Select Committee on Pension Policy

Interruptive Military Service Credit Study

Executive Summary

The Select Committee on Pension Policy (SCPP) was tasked with a study of Interruptive Military Service Credit (IMSC) during the 2020 Interim. The study required assistance from the Department of Retirement Systems (DRS), the Office of the State Actuary, the Department of Veterans Affairs, and the Military Department. The Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board was required to study this provision and coordinate with the SCPP to encourage consistent treatment of military service across pension plans.

The study required the SCPP examine the costs and difference in service credit for current members and retirees of expanding fully subsidized IMSC to all members and retirees who received an Expeditionary medal. The completed study will be transmitted to the Legislature by January 2, 2021.

How Did This Come before the Committee?

Substitute House Bill 2544, passed during the 2020 Legislative Session, modified the definition of "period of war" by expanding eligibility for fully subsidized IMSC and required a study by the SCPP and the LEOFF 2 Board on this topic.

Committee Action

The SCPP Executive Committee passed a motion at the 2020 November meeting to recommend the Full Committee consider deferring action on the policy issue of expanding IMSC until the 2021 Interim. The 2020 December meeting was cancelled. The study report will be sent to the Legislature without recommendation from the Committee.

Who Does this Impact?

The study impacts all plans, with higher percentages of military service within the LEOFF 2 and the Washington State Patrol Retirement Systems (WSPRS) Plans 1/2.

Study Highlights

- The state offers fully and partially subsidized IMSC in accordance with Chapter 205, Laws of 2009 and DRS administration. Current policy restricts fully subsidized service credit to members who receive a Campaign medal.
- Campaign, Expeditionary, and Service medals recognize service members for participation in military campaigns, expeditions, significant military operations, and for otherwise meritorious military service. Eligibility and criteria is based on factors outlined by the Department of Defense (DoD).
- There are some similarities between Campaign and Expeditionary medals, but they are not equivalent. According to the DoD, Campaign medal

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recipients are subject to the highest levels of personal risk and hardship and are deployed in large-scale or long-duration combat operations where the combat is occurring. On the other hand, Expeditionary medal recipients are subject to high levels of personal risk and hardship and are deployed in small-scale or short-duration combat operations where there is an imminent threat of hostilities.

- Three key policy areas were explored: Benefit consistency, administration, and retiree considerations, which are covered in the final report in more detail.
- Policy implications of expanding this benefit may include this being viewed as consistent with original intent of the SCPP and LEOFF 2 to provide this benefit to those who interrupt service to serve in wars or armed conflicts.
- Additionally, an expansion may be viewed as providing more consistent treatment of members serving in combat operations with high levels of personal risk and hardship. On the other hand, some members could receive IMSC who were not in combat.
- Policy implications of staying with the current policy means that these members would remain eligible for partially subsidized service credit under the current law. However, some members who serve in similar combat operations would not be eligible to receive fully subsidized IMSC.
- The SCPP considered options to:
  - Expand the current policy to individuals who received an Expeditionary medal under a specific policy option (Prospective, Retroactive or both);
  - Maintain status quo, as in no policy expansion; or
  - Further study.
- Based on data received from partner agencies it was assumed service credit granted for Expeditionary medals would be similar to Campaign medals.
- A Retroactive and Prospective benefit expansion would result in an estimated 25-year total employer cost of $15-20 million for all plans. Less than 10 percent of the cost is attributed to a Prospective expansion.
- A rounded contribution rate impact may occur only in LEOFF 2 and WSPRS. A complete summary of the actuarial analysis is available in **Appendix L** of the final report.

Recommendation

None.

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Interruptive Military Service Credit Study

Issue Summary

Substitute House Bill (SHB) 2544, passed during the 2020 Legislative Session, requires the Select Committee on Pension Policy (SCPP) and the Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board to examine Interruptive Military Service Credit (IMSC) and the impact of expanding fully subsidized service credit eligibility to those who have been awarded an Expeditionary medal.

Background

Study Requirements

During the 2020 Interim, the SCPP is required to study the impacts of providing fully subsidized IMSC and the costs and difference in service credit to current members and retirees who received an Expeditionary medal.

This study requires assistance from the Department of Retirement Systems (DRS), the Office of the State Actuary (OSA), the Department of Veterans Affairs, and the Military Department. The LEOFF 2 Board is also required to conduct a study on the same topic.

According to SHB 2544, to encourage consistency among the treatment of military service among the Washington State retirement systems, the SCPP and the LEOFF 2 Board must communicate their preliminary recommendations to each other prior to October 30, 2020. Considering the preliminary recommendations of the other body, the SCPP and LEOFF 2 Board must issue final reports containing recommendations and analysis of the potential cost of those recommendations to the appropriate committees of the Legislature by January 2, 2021.

Key Terms and Concepts

Campaign, Expeditionary, and Service medals recognize service members for participation in military campaigns, expeditions, significant military operations, and for otherwise meritorious military service. Eligibility and criteria are based on a service member's:

- Degree of personal risk (e.g., proximity to the enemy, service in a combat zone, imminent threat of hostilities).
- Degree of personal hardship.
- Participation in designated military operations.
- Extent of military service during specified time periods, duration, or types of duty.

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There are four categories of medals:

- **Campaign Medals** – Recognize deployed participation in large-scale or long-duration combat operations. Campaign medals are associated with the highest level of personal risk and hardship. They are awarded to service members who are deployed to the geographic areas where the combat is actually occurring.
- **Expeditionary Medals** – Recognize deployed participation in small scale and/or short-duration combat operations or military operations where there is an imminent threat of hostilities. Expeditionary medals are also awarded to members deployed in support of combat operations, but who are not in the geographic area where the actual combat is occurring. Expeditionary medals are associated with high levels of personal risk and hardship.
- **Deployed Service Medals** – Recognize deployment or assignment to a designated Area of Eligibility to participate in, or directly support, a designated military operation where there is no foreign armed opposition or imminent threat of hostile action.
- **Individual Service Medals** – Recognize individual merit, direct participation in a Department of Defense (DoD) approved military activity, undertaking, event or operation, or service during a specified period. Some individual Service medals, such as the Prisoner of War medal, may recognize service involving significant personal risk and hardship, while others only recognize being in active military service during a particular period of time.

Currently, members of the pension system qualify for IMSC when they take a leave of absence from their DRS-covered position to serve in the U.S. military (see Revised Code of Washington (RCW) 41.04.005) and return to work within 90 days of being honorably discharged. There are two types of IMSC:

- **Fully Subsidized** – Members can receive up to five years of no-cost service credit if the member's service took place during a period of war, or when the member was awarded a Campaign medal during certain armed conflicts. In this scenario, the employer/state pays their contributions and interest, and the system subsidizes the member contributions and interest.
- **Partially Subsidized** – Members can receive up to five years of service credit when honorably discharged if their service did not take place during a period of war or defined armed conflict in which a Campaign medal was obtained. In this scenario, the employer/state pay their contributions and interest, the member pays the member contributions, and interest on member contribution is subsidized by the plan. Upon returning to work, the member has five years to pay those contributions in order to be eligible for the service credit (or, pay those contributions prior to retirement, whichever comes first).

Legal Context

Employees have federal and state employment and reemployment rights regarding military service. For example, this is included in the Public Employees' Retirement System statute and

also covered by the federal Uniformed Services Employment and Reemployment Rights Act (USERRA).

- RCW 41.40.710 – "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."
- Per the Justice Department – "USERRA is a federal statute that protects servicemembers' and veterans' civilian employment rights. Among other things, under certain conditions, USERRA requires employers to put individuals back to work in their civilian jobs after military service. USERRA also protects servicemembers from discrimination in the workplace based on their military service or affiliation."

Current Situation

Members of all plans qualify for IMSC when they take a leave of absence from their DRS-covered position to serve in the United States military and return to work within 90 days of honorable discharge. Members can receive up to ten years of IMSC, of which:

- Up to five years of fully subsidized service credit if the member's service took place during a period of war.
- Up to five years of partially subsidized service credit if the member's service did not take place during a period of war.

Additionally, if a Plans 2/3 member becomes totally incapacitated for continued employment or dies as a result of service in the U.S military, the member's surviving spouse, registered domestic partner, or guardian of their minor children can apply for their IMSC, and may be entitled to an unreduced benefit.

"Period of war" is defined in RCW 41.04.005. Prior to the 2020 Legislative Session, the definition of "period of war" included[1]:

- World War I.
- World War II.
- The Korean Conflict.
- The Vietnam Era.
- The Persian Gulf War.
- The following armed conflicts, if the participant was awarded the respective Campaign badge or medal:
  - The Crisis in Lebanon.
  - The Invasion of Grenada.

[1]*See RCW 41.04.005 for complete statute language as SHB 2544 is not yet codified.*

- ◊ Panama, Operation Just Cause.
- ◊ Somalia, Operation Restore Hope.
- ◊ Haiti, Operation Uphold Democracy.
- ◊ Bosnia, Operation Joint Endeavor.
- ◊ Operation Noble Eagle.
- ◊ Southern or Central Asia, Operation Enduring Freedom.
- ◊ Persian Gulf, Operation Iraqi Freedom.
- ◊ Iraq and Syria, Operation Inherent Resolve.
- ◊ Afghanistan, Operation Freedom's Sentinel.

SHB 2544 changes the definition of "period of war" by removing the list of armed conflicts:

- ❖ Any armed conflicts, if the participant was awarded the respective Campaign badge or medal, or if the service was such that a Campaign badge or medal would have been awarded, except that the member already received a Campaign badge or medal for a prior deployment during that same conflict.

History of the Issue

Legislative History

Fully subsidized IMSC was first established after House Bill (HB) 1548 was passed during the 2009 Legislative Session. Since then, several bills have been considered or passed related to these benefits in the pension system, most recently:

- ❖ 2020 Legislative Session.
  - ◊ SHB 2544 – Concerning the definition of veteran (all plans; passed).
  - ◊ HB 2655/Senate Bill (SB) 6418 – Concerning the definition of period of war for pensions (LEOFF 2).
- ❖ 2018 Legislative Session.
  - ◊ HB 2645 – Addressing the definition of veterans of armed conflicts (all plans).
  - ◊ Engrossed Substitute House Bill 2701/SB 6377 – Addressing the definition of veteran (all plans).
- ❖ 2017 Legislative Session.
  - ◊ HB 1173/SB 5061– Addressing military service credit for members of the Washington State Patrol Retirement System (WSPRS).
  - ◊ SB 5661– Addressing interruptive service credit for members of LEOFF 2.

Committee History

The Committee studied IMSC during June, July, and November of the 2017 Interim, as well as the 2007 and 2008 Interims.

Other States

Peer states research was conducted for both interruptive and non-interruptive military service credit in 2017. Peer states have been adjusted since that time. A survey was conducted and of the peer states who responded, two states do not offer fully subsidized IMSC. Two states offer fully subsidized service credit and do not put limitations on the types of Service medals required in order to qualify.

- Minnesota and Oregon do not offer fully subsidized IMSC.
- Wisconsin and Idaho offer up to five years of fully subsidized IMSC and do not have criteria regarding medals.
- California offers fully subsidized IMSC and does not have criteria regarding medals.

Policy Analysis

Introduction

Should fully subsidized IMSC be expanded to include individuals who were awarded an Expeditionary medal during a period of war?

Interruptive military service credit is currently offered to all employees, however the focus of this analysis is around whether a specific group of individuals who are currently eligible for partially subsidized interruptive service credit and received an Expeditionary medal should be eligible for fully subsidized service credit instead.

