funds standing to
2 his or her credit for up to five years of such service, and this amount
3 shall be paid to him or her. Members with one or more periods of
4 interruptive military service credit during a period of war may receive
5 no more than five years of free retirement system service credit under
6 this subsection.

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

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

18 (d) The surviving spouse or eligible child or children of a member
19 who left the employ of an employer to enter the uniformed services of
20 the United States and died while serving in the uniformed services may,
21 on behalf of the deceased member, apply for retirement system service
22 credit under this subsection up to the date of the member's death in
23 the uniformed services. The department shall establish the deceased
24 member's service credit if the surviving spouse or eligible child or
25 children:

26 (i) Provides to the director proof of the member's death while
27 serving in the uniformed services;

28 (ii) Provides to the director proof of the member's honorable
29 service in the uniformed services prior to the date of death; and

30 (iii) Pays the employee contributions required under chapter 41.45
31 RCW within five years of the date of death or prior to the distribution
32 of any benefit, whichever comes first; or

33 (iv) Prior to the distribution of any benefit, provides to the
34 director proof that the member's interruptive military service was
35 during a period of war as defined in RCW 41.04.005. If the deceased
36 member made payments for service credit for interruptive military
37 service during a period of war as defined in RCW 41.04.005, the
38 surviving spouse or eligible child or children may, prior to the

1 distribution of any benefit and on a form provided by the department,
2 request a refund of the funds standing to the deceased member's credit
3 for up to five years of such service, and this amount shall be paid to
4 the surviving spouse or children. Members with one or more periods of
5 interruptive military service during a period of war may receive no
6 more than five years of free retirement system service credit under
7 this subsection.

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

14 (i) The member obtains a determination from the director that he or
15 she is totally incapacitated for continued employment due to conditions
16 or events that occurred while serving in the uniformed services;

17 (ii) The member provides to the director proof of honorable
18 discharge from the uniformed services; and

19 (iii) The member pays the employee contributions required under
20 chapter 41.45 RCW within five years of the director's determination of
21 total disability or prior to the distribution of any benefit, whichever
22 comes first; or

23 (iv) Prior to retirement the member provides to the director proof
24 that the member's interruptive military service was during a period of
25 war as defined in RCW 41.04.005. Any member who made payments for
26 service credit for interruptive military service during a period of war
27 as defined in RCW 41.04.005 may, prior to retirement and on a form
28 provided by the department, request a refund of the funds standing to
29 his or her credit for up to five years of such service, and this amount
30 shall be paid to him or her. Members with one or more periods of
31 interruptive military service credit during a period of war may receive
32 no more than five years of free retirement system service credit under
33 this subsection.

34 **Sec. 5.** RCW 41.35.650 and 2005 c 64 s 5 are each amended to read
35 as follows:

36 (1) A member who is on a paid leave of absence authorized by a
37 member's employer shall continue to receive service credit.

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

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

18 (a) The member makes the contribution on behalf of the employer,
19 plus interest, as determined by the department; and

20 (b) The member makes the employee contribution, plus interest, as
21 determined by the department, to the defined contribution portion.

22 The contributions required shall be based on the average of the
23 member's earnable compensation at both the time the authorized leave of
24 absence was granted and the time the member resumed employment.

25 (4) A member who leaves the employ of an employer to enter the
26 uniformed services of the United States shall be entitled to retirement
27 system service credit for up to five years of military service if
28 within ninety days of the member's honorable discharge from the
29 uniformed services of the United States, the member applies for
30 reemployment with the employer who employed the member immediately
31 prior to the member entering the uniformed services. This subsection
32 shall be administered in a manner consistent with the requirements of
33 the federal uniformed services employment and reemployment rights act.

