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Washington State Senate

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April 20, 2023

Select Committee on Pension Policy P.O. Box 40914 Olympia, WA 98504-0914

Dear Chair Conway and SCPP Members:

I am writing regarding a service credit issue impacting military retirees that was brought to my attention by one of my constituents. I request the SCPP review and research further expansion of no-cost service credit to non-combat military service and would welcome the committee's input as I consider potential legislation for 2024. I would also ask that the SCPP consider this issue as potential agency request legislation.

For background, my constituent retired from the Washington Army National Guard in 2013 and is currently a public school teacher and member of TRS 3. In April 2020, he was recalled to active duty for 17 months in both Washington and Texas to assist with the Army's COVID-19 response efforts. When he returned to work for the school district, he contacted DRS about restoring his missing service credit in the retirement system due to his military leave of absence and was informed it did not meet the requirements necessary to receive TRS service credit at no-cost (RCW 41.04.005). Cost to buy back the service credit is \$11,785. It is unfortunate the constituent's 17 months of direct support to U.S. citizens during the COVID-19 pandemic does not meet the qualifications for no-cost service credit.

Under RCW 41.04.005, "period of war" for veteran's benefits is defined. There are three levels of medals provided by the U.S. Department of Defense: Service, Expeditionary or Campaign. The current "period of war" definition requires a Campaign badge or medal. However, legislation was passed this session (HB 1007, effective July 23, 2023) to expand the definition of "period of war" for veterans' benefits in state pension systems to include any armed conflicts where an Expeditionary badge or medal was awarded. The bill was introduced at the request of the LEOFF 2 Board and the SCPP who have looked into this issue a couple times in the last decade, as you know. Unfortunately, this legislation would not apply to my constituent's recent situation or to those veterans that have earned a Service medal because it does not meet the current "period of war" definition.

RCW 41.04.005 was crafted to assist Washington state citizens who interrupt their DRS retirement plancovered employment to serve in the military, but it does not adequately address all the possible scenarios where state employees may be called to serve their state or country as a member of the armed forces. Nocost military service can only be awarded if the military service was part of a combat or combat support operation. However, there are now a number of non-combat and homeland response operations that our military service members perform. Recent examples are the Oso mudslide, Skokomish River flooding and COVID-19 testing and immunization efforts. The current RCW penalizes Reservists and National Guard members who also work for an agency covered by a DRS retirement plan (such as firefighters, state patrol, state and school employees) who have assisted with recent non-combat operations. My constituent explains that having to buy back service credit resulting from his military service feels as though his military service has been diminished. If the RCW language were to be expanded, service members that are called to serve and respond to natural disasters would be able to be credited at no-cost in the state's retirement system for their military service time.

I have asked the State Actuary for a cost estimate for expanding no-cost service credit to non-combat military service and expect to receive that cost estimate this interim. I encourage the SCPP to further study this issue to recognize all men and women service members covered by a DRS retirement plan that are called to serve our country.

Thank you for your consideration.

Sincerely,

Senator Sam Hunt 22nd Legislative District