Policy considerations regarding benefit consistency and benefit administration are explored in depth below to inform key policy questions. For example, if benefits are expanded, what is the policy rationale? Should they be expanded to active members of the state pension systems only or active members and retirees of the state pension systems? If retirees are included, what unique factors apply? How is benefit administration affected by an expansion of benefits?

Benefit Consistency

The study requires SCPP coordination with LEOFF 2 to encourage consistency and both entities are required to share preliminary recommendations with one another by October 31, 2020, according to the bill. This section includes analysis related to benefit consistency considerations regarding a possible benefit expansion.

In researching the prior work of the SCPP, the Committee recommended in 2007 that fully subsidized IMSC only be available to members participating in wars and armed conflicts.

Legislation passed granting this service credit in 2009 by adding to pension statutes reference to "period of war" contained in the definition of veteran in RCW 41.04.005. Staff was unable to locate documentation on any discussion of medals received and distinguishing such service. The definition of period of war in RCW 41.04.005 contains reference to Campaign medals which has been in place since 1996, more than a decade before this issue was studied. In another area of the same definition of veteran there is reference to Expeditionary medals, however it is not included in the definition of "period of war". Furthermore, Expeditionary medals referenced therein do not represent a complete list of medals. For example, the Global War on Terrorism is an ongoing armed conflict and members serving in this conflict may receive the Global War on Terrorism Expeditionary medal. This medal has been issued the most, according to Army National Guard Expeditionary medals data received from the Washington State Military Department, because this is an ongoing conflict. Other conflicts designated as a "period of war" have distinct start and end dates. Warfare and the awards provided to recognize them are evolving, but both Campaign and Expeditionary medals are awarded to individuals who served in armed conflicts.

It should be noted other members may be deployed, receive medals (individual or Service) and would not receive fully subsidized service credit under an expansion to provide service credit to recipients of an Expeditionary medal. However, the difference is these individuals are not serving in armed conflicts or combat operations.

Expanding this benefit to Expeditionary medal recipients could be viewed as consistent with the Committee's prior recommendation that fully subsidized service credit only be available to members who participated in wars or armed conflicts.

At a high-level the current policy provides fully subsidized IMSC to individuals who interrupt their state employment to serve in the military and receive a Campaign badge during a period of war. Expanding fully subsidized IMSC to individuals who received an Expeditionary medal during a period of war would include the next level of medal tiers as categorized by the Department of Defense. There are some differences and similarities between Campaign badges or medals and Expeditionary medals. Campaign medals are awarded to individuals serving in large-scale or long-duration combat operations with the highest level of personal risk and hardship. Similar to Campaign medals, Expeditionary medals recognize deployed participation in combat, although it is small scale and/or short-duration combat operations or military operations where there is an imminent threat of hostilities. Expeditionary medals are also awarded to members deployed in support of combat operations, but who are not in the geographic area where the actual combat is occurring. Expeditionary medals are associated with high levels of personal risk and hardship, but not the highest level of personal risk and hardship like Campaign medals. Both Campaign and Expeditionary medals speak to combat operations as defining criteria where other Service medals researched do not.

Expansion of benefits could be viewed as providing more consistent treatment of members who serve in combat operations, with high levels of personal risk and hardship. However, some individuals receiving an Expeditionary medal were in support of the operations and may not have been in the geographic area where the conflict was occurring. The Global War on Terrorism is an example where members may serve during armed conflicts, receive an Expeditionary medal and would be ineligible for fully subsidized service credit.

Benefit Administration

If benefits are expanded to active members, some of the considerations identified and/or shared by DRS are outlined below.

- HB 2544 proposed expanding the definition of period of war to include the Expeditionary medal. In the fiscal note on the bill, DRS stated this would:
  - Apply to all members and retirees with eligible military service credit in all systems, including those who have previously applied for and been denied service credit because their service did not meet the current definition.
  - Require a one-time investment for DRS to review past military service credit requests to determine eligibility for service credit under any expanded definition.
  - After the initial investment of time to implement the new policy, would not anticipate a material difference to administer.
  - Require updating the policy to communicate to members their option, prior to retirement, with the appropriate information submitted to DRS, the ability to apply and receive fully subsidized interruptive military service under the expanded definition.
- Considerations for administering the benefit include offering:
  - The ability for members prior to retirement who have completed a purchase for partially subsidized IMSC to receive a refund.
  - The ability for members prior to retirement, and in the process of making payments for such credit, to request fully subsidized service credit and not make payments going forward.

Retiree Considerations

SHB 2544 states in part that "the study shall examine the current and projected eligibility of members and retirees for military service credit, and associated costs. In particular, the study must examine the difference in service credit and cost that would be generated by expanding free military service credit to all members who received an expeditionary medal, but not a campaign medal." Exploring eligibility and costs related to retirees potentially receiving this benefit raises unique policy considerations discussed below.

- **Past Practice** – When subsidized interruptive military service was established in 2009, benefit eligibility applied to active and prospective members, not retirees. Prior to retirement or prior to any retirement benefit distributions active members were eligible for a refund of the funds they had made for payments for IMSC for service, during a period of war as defined in RCW 41.04.005.
- **Intergenerational Equity** – One of the goals of public pension funding is, to the extent feasible, ensure that benefits for Plan 2/3 members are funded over the working lives of those members, so that the cost of those benefits

are paid by the taxpayers who receive the benefit of those members' service. This is sometimes referred to as intergenerational equity. Providing a benefit to retirees is counter to this goal. Expanding this benefit to retirees could create an expectation for future benefit improvements to apply retroactively.

- **Refunds** – Offer to eligible retirees the ability to submit for a refund for any partially subsidized IMSC they purchased.
- **Prospective Benefit Recalculations and Payments** – Offer to eligible retirees a recalculation of their pension benefits prospectively to include up to five years of fully subsidized IMSC had this been available at the time of retirement.
- **Retroactive Benefit Payments** – Offer to eligible retirees a recalculation of their pension benefits to include up to five years of fully subsidized IMSC had this been available at the time of retirement, to include providing any retroactive benefits payment back to their retirement date, considering whether interest does or does not apply.

It should be noted it is unknown how the Department of Defense may have been categorizing and establishing Expeditionary medals historically and how that may have changed over time.

Policy Perspectives

The following table summarizes some of the policy pros and cons of expanding fully subsidized IMSC to certain members.

Reasons for Expansion	Reasons against Expansion
Increase benefits for members who received an Expeditionary medal during military campaigns.	These members can be eligible for partially subsidized service credit under current law.
Provide more consistent treatment of members who serve in combat operations with high levels of personal risk and hardship.	Other members and employers would have to absorb extra costs to expand fully subsidized service credit for these members.
Reduce perceived inequity in treatment of members receiving Expeditionary medals.	Some Expeditionary medals may be awarded to members who are deployed in support of combat operations but are not in the geographic area where the actual combat is occurring.

Who is Impacted and How?

The study impacts all plans, with higher percentages of military service within the LEOFF 2 and WSPRS Plans 1/2.

Policy Views

- Members who served in combat and received an Expeditionary medal may feel it is unfair they do not qualify for fully subsidized service credit while others in combat operations do, as such these members may be in support of benefit expansion.

- On the other hand, some Expeditionary medals may be awarded to members who are deployed in support of combat operations but are not in the geographic area where the actual combat is occurring, so some policymakers giving weight to this criteria may not support expansion.
- If the policy goal is to provide fully subsidized service credit to as many employees who are in combat or in support of combat operations then policymakers may be in support of expansion.
- Some may feel that only the highest risk and large-scale operations ought to qualify for fully subsidized service credit, and in this case may not support expansion.
- Policymakers interested in avoiding increases to pension costs may not support expansion.
- If the pension funding goal of intergenerational equity is priority, then policymakers may not support a broader expansion to apply to retirees or retroactively.
- Policymakers who feel benefit consistency is a priority may be inclined to support expansion to include eligibility for retirees in some form.

Study Activities

The following activities occurred as part of the study to examine the costs and difference in providing fully subsidized military service credit to current members and retirees who received an Expeditionary medal.

- Initial briefing during the SCPP meeting in July.
- Ongoing coordination with the LEOFF 2 Board throughout the interim.
- Research and data gathering to include a review of federal resources, peer states, and partnering with state agencies named in the bill who were required to provide assistance, information, or conduct research, as needed.
- Policy briefing for the SCPP meeting in September.
- Presentation including OSA actuarial insights for the SCPP meeting in October.
- Presentation to facilitate further consideration of recommendations for the SCPP meeting in November.
- The bill states, to encourage consistency among the treatment of military service among the Washington State retirement systems, the SCPP must:
  - Communicate preliminary recommendations to the LEOFF 2 Board prior to October 30, 2020. The SCPP and the LEOFF 2 Board exchanged letters prior to October 30, 2020.
  - Consider adjustments to the SCPP report as a result of reviewing the LEOFF 2 Board's study on the same topic. The SCPP considered the LEOFF 2 Board's recommendation at their November meeting.

- ◊ Transmit a report containing recommendations and analysis of the potential cost of those recommendations to the Legislature by January 2, 2021.

Conclusion

Policy Options

As a result of the study, two key policy options surfaced either expand benefits or maintain status quo.

- ❖ If the policy goal is to expand benefits, two options were provided: (1) a broader expansion of benefits or (2) a more limited expansion of benefits.
  1. Expand the benefits to all members of the state's pension systems for Expeditionary medals earned at any point in time. This means it would be both Prospective and Retroactive. Retroactive means it would apply to any current active member or retiree who earned an Expeditionary medal in the past. This would include any benefit recalculations of prior and future benefit payments and refunds of partially subsidized service credit an individual previously purchased. This may be perceived as providing more consistent, fair benefits, but is the more costly option.
  2. Expand fully subsidized interruptive military service to active members of the state's pension systems for medals earned after the effective date of a bill. This means it would be Prospective only and would result in the least costly option.
- ❖ Maintain status quo with regard to IMSC for individuals who received an Expeditionary medal during a period of war. This means that these individuals would still have the ability to request partially subsidized service credit.

Fiscal Impact of Options

Preliminary actuarial analysis, cost estimates and appendices were included in the PowerPoint presentation for the October SCPP meeting. OSA's actuarial analysis examining the costs of providing fully subsidized IMSC to current members and retirees who received an Expeditionary medal is summarized in a letter in **Appendix L**.

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Appendices

Appendix A

SCPP and LEOFF 2 Board Data Request Letter to DRS

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Select Committee on Pension Policy

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July 10, 2020

Mr. Seth Miller
Retirement Services Division Assistant Director
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Delivered via Email

SUBJECT: INTERRUPTIVE MILITARY SERVICE CREDIT STUDY – DATA REQUEST

Dear Mr. Miller,

The Select Committee on Pension Policy (SCPP) and the Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board formally request the assistance of the Washington State Department of Retirement Systems (DRS) in completing the 2020 Interruptive Military Service Credit Study, as required under Chapter 178, Laws of 2020.

The SCPP and LEOFF 2 Board is required to study the provision of interruptive military service credit. Specifically, examining the expansion of fully subsidized interruptive military service credit to individuals who have been awarded an expeditionary medal. DRS, the Office of the State Actuary (OSA), the Washington State Military Department, and the Washington State Department of Veterans Affairs are required to provide information and/or conduct research as needed to support the SCPP's and LEOFF 2 Board's respective studies.

In order to model the past and future potential cost of expanding this pension benefit to individuals with expeditionary medals, OSA would like to quantify the cost of expanding interruptive military service credit. OSA received data as part of the 2020 Legislative Session to aid in the preparation of actuarial fiscal notes for Substitute House Bill 2544, concerning the definition of veteran. If there are any significant updates to the data previously provided, please share an updated file.