34 The department shall establish the member's service credit and
35 shall bill the employer for its contribution required under RCW
36 41.35.720 for the period of military service, plus interest as
37 determined by the department. Service credit under this subsection may
38 be obtained only if the member makes the employee contribution to the

1 defined contribution portion as determined by the department, or prior
2 to retirement, the member provides to the director proof that the
3 member's interruptive military service was during a period of war as
4 defined in RCW 41.04.005. Any member who made payments for service
5 credit for interruptive military service during a period of war as
6 defined in RCW 41.04.005 may, prior to retirement and on a form
7 provided by the department, request a refund of the funds standing to
8 his or her credit for up to five years of such service, and this amount
9 shall be paid to him or her. Members with one or more periods of
10 interruptive military service during a period of war may receive no
11 more than five years of free retirement system service credit under
12 this subsection.

13 The contributions required shall be based on the compensation the
14 member would have earned if not on leave, or if that cannot be
15 estimated with reasonable certainty, the compensation reported for the
16 member in the year prior to when the member went on military leave.

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

25 (i) Provides to the director proof of the member's death while
26 serving in the uniformed services;

27 (ii) Provides to the director proof of the member's honorable
28 service in the uniformed services prior to the date of death; and

29 (iii) Pays the employee contributions required under this
30 subsection within five years of the date of death or prior to the
31 distribution of any benefit, whichever comes first; or

32 (iv) Prior to the distribution of any benefit, provides to the
33 director proof that the member's interruptive military service was
34 during a period of war as defined in RCW 41.04.005. If the deceased
35 member made payments for service credit for interruptive military
36 service during a period of war as defined in RCW 41.04.005, the
37 surviving spouse or eligible child or children may, prior to the
38 distribution of any benefit and on a form provided by the department,

1 request a refund of the funds standing to the deceased member's credit
2 for up to five years of such service, and this amount shall be paid to
3 the surviving spouse or children. Members with one or more periods of
4 interruptive military service during a period of war may receive no
5 more than five years of free retirement system service credit under
6 this subsection.

7 (b) A member who leaves the employ of an employer to enter the
8 uniformed services of the United States and becomes totally
9 incapacitated for continued employment by an employer while serving in
10 the uniformed services is entitled to retirement system service credit
11 under this subsection up to the date of discharge from the uniformed
12 services if:

13 (i) The member obtains a determination from the director that he or
14 she is totally incapacitated for continued employment due to conditions
15 or events that occurred while serving in the uniformed services;

16 (ii) The member provides to the director proof of honorable
17 discharge from the uniformed services; and

18 (iii) The member pays the employee contributions required under
19 this subsection within five years of the director's determination of
20 total disability or prior to the distribution of any benefit, whichever
21 comes first; or

22 (iv) Prior to retirement the member provides to the director proof
23 that the member's interruptive military service was during a period of
24 war as defined in RCW 41.04.005. Any member who made payments for
25 service credit for interruptive military service during a period of war
26 as defined in RCW 41.04.005 may, prior to retirement and on a form
27 provided by the department, request a refund of the funds standing to
28 his or her credit for up to five years of such service, and this amount
29 shall be paid to him or her. Members with one or more periods of
30 interruptive military service credit during a period of war may receive
31 no more than five years of free retirement system service credit under
32 this subsection.

33 **Sec. 6.** RCW 41.32.810 and 2005 c 64 s 7 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 41.32.755 through 41.32.825.

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

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

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

27 (5) For the purpose of subsection (3) of this section, the
28 contribution shall not include the contribution for the unfunded
29 supplemental present value as required by RCW 41.32.775. The
30 contributions required shall be based on the average of the member's
31 earnable compensation at both the time the authorized leave of absence
32 was granted and the time the member resumed employment.

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

1 (a) The member qualifies for service credit under this subsection
2 if:

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

7 (ii) The member makes the employee contributions required under RCW
8 41.32.775 within five years of resumption of service or prior to
9 retirement, whichever comes sooner; or

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

13 (iv) Prior to retirement the member provides to the director proof
14 that the member's interruptive military service was during a period of
15 war as defined in RCW 41.04.005. Any member who made payments for
16 service credit for interruptive military service during a period of war
17 as defined in RCW 41.04.005 may, prior to retirement and on a form
18 provided by the department, request a refund of the funds standing to
19 his or her credit for up to five years of such service, and this amount
20 shall be paid to him or her. Members with one or more periods of
21 interruptive military service credit during a period of war may receive
22 no more than five years of free retirement system service credit under
23 this subsection.