We would also appreciate any additional data you can think of that may assist in our analysis. For example, it would be helpful to receive

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information related to the amount of service credit that can be attributed to members or retirees who have experienced a break in service from their employer for purposes of interruptive military service.

In order to meet the required deadlines of this study, the SCPP and LEOFF 2 Board staff ask that any updated data, new data/resources, or confirmation that data is not available, is provided by August 10, 2020, to our email addresses located below. Should you require additional time to compile or prepare information, please let us know.

Please contact SCPP and LEOFF 2 Board staff if you have any questions or concerns with this request.

Sincerely,

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Appendix B

SCPP and LEOFF 2 Board Data Request Letter to Department of Veterans Affairs

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Select Committee on Pension Policy

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July 10, 2020

Mr. Steven J. Gill
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Delivered via Email

SUBJECT: INTERRUPTIVE MILITARY SERVICE CREDIT STUDY – DATA REQUEST

Dear Mr. Gill,

The Select Committee on Pension Policy (SCPP) and the Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board formally request the assistance of the Washington State Department of Veterans Affairs in completing the 2020 Interruptive Military Service Credit Study, as required under Chapter 178, Laws of 2020.

The SCPP and LEOFF 2 Board is required to study the provision of interruptive military service credit. Specifically, examining the expansion of fully subsidized interruptive military service credit to individuals who have been awarded an expeditionary medal. The Department of Retirement Systems, the Office of the State Actuary (OSA), the Washington State Military Department, and the Washington State Department of Veterans Affairs are required to provide information and/or conduct research as needed to support the SCPP's and LEOFF 2 Board's respective studies.

It is my understanding you may have requested from the Department of Defense information to assist with this study. We appreciate your assistance. In continuing discussions with our actuarial team, the following information would be helpful to model the future potential cost of expanding this pension benefit and quantify the ratio of medals awarded in a given armed conflict. To the extent possible, we are requesting the following information:

- The total number of medals awarded over a specified time period, or operation, on an annual basis categorized by campaign or expeditionary medal. For example, in

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2010 there were 1,000 campaign medals and 1,500 expeditionary medals awarded.

- Average length of deployment an individual served when they were awarded a campaign medal versus an expeditionary medal. For example, of the medals awarded in 2010, the average recipient spent eight months in conflict for the campaign medal and 12 months in conflict for the expeditionary medal.
- Comprehensive list of campaign and expeditionary medals that are available and criteria for receiving those.

In order to meet the required deadlines of this study, the SCPP and LEOFF 2 Board staff ask that this data, or confirmation the data is not available, is provided by August 10, 2020, to our email addresses located below. Should you require additional time to compile or prepare information, please let us know. We would also appreciate any additional resources or data you can think of to assist in modeling the past and future potential cost of expanding this pension benefit.

Please contact SCPP and LEOFF 2 Board staff if you have any questions or concerns with this request.

Sincerely,

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Appendix C

SCPP and LEOFF 2 Board Data Request Letter to Washington Military Department

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Select Committee on Pension Policy

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July 10, 2020

Ms. Nancy Bickford
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Delivered via Email

SUBJECT: INTERRUPTIVE MILITARY SERVICE CREDIT STUDY – DATA REQUEST

Dear Ms. Bickford,

The Select Committee on Pension Policy (SCPP) and the Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board formally request the assistance of the Washington State Military Department in completing the 2020 Interruptive Military Service Credit Study, as required under Chapter 178, Laws of 2020.

The SCPP and LEOFF 2 Board is required to study the provision of interruptive military service credit. Specifically, examining the expansion of fully subsidized interruptive military service credit to individuals who have been awarded an expeditionary medal. The Department of Retirement Systems, the Office of the State Actuary (OSA), the Washington State Military Department, and the Washington State Department of Veterans Affairs are required to provide information and/or conduct research as needed to support the SCPP's and LEOFF 2 Board's respective studies.

Thank you for the information you have provided thus far. If possible, OSA would like information that would assist the actuaries in estimating the past and future potential cost of expanding this pension benefit to include expeditionary medals. The actuaries are requesting data that would help them quantify the ratio of medals awarded in a given armed conflict (or specified time period), split between campaign and expeditionary medals.

To the extent possible, we are requesting the following information:

- The total number of medals awarded over a specified time period, or operation, on an annual basis categorized

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Fax: (360) 586-8135
TDD: 711
leg.wa.gov/SCPP.htm

by campaign or expeditionary medal. For example, in 2010 there were 1,000 campaign medals and 1,500 expeditionary medals awarded.

- Average length of deployment an individual served when they were awarded a campaign medal versus an expeditionary medal. For example, of the medals awarded in 2010, the average recipient spent eight months in conflict for the campaign medal and 12 months in conflict for the expeditionary medal.
- Comprehensive list of campaign and expeditionary medals that are available and criteria for receiving those.

In order to meet the required deadlines of this study, the SCPP and LEOFF 2 Board staff ask that this data, or confirmation the data is not available, is provided by August 10, 2020, to our email addresses located below. Should you require additional time to compile or prepare information, please let us know. We would also appreciate any additional resources or data you can think of to assist in modeling the past and future potential cost of expanding this pension benefit.

Please contact SCPP and LEOFF 2 Board staff if you have any questions or concerns with this request.

Sincerely,

Melinda Aslakson
Policy Analyst
Office of the State Actuary
melinda.aslakson@leg.wa.gov

Jacob White
Senior Research & Policy Manager
LEOFF Plan 2 Retirement Board
jacob.white@leoff.wa.gov

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Appendix D

Military Department Data Request Response on Expeditionary Medals

- DoD Manual 1348.33, Volume 2, Manual of Military Decorations and Awards: DoD Service Awards – Campaign, Expeditionary, and Service Medals.
  - The Washington State Military Department provided a copy of this manual, however a link is provided to reduce the size of the overall study report.
- Campaigns and Expeditions of the Armed Forces Which Qualify for Veterans' Preference.
- Joint Publication 1-02, Department of Defense Dictionary of Military and Associated Terms.
  - The Washington State Military Department provided a copy of this dictionary; however a link is provided to reduce the size of the overall study report. Staff identified a June 2020 updated version as well.

From:	Bickford, Nancy (MIL)
To:	Office State Actuary, WA
Cc:	Aslakson, Melinda; White, Jacob (LEOFF); Baumgart, Jim (GOV); daniel.n.brewer.mil; Bickford, Nancy (MIL)
Subject:	RE: Data Request: Interruptive Military Service Credit Study
Date:	Tuesday, July 14, 2020 12:00:47 PM
Attachments:	image001.png Campaign and Expeditions - Veterans.pdf DoD Manual of Military Decorations and Awards.pdf JCS Pub 1-02 DoD Dictionary of Military and Associated Terms.pdf

---

Good morning,

Thank you for your inquiry.

It is important to know for the basis of the study that the Washington Military Department has only the Washington National Guard and not the entire military. We do not have the associated expertise or data but have been doing the best we can over an extended period of time to answer the many questions related to this study. I have asked both the Army and Air National Guard to answer within their capabilities and have additional research below that I have been able to further find.

1. Attached above is information on all the campaigns and expeditionary medals. The first attachment lists the medals and when they were awarded (periods of time). Both attachment 1 and 2 will answer a few of your questions.
2. The second attachment includes all of the criteria to award the medal to include the qualifying periods of time. Typically they will have served longer and this study shows in Table 12 the average length of a deployment by service.
3. The third attachment is a reference for you to look up any military terms or acronyms that are not fully explained in the DOD manual.
4. I did find a deployment study that did document service specific (Army, Navy, etc.) average period lengths but that data was only as of 2010 (see table 12 https://www.ncbi.nlm.nih.gov/books/NBK206861/table/tab_3_12/?report=objectonly). You can see it varies by service. The length of the deployment isn't too meaningful because these services typically have a greater frequency of deployments.

I have sent your requests and questions off to the Defense Manpower Data Center (DMDC), but am uncertain if they will be able to answer. This is the direct website contact for the DMDC https://www.dmdc.osd.mil/appj/dwp/index.jsp and am uncertain they will answer with your needed information, but am working to see what they have the capability to document. It may work better for you as actuaries to contact the DMDC directly. This information attachments should answer quite a bit of your three questions. I'd like to suggest you survey the LEOFF 2 members to see what deployments and they have expeditionary medals for the deployment lengths to better estimate the costs of expanding interruptive service credit to this category. Department of Defense overall data may not neatly extrapolate to the typical population that is in the LEOFF 2 coverage area.

I will forward any information I receive from the Washington National Guard or the Defense Manpower Data Center

Nancy A. Bickford
Intergovernmental Affairs and Policy Director
Washington Military Department
253-512-7712 or 253-255-8620 (cell)
Nancy.bickford@mil.wa.gov

Email communications with state employees are public records and may be subject to disclosure, pursuant to Ch. 42.56 RCW.

From: Office State Actuary, WA <State.Actuary@leg.wa.gov>
Sent: Friday, July 10, 2020 12:33 PM
To: Bickford, Nancy (MIL) <Nancy.Bickford@mil.wa.gov>
Cc: Aslakson, Melinda <Melinda.Aslakson@leg.wa.gov>; White, Jacob (LEOFF) <jacob.white@leoff.wa.gov>
Subject: Data Request: Interruptive Military Service Credit Study

Please see attached.

Office of the State Actuary
P.O. Box 40914
Olympia, Washington 98504-0914
leg.wa.gov/osa
Phone 360.786.6140
Fax 360.586.8135
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Campaigns and Expeditions of the Armed Forces
Which Qualify for Veterans' Preference

Military personnel receive many awards and decorations. To help make decisions concerning entitlement to veterans' preference, the following list identifies those awards that are campaign and expeditionary medals. **Any** Armed Forces Expeditionary Medal, whether listed here or not, is qualifying for veterans' preference. **The Global War on Terrorism Expeditionary Medal** is qualifying for veterans' preference, provided the individual is otherwise eligible. The Department of Defense, not the U.S. Department of Veterans Affairs, determines who is entitled to receive a medal, and under what circumstances. The list below is derived from DoD 1348.33-M, Manual of Military Decorations and Awards.

DD Form 214, Certificate of Discharge or Separation from Active Duty, or other official documents (to include military discharge papers, or equivalent certification from the VA listing military status, dates of service, and discharge type) issued by the branch of service are required as verification of eligibility for veterans' preference.