24 (b) Upon receipt of member contributions under (a)(ii), (d)(iii),
25 or (e)(iii) of this subsection, or adequate proof under (a)(iv),
26 (d)(iv), or (e)(iv) of this subsection, the department shall establish
27 the member's service credit and shall bill the employer for its
28 contribution required under RCW 41.32.775 for the period of military
29 service, plus interest as determined by the department.

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

35 (d) The surviving spouse or eligible child or children of a member
36 who left the employ of an employer to enter the uniformed services of
37 the United States and died while serving in the uniformed services may,
38 on behalf of the deceased member, apply for retirement system service

1 credit under this subsection up to the date of the member's death in
2 the uniformed services. The department shall establish the deceased
3 member's service credit if the surviving spouse or eligible child or
4 children:

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

7 (ii) Provides to the director proof of the member's honorable
8 service in the uniformed services prior to the date of death; and

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

12 (iv) Prior to the distribution of any benefit, provides to the
13 director proof that the member's interruptive military service was
14 during a period of war as defined in RCW 41.04.005. If the deceased
15 member made payments for service credit for interruptive military
16 service during a period of war as defined in RCW 41.04.005, the
17 surviving spouse or eligible child or children may, prior to the
18 distribution of any benefit and on a form provided by the department,
19 request a refund of the funds standing to the deceased member's credit
20 for up to five years of such service, and this amount shall be paid to
21 the surviving spouse or children. Members with one or more periods of
22 interruptive military service during a period of war may receive no
23 more than five years of free retirement system service credit under
24 this subsection.

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

31 (i) The member obtains a determination from the director that he or
32 she is totally incapacitated for continued employment due to conditions
33 or events that occurred while serving in the uniformed services;

34 (ii) The member provides to the director proof of honorable
35 discharge from the uniformed services; and

36 (iii) The member pays the employee contributions required under
37 chapter 41.45 RCW within five years of the director's determination of

1 total disability or prior to the distribution of any benefit, whichever
2 comes first; or

3 (iv) Prior to retirement the member provides to the director proof
4 that the member's interruptive military service was during a period of
5 war as defined in RCW 41.04.005. Any member who made payments for
6 service credit for interruptive military service during a period of war
7 as defined in RCW 41.04.005 may, prior to retirement and on a form
8 provided by the department, request a refund of the funds standing to
9 his or her credit for up to five years of such service, and this amount
10 shall be paid to him or her. Members with one or more periods of
11 interruptive military service credit during a period of war may receive
12 no more than five years of free retirement system service credit under
13 this subsection.

14 **Sec. 7.** RCW 41.32.865 and 2005 c 64 s 8 are each amended to read
15 as follows:

16 (1) A member who is on a paid leave of absence authorized by a
17 member's employer shall continue to receive service credit.

18 (2) A member who receives compensation from an employer while on an
19 authorized leave of absence to serve as an elected official of a labor
20 organization, and whose employer is reimbursed by the labor
21 organization for the compensation paid to the member during the period
22 of absence, may also be considered to be on a paid leave of absence.
23 This subsection shall only apply if the member's leave of absence is
24 authorized by a collective bargaining agreement that provides that the
25 member retains seniority rights with the employer during the period of
26 leave. The earnable compensation reported for a member who establishes
27 service credit under this subsection may not be greater than the salary
28 paid to the highest paid job class covered by the collective bargaining
29 agreement.

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

35 (a) The member makes the contribution on behalf of the employer,
36 plus interest, as determined by the department; and

1 (b) The member makes the employee contribution, plus interest, as
2 determined by the department, to the defined contribution portion.

3 The contributions required shall be based on the average of the
4 member's earnable compensation at both the time the authorized leave of
5 absence was granted and the time the member resumed employment.

6 (4) A member who leaves the employ of an employer to enter the
7 uniformed services of the United States shall be entitled to retirement
8 system service credit for up to five years of military service if
9 within ninety days of the member's honorable discharge from the
10 uniformed services of the United States, the member applies for
11 reemployment with the employer who employed the member immediately
12 prior to the member entering the uniformed services. This subsection
13 shall be administered in a manner consistent with the requirements of
14 the federal uniformed services employment and reemployment rights act.