U.S. Combat Campaigns and Expeditions Which Qualify for Preference

Campaign or Expedition	*Inclusive Dates*
Armed Forces Expeditionary Medal (AFEM). A veteran's DD Form 214 showing the award of any AFEM is acceptable proof. **The Global War on Terrorism Expeditionary Medal (GWTEM) is included for Veteran's Preference.** The DD Form 214 does not have to show the name of the theater or country of service for which that medal was awarded.	
Afghanistan (Operations Enduring Freedom [OEF] and Iraqi Freedom [OIF])	OEF September 11, 2001 to present; OIF March 19, 2003 to present
Berlin	August 14,1961 to June 1,1963
Bosnia and Herzogovina (Operations Joint Endeavor, Joint Guard, and Joint Forge)	November 20, 1995 to December 20, 1996; December 20, 1996 to present; June 21, 1998 to present.
Cambodia	March 29, 1973 to August 15, 1973
Cambodia Evacuation (Operation Eagle Pull)	April 11 – 13, 1975
Congo	July 14, 1960 to September 1, 1962; and November 23, 1964 to November 27, 1964
Cuba	October 24, 1962 to June 1, 1963
Dominican Republic	April 28, 1965 to September 21, 1966
El Salvador	January 1, 1981 to February 1, 1992
Global War on Terrorism	September 11, 2001 to present
Grenada (Operation Urgent Fury)	October 23, 1983 to November 21, 1983
Haiti (Operation Uphold Democracy)	September 16, 1994 to March 31, 1995
Iraq (Operations Northern Watch, Desert Spring, Enduring Freedom (OEF), and Iraqi Freedom (OIF))	January 1, 1997 to present; December 31, 1998 to December 31, 2002 (projected); OEF September 11, 2001 to present; OIF March 19, 2003 to present
Korea	October 1, 1966 to June 30, 1974

Kosovo	March 24, 1999 to present
Laos	April 19, 1961 to October 7, 1962
Lebanon	July 1, 1958 to November 1, 1958; and June 1, 1983 to December 1, 1987
Mayaguez Operation	May 15, 1975
Operations in the Libyan Area (Operation Eldorado Canyon)	April 12 – 17, 1986
Panama (Operation Just Cause)	December 20, 1989 to January 31, 1990
Persian Gulf Operation (Operation Earnest Will)	July 24, 1987 to August 1, 1990
Persian Gulf Operation (Operation Southern Watch)	December 1, 1995 to present
Persian Gulf Operation (Operation Vigilant Sentinel)	December 1, 1995 to February 1, 1997
Persian Gulf Operation (Operation Desert Thunder)	November 11, 1998 to December 22, 1998
Persian Gulf Operation (Operation Desert Fox)	December 16, 1998 to December 22, 1998
Persian Gulf Intercept Operation	December 1, 1995 to present
Quemoy and Matsu Islands	August 23, 1958 to June 1, 1963
Somalia (Operations Restore Hope and United Shield)	December 5, 1992 to March 31, 1995
Taiwan Straits	August 23, 1958 to January 1, 1959
Thailand	May 16, 1962 to August 10, 1962
Vietnam Evacuation (Operation Frequent Wind)	April 29 – 30, 1975
Vietnam (including Thailand)	July 1, 1958 to July 3, 1965

Appendix E

DRS Data Request Response on Expeditionary Medals

Melinda Aslakson, Policy Analyst
360.786.6161 | melinda.aslakson@leg.wa.gov

The data within the spreadsheet provided by DRS is summarized in part within the Actuarial Analysis Summary on Expeditionary Medals, contained in **Appendix L**.

Aslakson, Melinda

From: Miller, Seth (DRS) <seth.miller@drs.wa.gov>
Sent: Monday, July 13, 2020 4:31 PM
To: Office State Actuary, WA
Cc: Aslakson, Melinda; White, Jacob (LEOFF)
Subject: RE: Data Request: Interruptive Military Service Credit Study
Attachments: optbill July 13 2020.xlsx

An updated data set is attached. Please let me know if you need anything else.
-Seth

From: Office State Actuary, WA <State.Actuary@leg.wa.gov>
Sent: Friday, July 10, 2020 12:33 PM
To: Miller, Seth (DRS) <seth.miller@drs.wa.gov>
Cc: Aslakson, Melinda <Melinda.Aslakson@leg.wa.gov>; White, Jacob (LEOFF) <jacob.white@leoff.wa.gov>
Subject: Data Request: Interruptive Military Service Credit Study

Please see attached.

Office of the State Actuary
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Appendix F

DVA Data Request Response on Expeditionary Medals

Melinda Aslakson, Policy Analyst
360.786.6161 | melinda.aslakson@leg.wa.gov

STATE OF WASHINGTON
DEPARTMENT OF VETERANS AFFAIRS
1102 Quince Street, Box 41150 ● Olympia, Washington 98504-1150 ● 1-800-562-0132

July 30, 2020

Ms. Melinda Aslakson
Policy Analyst
Select Committee on Pension Policy
Office of the State Actuary
PO BOX 40914
Olympia WA 98504-0914

Re: Interruptive Military Service Credit Study – Data Request

Dear Ms. Aslakson,

I am in receipt of your letter dated July 10, 2020 requesting assistance and data for the Interruptive Military Service Credit Study. Your office requested assistance with obtaining the following information:

- The total number of medals awarded over a specific time period, or operation, on an annual basis categorized by campaign or expeditionary medal. For example, in 2010 there were 1,000 campaign medals and 1,500 expeditionary medals awarded.
- Average length of deployment an individual served when they were awarded a campaign medal versus an expeditionary medal. For example, of the medals awarded in 2010, the average recipient spent eight months in conflict for the campaign medal and 12 months in conflict for the expeditionary medal.
- Comprehensive list of campaign and expeditionary medals that are available and criteria for receiving those.

Our Department does not have access to this information or other similar information that I believe would assist in modeling the past and future potential cost of expanding this pension benefit. This type of information may be available from the U.S. Department of Defense, Defense Manpower Data Center, 4800 Mark Center DR, Alexandria VA 22350.

You may contact me directly at (360) 789-5886 or steveng@dva.wa.gov if you have any questions or if I may be of further assistance.

Sincerely,

Steven J. Gill, MPA
Veterans Services Administrator

cc: Jacob White, Senior Research & Policy Manager, LEOFF Plan 2 Retirement Board

Appendix G

Military Department Supplemental Data Request Response on Expeditionary Medals

- Email: Data Request: Interruptive Military Service Credit Study (UNCLASSIFIED).
- Email Attachment.
- Email attachment.

From: Bickford, Nancy (MIL)
To: Aslakson, Melinda
Subject: FW: [Non-DoD Source] Fwd: Data Request: Interruptive Military Service Credit Study (UNCLASSIFIED)
Date: Monday, August 17, 2020 9:14:11 AM
Attachments: 141ARW Award Data Call.pdf
194WG Award Data Call.pdf

Melinda,

I was able to get the awards data for a five year period from the Washington Air National Guard. Each of the two Air National Guard members attached has about 1000 members. You can see the medals awarded and the deployment lengths.

Sincerely,
Nancy

Nancy A. Bickford
Intergovernmental Affairs and Policy Director
Washington Military Department
253-512-7712 or 253-255-8620 (cell)
Nancy.bickford@mil.wa.gov

[This email message has been truncated to include only the email message from Nancy Bickford to staff. Data provided within the text of the email string is provided in the following six pages which were attached to the email shared with staff.]

The total number of medals awarded over a specified time period, or operation, on an annual basis categorized by campaign or expeditionary medal.

Calendar Year
2016 – 161 Expeditionary Medals awarded and 7 Campaign Medals awarded
2017 – 91 Expeditionary Medals awarded and 8 Campaign Medals awarded
2018 – 27 Expeditionary Medals awarded and 42 Campaign Medals awarded
2019 – 23 Expeditionary Medals awarded and 61 Campaign Medals awarded
2020 – 2 Expeditionary Medals awarded and 5 Campaign Medals awarded

**Last 5 year total: 304 Expeditionary Medals and 123 Campaign Medals awarded in the last 5 years

Average length of deployment an individual served when they were awarded a campaign medal versus an expeditionary medal. For example, of the medals awarded in 2010, the average recipient spent eight months in conflict for the campaign medal and 12 months in conflict for the expeditionary medal.

Calendar Year
2016 – The average recipient spent 4 months in conflict for a campaign medal and 3 months in conflict for the expeditionary medal.
2017 – The average recipient spent 4 months in conflict for a campaign medal and 4 months in conflict for the expeditionary medal.
2018 – The average recipient spent 5 months in conflict for a campaign medal and 1 months in conflict for the expeditionary medal.
2019 – The average recipient spent 5 months in conflict for a campaign medal and 2 months in conflict for the expeditionary medal.
2020 - The average recipient spent 5 months in conflict for a campaign medal and 3 months in conflict for the expeditionary medal.

Comprehensive list of campaign and expeditionary medals that are available and criteria for receiving those.

Expeditionary Medal

1. Global War on Terrorism (GWOT) Expeditionary Medal –

   For eligibility of the GWOT-E, individuals must have deployed abroad, on or after September 11, 2001 and a future date to be determined, for service in Operations Enduring Freedom or Operation Iraqi Freedom, and meet one of the following:

- Assigned, attached, or mobilized to a unit participating in OEF/OIF and serving for 30 consecutive days or 60 nonconsecutive days (there is no time limit required for nonconsecutive days to be accumulated)
- Be engaged in actual combat against the enemy and under circumstances involving grave danger or death or serious bodily injury from enemy action, regardless of time served in OEF/OIF
- Killed, wounded or injured requiring medical evacuation from Operations OEF/OIF

2. Armed Forces Service Medal –

   This award, authorized by Executive Order 12985, Jan. 11, 1996, is awarded to members of the armed forces of the U.S. who, after June 1, 1992: (1) participate, or have participated, as members of U.S. military units, in a U.S. military operation that is deemed to be a significant activity by the Joint Chiefs of Staff; and (2) encounter no foreign armed opposition or imminent threat of hostile action.

3. Humanitarian Service Medal –

   The number of eligible operations are too numerous to mention and have included a wide variety of services from the first operation of the Guyana Disaster Relief in Jonestown, Guyana in 1978 and have included disaster, flood, tornado, and earthquake relief work and snow removal work. Also included were Operation BOAT PEOPLE, Evacuation of Laos, Cuban Refugee Resettlement, Beirut Evacuation, Cholera Epidemic in Turk Islands and operations of humanitarian aid in the United States and every corner of the world.

<u>Campaign Medal</u>

1. Iraq Campaign Medal –

   Eligibility for the ICM requires service members to have served in direct support of Operation Iraqi Freedom. The period of eligibility is on or after March 19, 2003, to a future date to be determined by the Secretary of Defense or the cessation of OIF.
   Service members qualified for the Global War on Terrorism Expeditionary Medal by reasons of service between March 19, 2003 and Feb. 28, 2005, in an area for which the ICM was subsequently authorized, shall remain qualified for that medal. Upon application, any such service members may be awarded the ICM in lieu of the GWOT-E for such service. No service members shall be entitled to both medals for the same deployment, action, achievement, or

period of service. Service members must have been assigned, attached, or mobilized to units operating in the area of eligibility for 30 consecutive days or for 60 non-consecutive days or meet one of the following criteria:

- Be engaged in combat during an armed engagement, regardless of the time in the area of eligibility
- While participating in an operation or on official duties, is wounded or injured and requires medical evacuation from the area of eligibility
- While participating as a regularly assigned aircrew member flying sorties into, out of, within or over the area of eligibility in direct support of the military operations; each day of operations counts as one day of eligibility

2. Korean Defense Service Medal (KDSM) –

   Individuals must have been assigned, attached, or mobilized to units operating or serving on all the land area of the Republic of Korea, and the contiguous waters out to 12 nautical miles, and all airspace above the stated land and water areas. To be eligible for the KDSM, personnel must have been physically present in the stated areas for 30 consecutive or 60 nonconsecutive days, or must meet one of the following:

   - Be engaged in actual combat during an armed engagement, regardless of the time in the areas of eligibility
   - Be killed, wounded, or injured in the line of duty and required medical evacuation from the area of eligibility
   - While participating as a regularly assigned aircrew member flying sorties into, out of, within, or over the area of eligibility in support of military operations. Each day that one or more sorties are flown in accordance with these criteria shall count as 1 day toward the 30 or 60 day requirement.

3. Inherent Resolve Campaign Medal –

The IRCM shall be awarded to each Service member who, on or after 15 June 2014, was permanently assigned, attached, or detailed for 30 consecutive or non-consecutive days to a unit operating in the area of eligibility, or who meets one of the following criteria regardless of time spent in the AOE:

- Was engaged in combat during an armed engagement

- While participating in an operation or on official duties was killed or wounded/injured and medically evacuated from the AOE

The AOE encompasses the land area of the countries of Iraq and Syria, the contiguous waters of each extending out to 12 nautical miles, and the air space above the land area and contiguous waters. Aircrew members accrue one day of eligibility for each day they fly into, out of, within, or over the AOE. The IRCM is not authorized for foreign military personnel.

CAMPAIGNS AND INCLUSIVE DATES

- Operation INHERENT Resolve June 15, 2014 - TBD
- Abeyance June 15, 2014 - November 24, 2015
- Intensification November 25, 2015 - April 14, 2017
- Defeat April 15, 2017 - TBD

4. Afghanistan Campaign Medal –

A) To be eligible for the Afghanistan Campaign Medal, a service member must be assigned or attached to a unit participating in Operation ENDURING FREEDOM for 30 consecutive days or 60 nonconsecutive days in Afghanistan or meet one of the following criteria:

- Be engaged in actual combat against the enemy and under circumstances involving grave danger of death or serious bodily injury from enemy action, regardless of the time in Afghanistan.
- While participating in Operation ENDURING FREEDOM or on official duties, regardless of time, is killed, wounded, or injured requiring medical evacuation from Afghanistan.
- While participating as a regularly assigned aircrew member flying sorties into, out of, within, or over Afghanistan in direct support of Operation ENDURING FREEDOM; each day that one or more sorties are flown in accordance with these criteria shall count as one day towards the 30 consecutive or 60 nonconsecutive day requirement.

Service members who qualified for the Global War on Terrorism Expeditionary Medal by reason of service in Afghanistan between Oct. 24, 2001 and April 30, 2005 shall remain qualified for that medal. However, any service member who wishes to do so may be awarded the Afghanistan Campaign Medal in lieu of the Global War on Terrorism Expeditionary Medal for that timeframe of service. Additionally, any Army Soldier authorized the arrowhead device may be awarded the Afghanistan Campaign Medal with arrowhead device in lieu of the Global War on Terrorism Expeditionary Medal with arrowhead device.

No service member shall be entitled to both the Global War on Terror Expeditionary Medal and the Afghanistan Campaign Medal for the same act, achievement, or period of service. Only one award of the Afghanistan Campaign Medal may be authorized for any individual.

5. Remote Combat Effects Campaign Medal –

The medal is awarded to Air Force military members who, on or after Sept. 11, 2001, distinguished themselves by direct participation in a DOD combat operation, under the following conditions:

- Was assigned or attached to a unit directly supporting a DOD combat operation as approved by the Chief of Staff of the Air Force,
- Was serving in a remotely piloted aircraft; cyber; space; or Intelligence, Surveillance and Reconnaissance career field,
- Personally provided hands-on employment of a weapon system that had direct and immediate impact on a named combat operation ("hands-on" defined as employment of a weapons system, including remote employment, or other activities that had a direct, immediate and on-site effect on the outcome of an engagement or similar operation), and
- Was not physically exposed to hostile actions or at risk of exposure to hostile action.

Airmen will wear the first Remote Combat Effects Campaign Medal awarded and will wear a bronze service star for any subsequent medal awarded to recognize each qualifying DOD combat operation in which the Airman participated for one or more days.

194 Wing Response to Award Data Call

The total number of medals awarded over a specified time period, or operation, on an annual basis categorized by campaign or expeditionary medal.

By calendar year;

2020- 5 Campaign Medals awarded and 3 Expeditionary Medals awarded.

2019- 2 Campaign Medals awarded and 6 Expeditionary Medals awarded.

2018- 12 Campaign Medals awarded and 23 Expeditionary Medals awarded.

2017- 9 Campaign Medals awarded and 29 Expeditionary Medals awarded.

2016- 8 Campaign Medals awarded and 111 Expeditionary Medals awarded.

Average length of deployment an individual served when they were awarded a campaign medal versus an expeditionary medal. For example, of the medals awarded in 2010, the average recipient spent eight months in conflict for the campaign medal and 12 months in conflict for the expeditionary medal.

By calendar year;

2020- The average recipient spent 4 months in conflict for a Campaign Medal and 4 months in conflict for an Expeditionary Medal.

2019- The average recipient spent 5 months in conflict for a Campaign Medal and 3 months in conflict for an Expeditionary Medal.

2018- The average recipient spent 4 months in conflict for a Campaign Medal and 2 months in conflict for an Expeditionary Medal.

2017- The average recipient spent 5 months in conflict for a Campaign Medal and 4 months in conflict for an Expeditionary Medal.

2016- The average recipient spent 5 months in conflict for a Campaign Medal and 3 months in conflict for an Expeditionary Medal.

Appendix H

LEOFF 2 Letter to SCPP Fulfilling October 31, 2020, Study Requirement

- Letter to SCPP from LEOFF Plan 2 Retirement Board.
- LEOFF 2 Follow-Up Report.
  - Appendix A: Public Employee Retirement System of Idaho
  - Appendix B: Wisconsin Retirement Systems
  - Appendix C: Minnesota Retirement Systems
  - Appendix D: Oregon Public Employee Retirement System

Melinda Aslakson, Policy Analyst
360.786.6161 | melinda.aslakson@leg.wa.gov

STATE OF WASHINGTON
LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS'
PLAN 2 RETIREMENT BOARD
P.O. Box 40918 • Olympia, Washington 98504-0918 • (360) 586-2320 • FAX (360) 586-2329

October 13, 2020

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

Re: SHB 2544 – Interruptive Military Service Credit Study

Dear Mr. Chair and Members of the Select Committee on Pension Policy:

Substitute House Bill 2544 (2020) requires the LEOFF Plan 2 Board ("Board") and Select Committee on Pension Policy ("SCPP") to study interruptive military service credit, in particular the cost of expanding No-Cost (fully subsidized) Interruptive Military Service Credit to members who received an expeditionary medal but not a campaign medal. Furthermore, SHB 2544 requires the Board and SCPP to share their preliminary recommendations to each other prior to October 30, 2020, "[t]o encourage consistency among the treatment of military service among the Washington state retirement systems [...]." The final reports containing recommendations and analysis of the potential cost of those recommendations are due to the legislature by January 2, 2021.

Last year the Board sponsored legislation simplifying the definition of "Period of War" for purposes of determining eligibility of No-Cost Interruptive Military Service Credit. The Board considered legislation to expand this benefit to members who had earned a lower tier of medal (expeditionary medals) for their interruptive military service. At that time, the Board was unable to identify the cost of expanding the benefit. Therefore, the Board decided it was not comfortable supporting expanding the benefit without knowing the cost of doing so. Specifically, the Board was concerned about the relatively large number of plan members who potentially earned Global War on Terrorism expeditionary medals, and the cost impact to expand No-Cost Interruptive Military Service Credit to those members.

To complete the study required by SHB 2544, Board staff are working closely with staff to the SCPP to research and gather data and other information to identify the potential costs of expanding No-Cost Interruptive Military Service Credit. At the September Board meeting, the Board received an initial briefing on the progress of the study (see enclosed). During that meeting the potential costs of expanding the benefit had not yet been identified. The October Board meeting is a strategic planning meeting; therefore, the Board will receive follow-up presentations on the study at the November Board meeting and if necessary, at the December Board meeting. Board staff, as always, will be available at SCPP Meetings to provide updates on the Board's study and answer any of your questions.

The Board appreciates the opportunity to partner with the SCPP on this complex and important issue.

Sincerely,

Jacob White
Senior Research and Policy Manager
LEOFF Plan 2 Retirement Board

Enclosure: LEOFF Plan 2 Board Initial Report, September 23, 2020

September 23, 2020

Interruptive Military Service Credit

FOLLOW-UP REPORT

By Jacob White
Senior Research & Policy Manager
360-586-2327
jacob.white@leoff.wa.gov

ISSUE STATEMENT

The legislature required the Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 Retirement Board and the Select Committee on Pension Policy (SCPP) to complete a study of interruptive military service credit and the impact of expanding fully subsidized service credit eligibility to those who have been awarded an expeditionary medal.

OVERVIEW

LEOFF Plan 2 members may establish service credit for military service interrupting their LEOFF service. Member contributions are waived for LEOFF PLAN 2 members whose interruptive military service was: 1) during a period of war; or 2) during a specified conflict for which they earned a campaign badge or medal.

This report will provide information on interruptive military service credit; Department of Defense (DoD) regulations for awarding military service medals; and information on legislation in other states.

STUDY REQUIREMENTS

During the 2020 interim, the LEOFF PLAN 2 Board is required to study the impacts of providing fully subsidized interruptive military service credit, and the costs and difference in service credit to current members and retirees who received an expeditionary medal.

To encourage consistency among the treatment of military service throughout the Washington state retirement systems, the LEOFF PLAN 2 Board and the SCPP must communicate their preliminary recommendations to each other prior to October 30, 2020. Considering the preliminary recommendations of the other body, the LEOFF PLAN 2 Board and the SCPP must issue final reports containing recommendations and analysis of the potential cost of those recommendations to the appropriate committees of the legislature by January 2, 2021.[1]

[1] SHB 2544, RCW 41.04.005, http://lawfilesext.leg.wa.gov/biennium/2019-20/Pdf/Bills/House%20Bills/2544-S.pdf?q=20200908100212

BACKGROUND AND POLICY ISSUES

General Background

Interruptive military service credit applies to all Washington State retirement systems, including LEOFF PLAN 2. A member qualifies for this benefit when they take a leave of absence from a DRS covered position to serve in the United States military, and the member returns to employment with their employer within 90 days of being honorably discharged. When this occurs, membership in the retirement system is considered to be interrupted.

There are two types of pension benefits for interruptive military service: fully subsidized ("no-cost interruptive military service credit") and partially subsidized ("reduced-cost interruptive military service credit").

No-cost interruptive military service credit is awarded if the service took place during a period of war, or certain armed conflicts in which an approved campaign medal or badge was obtained. A member can qualify for up to five years of no-cost interruptive military service credit. The employer and state pay their contributions plus interest and the system subsidizes the member contributions and interest.

Partially subsidized interruptive military service credit is awarded if the service did not take place during a period of war, or an armed conflict in which an approved campaign medal was obtained.[2] In order to receive partially subsidized credit, a member must have been honorably discharged from their service and unable to qualify for no-cost credit. A member can qualify for up to five years of partially subsidized military service credit. The member must pay the member contribution cost; however, the interest on the member contributions is subsidized by the plan. The member has five years from when they return to work to pay their contributions or they must pay those contributions prior to retirement, whichever occurs first. After the member pays their contributions, the employer and state are billed for the employer contributions plus interest.

A member may receive a total of 10 years of interruptive military service credit (up to 5 years no-cost interruptive military service credit and up to 5 years of partially subsidized). The member must fully pay the required contributions within 5 years of reemployment.

Qualifying for No-Cost Interruptive Military Service Credit

To qualify for no-cost interruptive military service credit the member's service must have been during a "period of war", as defined in RCW 41.04.005(2). "Period of war" is defined under this statute as:

[2] Responsibility for payment varies by the dates of service. If the military service was completed: Between October 1, 1977, and March 31, 1992, the member pays both the employer and member contributions plus interest; After March 31, 1992, and before October 6, 1994, the member pays the member contributions plus interest and the employer and state pay their contributions plus interest; After October 6, 1994, a member pays the member contributions (no interest) and the employer and state pays their contribution plus interest.