15 The department shall establish the member's service credit and
16 shall bill the employer for its contribution required under chapter
17 239, Laws of 1995 for the period of military service, plus interest as
18 determined by the department. Service credit under this subsection may
19 be obtained only if the member makes the employee contribution to the
20 defined contribution portion as determined by the department, or prior
21 to retirement, the member provides to the director proof that the
22 member's interruptive military service was during a period of war as
23 defined in RCW 41.04.005. Any member who made payments for service
24 credit for interruptive military service during a period of war as
25 defined in RCW 41.04.005 may, prior to retirement and on a form
26 provided by the department, request a refund of the funds standing to
27 his or her credit for up to five years of such service, and this amount
28 shall be paid to him or her. Members with one or more periods of
29 interruptive military service during a period of war may receive no
30 more than five years of free retirement system service credit under
31 this subsection.

32 The contributions required shall be based on the compensation the
33 member would have earned if not on leave, or if that cannot be
34 estimated with reasonable certainty, the compensation reported for the
35 member in the year prior to when the member went on military leave.

36 (a) 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,

1 on behalf of the deceased member, apply for retirement system service
2 credit under this subsection up to the date of the member's death in
3 the uniformed services. The department shall establish the deceased
4 member's service credit if the surviving spouse or eligible child or
5 children:

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

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

10 (iii) Pays the employee contributions required under this
11 subsection within five years of the date of death or prior to the
12 distribution of any benefit, whichever comes first; or

13 (iv) Prior to the distribution of any benefit, provides to the
14 director proof that the member's interruptive military service was
15 during a period of war as defined in RCW 41.04.005. If the deceased
16 member made payments for service credit for interruptive military
17 service during a period of war as defined in RCW 41.04.005, the
18 surviving spouse or eligible child or children may, prior to the
19 distribution of any benefit and on a form provided by the department,
20 request a refund of the funds standing to the deceased member's credit
21 for up to five years of such service, and this amount shall be paid to
22 the surviving spouse or children. Members with one or more periods of
23 interruptive military service during a period of war may receive no
24 more than five years of free retirement system service credit under
25 this subsection.

26 (b) A member who leaves the employ of an employer to enter the
27 uniformed services of the United States and becomes totally
28 incapacitated for continued employment by an employer while serving in
29 the uniformed services is entitled to retirement system service credit
30 under this subsection up to the date of discharge from the uniformed
31 services if:

32 (i) The member obtains a determination from the director that he or
33 she is totally incapacitated for continued employment due to conditions
34 or events that occurred while serving in the uniformed services;

35 (ii) The member provides to the director proof of honorable
36 discharge from the uniformed services; and

37 (iii) The member pays the employee contributions required under

1 this subsection within five years of the director's determination of
2 total disability or prior to the distribution of any benefit, whichever
3 comes first; or

4 (iv) Prior to retirement the member provides to the director proof
5 that the member's interruptive military service was during a period of
6 war as defined in RCW 41.04.005. Any member who made payments for
7 service credit for interruptive military service during a period of war
8 as defined in RCW 41.04.005 may, prior to retirement and on a form
9 provided by the department, request a refund of the funds standing to
10 his or her credit for up to five years of such service, and this amount
11 shall be paid to him or her. Members with one or more periods of
12 interruptive military service during a period of war may receive no
13 more than five years of free retirement system service credit under
14 this subsection.

15 **Sec. 8.** RCW 41.26.520 and 2005 c 64 s 9 are each amended to read
16 as follows:

17 (1) A member who is on a paid leave of absence authorized by a
18 member's employer shall continue to receive service credit as provided
19 for under the provisions of RCW 41.26.410 through 41.26.550.