World War I; World War II; The Korean conflict; The Vietnam era[3]; The Persian Gulf War[4]; The period beginning on the date of any future declaration of war by the congress and ending on the date prescribed by presidential proclamation or concurrent resolution of the congress; and

Any armed conflicts, if the participant was awarded the respective campaign badge or medal, or if the service was such that a campaign badge or medal would have been awarded, except that the member already received a campaign badge or medal for a prior deployment during that same conflict.

The DoD awards a campaign badge or medal to service members who served during a specified conflict and were stationed in a designated war zone.[5]

Campaign medals, as defined by the DoD manual 1348.33 Volume 2, are medals which:

> "recognize service members who are deployed to the geographic area where the combat is actually occurring. Members awarded campaign medals have the highest degree of personal risk and hardship as they are conducting the combat operations and are deployed to the area where the combat is actually occurring."

Interruptive military service that does not meet the definition of "period of war" does not qualify for no-cost interruptive military service credit. However, it does qualify for partially subsidized interruptive military service credit.

Legislative History

No-cost interruptive military service credit was created in 2009, with the passage of HB 1548. HB 1548 was endorsed by the SCPP and the LEOFF PLAN 2 Board. The legislative history of HB 1548 does not explicitly state the policy goals of the legislature in creating a no-cost interruptive military service credit benefit, or the reasons for placing the lines of demarcation between partially subsidized and no-cost interruptive military service credit at receiving a campaign badge.

In 2009, the LEOFF PLAN 2 Board report[6] on this proposed benefit stated:

> Arguments for eliminating the cost to the member include encouraging military service, supporting the ability to recruit military personnel into state/local government service, benefits (direct and indirect) to the State from military service rendered by public

[3] Which means: The period beginning on February 28, 1961, and ending on May 7, 1975, in the case of a veteran who served in the Republic of Vietnam during that period; the period beginning August 5, 1964, and ending on May 7, 1975.

[4] Which was the period beginning August 2, 1990, and ending on February 28, 1991, or ending on November 30, 1995, if the participant was awarded a campaign badge or medal for such period.

[5] Defined conflicts include: the crisis in Lebanon, the invasion of Grenada, Operation Just Cause in Panama, Operation Restore Hope in Somalia, Operation Uphold Democracy in Haiti, Operation Joint Endeavor in Bosnia, Operation Noble Eagle, Operation Enduring Freedom in Southern or Central Asia, Operation Iraqi Freedom; Iraq and Syria, Operation Inherent Resolve; and Afghanistan, Operation Freedom's Sentinel.

[6] http://leoff.wa.gov/wp-content/uploads/2015/06/121708.6_Interruptive-Military-Service-Credit.pdf

employees, recognition and support for plan members serving the public at large in a high risk situation, and supplementing federal benefits which may be viewed as inadequate.

Some of the policy pros and cons of providing special or increased benefits to members based on military service, identified in presentations to the LEOFF PLAN 2 Board and the SCPP in 2008 and 2009, included:

No Additional Benefits	Additional Benefits
Members serve voluntarily; no draft requires them to leave employment	Encourage military service; help avoid need for a draft
Members already receive adequate federal compensation and benefits for military service	Support ability to recruit more military personnel into state service and more state personnel into military service
Other members and employers would not have to absorb extra costs for these members	Support view that all WA citizens benefit, directly or indirectly, from military service rendered by public employees
More favorable service credit treatment is already given to these members (partially subsidized service credit)	Recognize that members who serve in conflicts are at higher risk for injury or death; pension plans typically offer extra support for high risk occupations that serve the public at large
Military service is unrelated to the service rewarded by state pension plans	Supplement federal benefits, which may not be viewed as adequate

During the 2017 legislative session, SB 5661 required the LEOFF PLAN 2 Board to study interruptive military service credit for members not awarded a campaign badge or medal. The LEOFF PLAN 2 Board completed that study during the 2017 interim and submitted the report to the legislature on January 1, 2018.

As a result of that study the LEOFF PLAN 2 Board endorsed legislation (HB 2701) in 2018. This legislation added a provision to ensure that eligibility for no-cost interruptive military service credit for multiple deployments to the same conflict; added an end date in statute for the end of the Gulf War; and made two additional combat operations (Inherent Resolve, Iraq and Syria; and Freedom's Sentinel, Afghanistan) eligible for no-cost interruptive military service credit. This legislation became effective June 7, 2018.

The statute which defines "period of war", for purposes of not only receiving interruptive military service credit but also other non-pension benefits, has been amended eleven times since its adoption in 1969. The majority of these amendments have updated the list of periods of war and armed conflicts.

Most recently, HB 2544 (2020) redefined "period of war" in RCW 41.04.005 to no longer identify specific conflicts and instead recognize all service from which a campaign badge or medal was earned. The LEOFF Plan 2 Board endorsed this legislation because it removes the need to amend "period of war" for each new conflict that qualifies for no-cost interrupt military service credit.

Department of Defense

Campaign, Expeditionary, and Service (CE&S) medals recognize service members' participation in military campaigns, expeditions, or other significant military operations, and for otherwise meritorious military service. Eligibility criteria for CE&S medals are based on a service member's:

- Degree of personal risk (e.g., proximity to the enemy, service in a combat zone, imminent threat of hostilities);
- Degree of personal hardship;
- Participation in designated military operations; and,
- Extent of military service during specified time periods, duration, or types of duty.[7]

There are four categories of CE&S medals:

- **Campaign Medals** - Campaign medals recognize deployed participation in large-scale or long-duration combat operations. Campaign medals are associated with the highest level of personal risk and hardship. They are awarded to members who are deployed to the geographic areas where the combat is actually occurring. Service members deployed to areas where combat is occurring as a result of prolonged or large-scale military combat operations should be recognized with a separate and distinct campaign medal.
- **Expeditionary Medals** - Expeditionary medals recognize deployed participation in small scale and/or short-duration combat operations or military operations where there is an imminent threat of hostilities. Expeditionary medals are also awarded to members deployed in support of combat operations, but who are not in the geographic area where the actual combat is occurring. Expeditionary medals are associated with high levels of personal risk and hardship.
- **Deployed Service Medals -** Deployed service medals recognize deployment or assignment to a designated Area of Eligibility (AOE) to participate in, or directly support, a designated military operation where there is no foreign armed opposition or imminent threat of hostile action.
- **Individual Service Medals -** Individual service medals recognize individual merit, direct participation in a DoD approved military activity, undertaking, event or operation, or service during a specified period. Some individual service medals, such as the Prisoner of War (POW) medal, may recognize service involving significant personal risk and

[7] DOD MANUAL 1348.33, VOLUME 2, https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodm/1348.33_Vol2.pdf?ver=2018-03-29-102726-900

hardship, while others only recognize being in active military service during a particular period of time. [8]

Below is a table from the DoD Manual 1348.33, Volume 2, of current and recent CE&S medals:

Table 1: Categories of CE&S Medals

Title of Decoration[1]	Sub-category of CE&S Medals
Southwest Asia Service Medal[2]	Campaign Medal
Kosovo Campaign Medal	Campaign Medal
Afghanistan Campaign Medal	Campaign Medal
Iraq Campaign Medal	Campaign Medal
Inherent Resolve Campaign Medal	Campaign Medal
Armed Forces Expeditionary Medal	Expeditionary Medal
Global War on Terrorism Expeditionary Medal	Expeditionary Medal
Antarctic Service Medal	Deployed Service Medal
Armed Forces Service Medal	Deployed Service Medal
Korea Defense Service Medal	Deployed Service Medal
National Defense Service Medal	Individual Service Medal
Armed Forces Reserve Medal	Individual Service Medal
Humanitarian Service Medal	Individual Service Medal
Prisoner of War Medal	Individual Service Medal
Military Outstanding Volunteer Service Medal	Individual Service Medal
Global War on Terrorism Service Medal	Individual Service Medal

Note 1: This list is not all-inclusive. Military Departments also have CE&S medals (e.g., Navy Expeditionary Medal; Air Force Good Conduct Medal; Army Good Conduct Medal). Refer to each Military Department's specific award guidance for additional information.

Note 2: Before DoD established comprehensive CE&S medal policy, the naming conventions for DoD CE&S medals were inconsistent. This resulted in several medals with names that do not match the CE&S medal category to which they are assigned.

LEOFF PLAN 2 Interruptive Military Service Credit Data

Between 2009 and 2019, 534 LEOFF PLAN 2 members received no-cost interruptive military service credit. Those members received an average of 9.75 months of service credit.

During that same time period, 24 LEOFF PLAN 2 members purchased partially subsidized interruptive military service credit. Those members purchased an average of 8.85 months of service credit. 40 LEOFF PLAN 2 members requested a bill from DRS to purchase partially subsidized interruptive military service credit, but elected not to purchase the service credit. Those members would have received an average of 11.68 months of service credit.

Cost of Expanding to Expeditionary Medals

[8] DOD MANUAL 1348.33, VOLUME 2, https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodm/1348.33_Vol2.pdf?ver=2018-03-29-102726-900

Last year, OSA analyzed the potential impact to LEOFF PLAN 2 of expanding no-cost interruptive military service credit to include interruptive military service for members earning an expeditionary medal. OSA did not have data to estimate how many members might meet the criteria under this component. Therefore, OSA found the cost to be indeterminate.

This interim, the LEOFF PLAN 2 Board, in coordination with OSA, gathered data to identify the cost of expanding this benefit to include interruptive military service from which the member earned an expeditionary medal.

OTHER STATES

LEOFF PLAN 2 contacted staff from other state retirement systems for information and data regarding their members' receipt of interruptive military service credit, as well as the requirements for receiving such credit.

Idaho PERS allows their members a maximum of five years of no-cost military service credit, similar to Washington.[9] Wisconsin Retirement Systems allows a maximum of four years of no-cost military service credit, unless the service is involuntary.[10] Minnesota Retirement Systems[11] and Oregon PERS[12] do not offer no-cost interruptive military service credit. Research and communications with staff members from other state retirement systems shows that none of these states require their members to have earned a specific medal, or to have served in a specific conflict in order to receive no-cost or partially subsidized interruptive military service credit. Among the states that provided information and offer no-cost interruptive military service credit, the requirements for earning no-cost credit are much broader than Washington.

Below is a comparison among other states based on total members, members receiving interruptive military service credit, average no-cost service credit received, maximum amount of no-cost service granted, and qualifications to receive no-cost military service credit.

[9] See Appendix A
[10] See Appendix B
[11] See Appendix C
[12] See Appendix D

STATE	TOTAL MEMBERS	MEMBERS WITH INTERRUPTIVE MILITARY SERVICE CREDIT	AVERAGE SERVICE CREDIT RECEIVED	MAXIMUM NO-COST SERVICE CREDIT GRANTED	QUALIFICATIONS FOR NO-COST SERVICE CREDIT
IDAHO (PERSI)	160,000	500	5-6 months	5 years	Member must enter military service within 90 days of leaving PERSI employment, and must return to PERSI employment within 90 day of release from active duty.
MINNESOTA (MSRS)	134,000	12	_	n/a	No-cost credit not offered.
OREGON (PERS)	374,000	1,083	_	n/a	No-cost credit not offered. Must be purchased by member or employer.
WASHINGTON (DRS)	523,000	8,339	9 months	5 years	Must have been awarded a campaign medal from serving in combat zones.
WASHINGTON (LEOFF 2)	24,000	574	10 months	5 years	Must have been awarded a campaign medal from serving in combat zones.
WISCONSIN (WRS)	642,000	784	2 years	4 years	Left WRS employment to serve in the armed forces and return to employment within 180 days. Member may be responsible for employee contributions, under some circumstances.

SUPPORTING INFORMATION

Appendix A: Public Employee Retirement System of Idaho

Appendix B: Wisconsin Retirement Systems

Appendix C: Minnesota Retirement Systems

Appendix D: Oregon Public Employee Retirement System

Public Employee Retirement System of Idaho

https://persi.idaho.gov/Documents/Brochures/Military_Service.pdf

"Military service" for PERSI purposes: Any active duty in the U.S. Armed Forces, including the National Guard and Reserves, which interrupts your PERSI employment, may be considered.

Military service does not include active duty service in excess of 5 years if it is at the convenience of the U.S. government, or 4 years if you voluntarily extend your duty, even if your rights to return to employment are extended under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

You may earn military service credit for the period while you are on active duty if:

- Called into military service while an active member and begin active duty within 90 days of leaving PERSI-covered employment, AND
- Return to PERSI-covered employment within 90 days of being released from active duty.

PERSI Service Credit if You Withdraw Your Base Plan Funds:

If you are called to active duty, terminate your employment, and withdraw your PERSI Base Plan funds as a separation benefit, you cannot receive the military service credit even if you return to your employer within 90 days after leaving the military

Email responses – Jenny Flint (Jenny.Flint@persi.idaho.gov):

How many total members does your retirement plan have and how many members have received free interruptive military service credit? We can give you a general estimate of around 500 out of 160,000 that have received the credit. Without incurring a substantial cost we cannot provide a precise number for you. We can put together an estimated cost if you would like.

Among the members who have received military service credit, what is the average amount of credit they receive? The average is around 5 or 6 months of service.

Do you know the specific requirements that would determine whether the member is or is not required to pay contributions? The member would need to be on military service which is defined as any active duty in the U.S. armed forces, including the nation guard and reserves, that interrupts a member's PERSI service. Also, the member would need to enter military service within 90 days of leaving PERSI employment, and they would need to return to PERSI employment within 90 day of release from active duty. If someone believes they are entitled to military service, we are happy to review their record. PERSI does request the member provides us with a DD214 for the time in question.

What percent of members that have earned interruptive military service credit earned it for free? Without incurring a substantial cost, we cannot provide a precise number for you, and we have no way to give you a reasonable estimate. We can put together an estimated cost if you would like.

Does your legislature have plans to expand the free or partially subsidized credit that members can earn? Not that we are aware of.

Wisconsin Retirement Systems

https://etf.wi.gov/publications/et4122/direct

Generally, there are three ways in which someone may receive WRS military service credit:

1. Credit for military service prior to 1974.
2. Credit for military service that was a break in continuous WRS-covered employment.
3. Credit under the federal Uniformed Services Employment and Reemployment Rights (USERRA) law.

Email responses – Kyle Kundert (kyle.kundert1@etf.wi.gov):

WRS-creditable service is available for periods of active military service if certain eligibility requirements are met. Up to four (4) years of military service can be credited under Chapter 40 of the Wisconsin Statutes (more creditable service can be added if military service was involuntarily extended).

There are two ways to receive military service credit under the WRS: pre-1974 military service credit and continuous military service credit

Pre-1974 Military Service Credit is based on Wisconsin state law. It applies to military service in the U.S. Armed Forces prior to January 1, 1974, and provides you with a WRS service credit for your military service, up to a maximum of four years. It has the following requirements:

- You can receive one year of military service credit for each five-year period (5, 10, 15, or 20 years) of WRS creditable service, up to a maximum of four years; and
- The military discharge must have been something other than dishonorable.

Continuous Military Service Credit is based on Wisconsin state law. It applies to military service in the U.S. Armed Forces on or after January 1, 1974, and provides members with WRS service credit for military service, up to a maximum of four years. It requires that:

- member left the employment of a WRS employer to enter the U.S. Armed Forces;
- the member returns to their pre-service WRS employer within 180 days of release or discharge from the military, or within 180 days of release from hospitalization because of injury or sickness resulting from that service in the armed forces; and
- the military service discharge must have been something other than dishonorable.

How many total members does your retirement plan have compared to how many members have received free interruptive military service credit?

A: The Wisconsin Retirement System (WRS) has ~642,000 total participants (~258,000 active employees, ~175,000 inactive employees, and ~209,000 annuitants) as of 1/1/2019.

Based on our most recent data we have had 29,783 members receive pre-1974 military service credit and 784 members take advantage of continuous service (see chart below).

CONTINUOUS MILITARY SERVICE CREDIT							
YEAR	COUNT		YEAR	COUNT		YEAR	COUNT
1985	13		1997	6		2009	49
1986	13		1998	3		2010	11
1987	20		1999	8		2011	28
1988	9		2000	9		2012	21
1989	13		2001	31		2013	17
1990	31		2002	46		2014	16
1991	4		2003	84		2015	4
1992	6		2004	54		2016	15
1993	1		2005	49		2017	20
1994	6		2006	31		2018	34
1995	5		2007	23		2019	42
1996	9		2008	38		2020	15
						TOTAL:	**784**

What are the requirements for free service credit? Do members need to have been awarded certain medals or have served in specific conflicts?

A: The requirements for military service credit are provided in the introduction above. Neither continuous nor pre-1974 service require that a member have been awarded a medal (or other commendation) or serve in specific conflicts.

What percent of members that have earned interruptive military service credit earned it for free?

A: military service credit under the WRS does not require payment, a member must only meet the eligibility requirements discussed above. However, for continuous service credit, the member may, in some circumstances, be responsible for the employee share of required contributions which are used to pay for and support the WRS's benefit programs. Upon return to employment with a member's pre-military service employer, the member can decide whether to make up all, some, or none of the employee-required contributions related to a military leave of absence.

Does your legislature have plans to expand the free or partially subsidized credit that members can earn?

A: We aren't aware of any pending or proposed legislation to expand military service credit for WRS members.

Among the members who have received military service credit, what is the average amount of credit they receive?

According to our business analyst unit, the avg. creditable service received, across all military service types, is 1.9913 years of service.

Minnesota State Retirement Systems

https://www.msrs.state.mn.us/documents/10179/59038/General+Employees+Retirement+Plan/0bd69db3-6124-4284-83d0-78347f25b5d4

To receive service credit for military leave,

- You may pay into the retirement fund the retirement salary deductions you would have contributed had you been employed by the State during your time of military service.
- Your employer will pay the employer share of the retirement contribution plus interest.

If you leave state service to serve in the military and return to state employment within 90 days of discharge, you may buy your service credit for that time.

You must make payment within a period equal to three times the length of the leave (not to exceed five years), or before you terminate state service, whichever is earlier. For example, if you were on leave for one year, payment for this time must be made within three years.

Email responses – Holly Dayton (HOLLY.DAYTON@MSRS.US):

Does your legislature have plans to expand the free or partially subsidized credit that members can earn? No, not that I am aware of.

How many total members does your retirement plan have compared to how many members have received free interruptive military service credit? Combined, our defined benefit retirement plans have about 134,000 members. In an average year, only 12 or so members receive credit for military service.

What are the requirements for free service credit? Do members need to have been awarded certain medals or have served in specific conflicts? Our system does not have a "free" military service credit provision. Instead, members can purchase up to 5 years of service credit per deployment when they are otherwise suspended from making contributions to the pension plan during their military leave of absence. When a member purchases back their service credit in this way, they are responsible only for their employee portion (which is a set percentage of payroll, established in statute, multiplied by their months of leave). Then the employer pays for the employer portion and the interest on both the employer and employee contributions that were missed.

Oregon Public Employee Retirement System

Email responses – Heather Case (heather.v.case@state.or.us):

My name is Heather Case, I am the Senior Policy Advisor here at Oregon PERS.

Sorry this took so long to get back to you, I spent some time learning more about our retirement service credit in order to answer all of your questions, as well as gathering the data that you requested.

Our military service credit is named after the act that it allowed under, the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Our total number of members in Oregon PERS, including active, inactive, and retired is 374,499 (This is as of the end of 2019). We currently have 1,083 members who have the USERRA marker on their case, meaning that they either have credit applied, or will have credit applied.

Our retirement system doesn't offer "free" military service credit. However, to be eligible for the military service credit, all PERS requires is that members be employed with a PERS participating employer, are deployed or serve in some capacity in any military branch, and come back to that same employer within a year after discharge from the military. There are no requirements or special credits for type of discharge or medals received or other commendations.

If those requirements are met, the member has the option to "purchase" their time in the military as service time. The member, or any person or organization on their behalf (including the employer), can purchase this credit any time after re-employment but before retirement. The credit is based on contributions attributable to what the member's salary was at the time they entered or reentered active service. One can only purchase the credit with one lump-sum payment.

To that end, the only way a member could earn USERRA time "free" would be to have their employer or someone else purchase it for them. We do not keep track of data on who pays for the service credit.

At this time, I am not aware of any plans by the legislature to institute a free military service credit, or to expand the current credit structure offered.

How does Oregon PERS know who has qualified for USERRA? Do members have to apply? So I clarified this with one of our subject matter experts. The way that Oregon PERS knows if a member has qualified for USERRA credit is through employer reporting. Because the member has to come back from military service through a qualifying employer, it works like this:

-Member leaves employer for active military service

-Member finishes military service and returns to the employer within one year after getting back from deployment

-At this time, the employer reports the "USERRA" designation for that member and the dates of deployment.

One thing I clarified, is that this design does not account for how many members actually end up purchasing their USERRA credit. Like I mentioned in the last email, the service time for military service is available, but must be purchased either by the employer or the member (and this is an agreement

between the employer and the member, so we're not involved in that). A member can purchase that service credit at any time before they retire. So, hypothetically, if a member were to choose not to purchase that credit and retire, that USERRA designation would have stayed on their file, but ultimately they would not have gotten that service credit. I do not have the numbers of who ultimately does not end up with that time on their retirement calculation. It is more common to have employers or members purchase that time soon after arriving back from deployment and becoming re-employed, because that is when they qualify for the credit.

Appendix I

SCPP Letter to LEOFF 2 Fulfilling October 31, 2020, Study Requirement

Melinda Aslakson, Policy Analyst
360.786.6161 | melinda.aslakson@leg.wa.gov

Select Committee on Pension Policy

P.O. Box 40914
Olympia, WA 98504-0914
state.actuary@leg.wa.gov

October 29, 2020

Dennis Lawson, Chair
LEOFF Plan 2 Retirement Board
P.O. Box 40918
Olympia, WA 98504-0918
Sent via email only: leoff.reception@leoff.wa.gov

RE: SHB 2544 INTERRUPTIVE MILITARY SERVICE CREDIT STUDY

Chair Lawson and Members of the LEOFF 2 Board,

Substitute House Bill (SHB) 2544 as passed by the Legislature in the 2020 Regular Session requires the Select Committee on Pension Policy (SCPP) and the Law Enforcement and Fire Fighters' (LEOFF) Plan 2 Retirement Board (the Board) to study interruptive military service credit. In particular, the study is to explore the cost of expanding fully subsidized interruptive military service credit to members who receive an expeditionary medal, but not a campaign medal. Furthermore, "To encourage consistency among the treatment of military service among the Washington state retirement systems…" the SCPP and the Board must communicate their preliminary recommendations to each other prior to October 30, 2020.

Staff to the SCPP and the Board have been coordinating closely on the study to research, gather data, and identify the cost impacts of a benefit expansion. The SCPP was briefed on policy options at the September and October meetings. However, the SCPP has no preliminary recommendations to share at this time and will continue to study this issue.

The policy options below have been identified. Further consideration will be given by the SCPP at the November 17 meeting, giving weight to discussions that occur at the Board meeting on November 9.