20 (2) A member who receives compensation from an employer while on an
21 authorized leave of absence to serve as an elected official of a labor
22 organization, and whose employer is reimbursed by the labor
23 organization for the compensation paid to the member during the period
24 of absence, may also be considered to be on a paid leave of absence.
25 This subsection shall only apply if the member's leave of absence is
26 authorized by a collective bargaining agreement that provides that the
27 member retains seniority rights with the employer during the period of
28 leave. The basic salary reported for a member who establishes service
29 credit under this subsection may not be greater than the salary paid to
30 the highest paid job class covered by the collective bargaining
31 agreement.

32 (3) Except as specified in subsection (7) of this section, a member
33 shall be eligible to receive a maximum of two years service credit
34 during a member's entire working career for those periods when a member
35 is on an unpaid leave of absence authorized by an employer. Such
36 credit may be obtained only if the member makes the employer, member,

1 and state contributions plus interest as determined by the department
2 for the period of the authorized leave of absence within five years of
3 resumption of service or prior to retirement whichever comes sooner.

4 (4) A law enforcement member may be authorized by an employer to
5 work part time and to go on a part-time leave of absence. During a
6 part-time leave of absence a member is prohibited from any other
7 employment with their employer. A member is eligible to receive credit
8 for any portion of service credit not earned during a month of part-
9 time leave of absence if the member makes the employer, member, and
10 state contributions, plus interest, as determined by the department for
11 the period of the authorized leave within five years of resumption of
12 full-time service or prior to retirement whichever comes sooner. Any
13 service credit purchased for a part-time leave of absence is included
14 in the two-year maximum provided in subsection (3) of this section.

15 (5) If a member fails to meet the time limitations of subsection
16 (3) or (4) of this section, the member may receive a maximum of two
17 years of service credit during a member's working career for those
18 periods when a member is on unpaid leave of absence authorized by an
19 employer. This may be done by paying the amount required under RCW
20 41.50.165(2) prior to retirement.

21 (6) For the purpose of subsection (3) or (4) of this section the
22 contribution shall not include the contribution for the unfunded
23 supplemental present value as required by RCW 41.45.060, 41.45.061, and
24 41.45.067. The contributions required shall be based on the average of
25 the member's basic salary at both the time the authorized leave of
26 absence was granted and the time the member resumed employment.

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

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

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

1 (ii) The member makes the employee contributions required under RCW
2 41.45.060, 41.45.061, and 41.45.067 within five years of resumption of
3 service or prior to retirement, whichever comes sooner; or

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

7 (iv) Prior to retirement the member provides to the director proof
8 that the member's interruptive military service was during a period of
9 war as defined in RCW 41.04.005. Any member who made payments for
10 service credit for interruptive military service during a period of war
11 as defined in RCW 41.04.005 may, prior to retirement and on a form
12 provided by the department, request a refund of the funds standing to
13 his or her credit for up to five years of such service, and this amount
14 shall be paid to him or her. Members with one or more periods of
15 interruptive military service credit during a period of war may receive
16 no more than five years of free retirement system service credit under
17 this subsection.

18 (b) Upon receipt of member contributions under (a)(ii), (d)(iii),
19 or (e)(iii) of this subsection, or adequate proof under (a)(iv),
20 (d)(iv), or (e)(iv) of this subsection, the department shall establish
21 the member's service credit and shall bill the employer and the state
22 for their respective contributions required under RCW 41.26.450 for the
23 period of military service, plus interest as determined by the
24 department.

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

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

1 (i) Provides to the director proof of the member's death while
2 serving in the uniformed services;

3 (ii) Provides to the director proof of the member's honorable
4 service in the uniformed services prior to the date of death; and

5 (iii) Pays the employee contributions required under chapter 41.45
6 RCW within five years of the date of death or prior to the distribution
7 of any benefit, whichever comes first; or

8 (iv) Prior to the distribution of any benefit, provides to the
9 director proof that the member's interruptive military service was
10 during a period of war as defined in RCW 41.04.005. If the deceased
11 member made payments for service credit for interruptive military
12 service during a period of war as defined in RCW 41.04.005, the
13 surviving spouse or eligible child or children may, prior to the
14 distribution of any benefit and on a form provided by the department,
15 request a refund of the funds standing to the deceased member's credit
16 for up to five years of such service, and this amount shall be paid to
17 the surviving spouse or children. Members with one or more periods of
18 interruptive military service during a period of war may receive no
19 more than five years of free retirement system service credit under
20 this subsection.

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

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

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

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

36 (iv) Prior to retirement the member provides to the director proof
37 that the member's interruptive military service was during a period of
38 war as defined in RCW 41.04.005. Any member who made payments for

1 service credit for interruptive military service during a period of war
2 as defined in RCW 41.04.005 may, prior to retirement and on a form
3 provided by the department, request a refund of the funds standing to
4 his or her credit for up to five years of such service, and this amount
5 shall be paid to him or her. Members with one or more periods of
6 interruptive military service credit during a period of war may receive
7 no more than five years of free retirement system service credit under
8 this subsection.

9 (8) A member receiving benefits under Title 51 RCW who is not
10 receiving benefits under this chapter shall be deemed to be on unpaid,
11 authorized leave of absence.

12 **Sec. 9.** RCW 43.43.260 and 2005 c 64 s 10 are each amended to read
13 as follows:

14 Upon retirement from service as provided in RCW 43.43.250, a member
15 shall be granted a retirement allowance which shall consist of:

16 (1) A prior service allowance which shall be equal to two percent
17 of the member's average final salary multiplied by the number of years
18 of prior service rendered by the member.

19 (2) A current service allowance which shall be equal to two percent
20 of the member's average final salary multiplied by the number of years
21 of service rendered while a member of the retirement system.

22 (3)(a) Any member commissioned prior to January 1, 2003, with
23 twenty-five years service in the Washington state patrol may have the
24 member's service in the uniformed services credited as a member whether
25 or not the individual left the employ of the Washington state patrol to
26 enter such uniformed services: PROVIDED, That in no instance shall
27 military service in excess of five years be credited: AND PROVIDED
28 FURTHER, That in each instance, a member must restore all withdrawn
29 accumulated contributions, which restoration must be completed on the
30 date of the member's retirement, or as provided under RCW 43.43.130,
31 whichever occurs first: AND PROVIDED FURTHER, That this section shall
32 not apply to any individual, not a veteran within the meaning of RCW
33 41.06.150.

34 (b) A member who leaves the Washington state patrol to enter the
35 uniformed services of the United States shall be entitled to retirement
36 system service credit for up to five years of military service. This

1 subsection shall be administered in a manner consistent with the
2 requirements of the federal uniformed services employment and
3 reemployment rights act.

4 (i) The member qualifies for service credit under this subsection
5 if:

6 (A) Within ninety days of the member's honorable discharge from the
7 uniformed services of the United States, the member applies for
8 reemployment with the employer who employed the member immediately
9 prior to the member entering the uniformed services; and

10 (B) The member makes the employee contributions required under RCW
11 41.45.0631 and 41.45.067 within five years of resumption of service or
12 prior to retirement, whichever comes sooner; or

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

16 (D) If the member was commissioned on or after January 1, 2003,
17 and, prior to retirement, the member provides to the director proof
18 that the member's interruptive military service was during a period of
19 war as defined in RCW 41.04.005. Any member who made payments for
20 service credit for interruptive military service during a period of war
21 as defined in RCW 41.04.005 may, prior to retirement and on a form
22 provided by the department, request a refund of the funds standing to
23 his or her credit for up to five years of such service, and this amount
24 shall be paid to him or her. Members with one or more periods of
25 interruptive military service credit during a period of war may receive
26 no more than five years of free retirement system service credit under
27 this subsection.

28 (ii) Upon receipt of member contributions under (b)(i)(B),
29 (b)(iv)(C), and (b)(v)(C) of this subsection, or adequate proof under
30 (b)(i)(D), (b)(iv)(D), or (b)(v)(D) of this subsection, the department
31 shall establish the member's service credit and shall bill the employer
32 for its contribution required under RCW 41.45.060 for the period of
33 military service, plus interest as determined by the department.

34 (iii) The contributions required under (b)(i)(B), (b)(iv)(C), and
35 (b)(v)(C) of this subsection shall be based on the compensation the
36 member would have earned if not on leave, or if that cannot be
37 estimated with reasonable certainty, the compensation reported for the
38 member in the year prior to when the member went on military leave.

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

9 (A) Provides to the director proof of the member's death while
10 serving in the uniformed services;

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

13 (C) If the member was commissioned on or after January 1, 2003,
14 pays the employee contributions required under chapter 41.45 RCW within
15 five years of the date of death or prior to the distribution of any
16 benefit, whichever comes first; or

17 (D) If the member was commissioned on or after January 1, 2003,
18 and, prior to the distribution of any benefit, provides to the director
19 proof that the member's interruptive military service was during a
20 period of war as defined in RCW 41.04.005. If the deceased member made
21 payments for service credit for interruptive military service during a
22 period of war as defined in RCW 41.04.005, the surviving spouse or
23 eligible child or children may, prior to the distribution of any
24 benefit and on a form provided by the department, request a refund of
25 the funds standing to the deceased member's credit for up to five years
26 of such service, and this amount shall be paid to the surviving spouse
27 or children. Members with one or more periods of interruptive military
28 service during a period of war may receive no more than five years of
29 free retirement system service credit under this subsection.

30 (v) A member who leaves the employ of an employer to enter the
31 uniformed services of the United States and becomes totally
32 incapacitated for continued employment by an employer while serving in
33 the uniformed services is entitled to retirement system service credit
34 under this subsection up to the date of discharge from the uniformed
35 services if:

36 (A) The member obtains a determination from the director that he or
37 she is totally incapacitated for continued employment due to conditions
38 or events that occurred while serving in the uniformed services;

1 (B) The member provides to the director proof of honorable
2 discharge from the uniformed services; and

3 (C) If the member was commissioned on or after January 1, 2003, the
4 member pays the employee contributions required under chapter 41.45 RCW
5 within five years of the director's determination of total disability
6 or prior to the distribution of any benefit, whichever comes first; or

7 (D) If the member was commissioned on or after January 1, 2003,
8 and, prior to retirement, the member provides to the director proof
9 that the member's interruptive military service was during a period of
10 war as defined in RCW 41.04.005. Any member who made payments for
11 service credit for interruptive military service during a period of war
12 as defined in RCW 41.04.005 may, prior to retirement and on a form
13 provided by the department, request a refund of the funds standing to
14 his or her credit for up to five years of such service, and this amount
15 shall be paid to him or her. Members with one or more periods of
16 interruptive military service during a period of war may receive no
17 more than five years of free retirement system service credit under
18 this subsection.

19 (4) In no event shall the total retirement benefits from
20 subsections (1), (2), and (3) of this section, of any member exceed
21 seventy-five percent of the member's average final salary.

22 (5) Beginning July 1, 2001, and every year thereafter, the
23 department shall determine the following information for each retired
24 member or beneficiary whose retirement allowance has been in effect for
25 at least one year:

26 (a) The original dollar amount of the retirement allowance;

27 (b) The index for the calendar year prior to the effective date of
28 the retirement allowance, to be known as "index A";

29 (c) The index for the calendar year prior to the date of
30 determination, to be known as "index B"; and

31 (d) The ratio obtained when index B is divided by index A.

32 The value of the ratio obtained shall be the annual adjustment to
33 the original retirement allowance and shall be applied beginning with
34 the July payment. In no event, however, shall the annual adjustment:

35 (i) Produce a retirement allowance which is lower than the original
36 retirement allowance;

37 (ii) Exceed three percent in the initial annual adjustment; or

1 (iii) Differ from the previous year's annual adjustment by more
2 than three percent.

3 For the purposes of this section, "index" means, for any calendar
4 year, that year's average consumer price index for the Seattle-Tacoma-
5 Bremerton Washington area for urban wage earners and clerical workers,
6 all items, compiled by the bureau of labor statistics, United States
7 department of labor.

8 The provisions of this section shall apply to all members presently
9 retired and to all members who shall retire in the future.

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Passed by the Senate April 10, 2009.

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