- Expand fully subsidized interruptive military service credit benefits to individuals who received an expeditionary medal. If this option were pursued it could be prospective only. It could also include

(360) 786-6140
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TDD: 711
leg.wa.gov/SCPP.htm

retroactive benefits that would apply to active members and retirees of the state's pension system. Other variations could be developed.

- Maintain current policy and not pursue an expansion of fully subsidized interruptive military service credit to individuals who received an expeditionary medal.

The SCPP appreciates the continued coordination and partnership with the Board on this complex issue.

Sincerely,

Melinda Aslakson, Policy Analyst
Office of the State Actuary, Staff to the SCPP

cc: Senator Mark Schoesler, Chair
Select Committee on Pension Policy
Representative Joe Fitzgibbon, Vice Chair
Select Committee on Pension Policy
Jacob White, Senior Research and Policy Manager
LEOFF Plan 2 Retirement Board

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Appendix J

Department of Defense Response to LEOFF 2 Freedom of Information Act Request

Melinda Aslakson, Policy Analyst
360.786.6161 | melinda.aslakson@leg.wa.gov

DEPARTMENT OF DEFENSE
FREEDOM OF INFORMATION DIVISION
1155 DEFENSE PENTAGON
WASHINGTON, DC 20301-1155

Ref: 20-F-0466
October 9, 2020

Mr. Jacob White
Law Enforcement Officers' and Fire Fjghters' Plan 2 Retirement Board
P.O. Box 40918
Olympia, WA 98504

Dear Mr. White:

This is a final response to your December 20, 2019 Freedom of Information Act (FOIA) request, a copy of which is enclosed for your convenience. We received your request on January 3, 2020, and assigned it case number 20-F-0466. We ask that you use this number when referring to your request.

The Defense Manpower Data Center (DMDC), a component of the Office of the Secretary of Defense (OSD), conducted a search of their records systems and provided the enclosed document. Mrs. Jennifer L. Walker, Division Director, IT Governance, in her capacity as the Initial Denial Authority for DMDC, has determined this one page document to be responsive to your request and appropriate for release in its entirety, without excision.

This constitutes a full grant of your request and closes your case file in this office. There are no assessable fees associated with this response.

If you have any questions or concerns about the foregoing or about the processing of your request, please do not hesitate to contact Xavier Salame at xavier.p.salame.ctr@mail.mil or 571-372-0419. Our FOIA Public Liaison is also available to assist you and may be reached at 571-372-0464

Sincerely,

for Pamela Andrews
Stephanie L. Carr
Chief

Enclosures:
As stated

STATE OF WASHINGTON

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS'
PLAN 2 RETIREMENT BOARD

P.O. Box 40918 • Olympia, Washington 98504-0918 • (360) 586-2320 • FAX (360) 586-2329

12/20/2019

FOIA Requester Service Center
Defense Freedom of Information Division
1155 Defense Pentagon
Washington, DC 20301-1155

Dear FOIA Officer:

This is a request under the Freedom of Information Act (5 U.S.C. § 552).

I request that a copy of the following document(s) be provided to me: the total number of Campaign Medals awarded each year and the total number of Expeditionary Medals awarded each year. If possible I would like the data for each year going back to 2001.

I am not looking for any data on the individuals who were awarded the medals, just the rolled up total number who received the medals.

In order to help you determine my status for the purpose of assessing fees, you should know that I work for a state agency with the State of Washington, the Law Enforcement Officers' and Fire Fighters Plan 2 Retirement Board, and that this data is needed to assist with determining the potential cost of expanding a pension benefit to our members with military service. The current benefit is awarded for members with Campaign Medals and there is consideration to extend the benefit to those who have received Expeditionary Medals.

My phone number is (360) 586-2327, I can be contacted if necessary to discuss any aspect of my request.

Sincerely,

Jacob White
PO Box 40918
Olympia, WA 98504

Campaign and Expeditionary Medals Awarded
Between 2001 and 2019

Data as of: End of December 2019
Source: Workforce Transaction File

Award Year	Armed Forces Expeditionary Medal	Kosovo Campaign Medal	Afghanistan Campaign Medal
2001	3,949	1,103	102
2002	2,489	711	504
2003	2,492	597	629
2004	2,368	1,004	839
2005	1,292	667	1,985
2006	875	736	2,302
2007	754	890	2,815
2008	678	966	9,106
2009	682	1,113	8,844
2010	705	1,431	14,911
2011	686	653	23,176
2012	713	1,411	30,871
2013	554	944	33,728
2014	734	519	26,952
2015	996	374	19,596
2016	1,640	462	19,738
2017	966	303	18,666
2018	1,360	302	25,256
2019	998	306	16,698
TOTAL	**24,931**	**14,492**	**256,718**

Produced by the Defense Manpower Data Center on January 27, 2020.
For FOIA case number 20-F-0466
DRS #133677

Iraq Campaign Medal	Global War on Terrorism Expeditionary Medal	Navy Expeditionary Medal
71	281	45
91	869	28
3,237	4,662	32
5,158	17,277	38
13,000	29,918	46
14,217	8,414	39
13,297	6,498	33
32,775	7,443	24
26,834	8,657	51
30,020	9,822	53
22,476	15,371	34
11,392	15,987	46
5,348	19,043	37
4,354	20,980	30
4,138	35,718	22
4,504	26,140	21
3,509	47,606	24
2,239	30,499	27
1,789	22,876	25
198,449	**328,061**	**655**

Marine Corps Expeditionary Medal	TOTAL
0	5,551
0	4,692
1	11,650
0	26,684
0	46,908
0	26,583
0	24,287
0	50,992
0	46,181
0	56,942
0	62,396
0	60,420
1	59,655
1	53,570
1	60,845
0	52,505
0	71,074
0	59,683
0	42,692
4	823,310

Appendix K

LEOFF 2 Other States Chart

Melinda Aslakson, Policy Analyst
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STATE	TOTAL MEMBERS	MEMBERS WITH INTERRUPTIVE MILITARY SERVICE CREDIT	AVERAGE SERVICE CREDIT RECEIVED	MAXIMUM NO-COST SERVICE CREDIT GRANTED	QUALIFICATIONS FOR NO-COST SERVICE CREDIT	CONTACT FOR INFORMATION
CALIFORNIA (CALPERS)	2,006,369	–	–	–	Member must enter military service within 90 days of leaving CalPERS and return to CalPERS within six months of discharge date.	
IDAHO (PERSI)	160,000	500	5-6 months	5 years	Member must enter military service within 90 days of leaving PERSI employment, and must return to PERSI employment within 90 day of release from active duty.	Jenny Flint Jenny.Flint@persi.idaho.gov
MINNESOTA (MSRS)	134,000	12	–	n/a	No-cost credit not offered.	Holly Dayton Holly.Dayton@msrs.us
OREGON (PERS)	374,000	1,083	–	n/a	No-cost credit not offered. Must be purchased by member or employer.	Heather Case heather.v.case@state.or.us
WASHINGTON (DRS)	523,000	8,339	9 months	5 years	Must have been awarded a campaign medal from serving in combat zones.	Seth Miller seth.miller@drs.wa.gov
WASHINGTON (LEOFF 2)	24,000	574	10 months	5 years	Must have been awarded a campaign medal from serving in combat zones.	Jacob White jacob.white@leoff.wa.gov
WISCONSIN (WRS)	642,000	784	2 years	4 years	Left WRS employment to serve in the armed forces and return to employment within 180 days. Member may be responsible for employee contributions, under some circumstances.	Kyle Kundert kyle.kundert1@etf.wi.gov

Appendix L

Actuarial Analysis Summary on Expeditionary Medals

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Office of the State Actuary

"Supporting financial security for generations."

December 7, 2020

TO: Select Committee on Pension Policy (SCPP) Members
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 Board Staff

FROM: Michael T. Harbour, ASA, MAAA, Office of the State Actuary

Subject: Actuarial Analysis Summary on Expeditionary Medals

As directed by the 2020 Washington State Legislature under Substitute House Bill (SHB) 2544, the Office of the State Actuary (OSA) has collected pertinent data, performed actuarial analysis, and estimated the pension costs associated with providing fully subsidized interruptive military service credit for members of the Department of Retirement Systems (DRS) plans who earn an Expeditionary medal while serving in the line-of-duty. This letter is intended to compile all of the actuarial work that has been completed during the 2020 Interim in collaboration with the SCPP and LEOFF 2 Board.

The remainder of this letter is comprised of the following sections:

- An *Executive Summary*, which highlights the key actuarial takeaways from the study;
- Several pages dedicated to *Data and Analysis*, detailing the information collected from the government agencies named in the study proviso, and how we utilized it to establish the assumptions we selected for this actuarial pricing;
- Our *Actuarial Results* section outlines the methods employed to estimate the pension costs associated with this benefit, as well as the resulting contribution rate and budget impacts shared at the October SCPP meeting;
- Finally, we share some *Other Considerations* that may be of interest, including the potential impact of data we recently received from the Department of Defense (DoD); along with some standard *Actuarial Disclosures*.

We caution that the analysis shown in this communication should be read as a whole; distribution of, or reliance on, only parts of this letter could result in its misuse and may mislead others. Please don't hesitate to seek our guidance if we can be of further assistance should you decide to move forward with a proposal.

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Executive Summary

Based upon data from DRS and the Washington State Military Department, we assumed a one-to-one relationship between the amount of service credit provided for Expeditionary and Campaign medals. Using this assumption, we estimated that providing interruptive military service credit to all members who earn an Expeditionary medal, both past and future, would likely result in a **25-year total employer cost of $15-20 million**.

- These costs include providing benefits for both Prospective and Retroactive service, with the former component comprising less than 10 percent of the total.
- In terms of the impact to contribution rates, overall, we expect that a rounded impact of 0.01 percent or greater may occur only in LEOFF 2 and the Washington State Patrol Retirement System (WSPRS).
- For context, the Funded Status of each plan would correspondingly decrease by 0.1 percent or less for both components combined.

It's also important to note that we received limited data on how much service credit might be received for each type of medal. Based upon the circumstances under which Expeditionary vs. Campaign medals are earned, we think the estimated costs could also be lower since service rendered for Expeditionary medals may be less than Campaigns.

Since we completed our original analysis, we received additional data from the DoD which suggests our one-to-one assumption remains reasonable; however, it also indicates that Expeditionary medals have been granted at a higher rate in the early 2000's. As a result, we believe the Prospective cost estimate continues to be reasonable, but the Retroactive costs could be larger than initially anticipated.

For additional detail on the highlights presented in this section, please see the remainder of this communication.

Data and Analysis

Under current law, members are eligible to receive partially subsidized interruptive military service credit if they earn an Expeditionary, Service, or Reserve medal. We recognize that many may not elect this benefit because they are required to pay missed pension contributions. That said, we believe the partially subsidized counts can serve as a proxy for how Expeditionary medal counts have been changing over time.

On July 13, 2020, DRS provided updated data on the amount of fully and partially subsidized service credit awarded in the past; we've summarized this information in terms of headcounts by year in the following table. Upon review of this data, we confirmed that it is substantially similar to the data we received when preparing our actuarial analysis for SHB 2544.

Overall, the data indicates that fully subsidized counts for Campaign medals have been decreasing over the last decade. On the other hand, partially subsidized counts have been increasing, thus implying that Expeditionary medal counts have likely been increasing as well.

(Please note that the tables presented in this section of the letter are identical to those we shared with the SCPP at their October meeting.)

DRS Data		
Year	Fully Subsidized	Partially Subsidized
2011	107	2
2012	52	1
2013	136	0
2014	105	4
2015	103	6
2016	60	18
2017	50	14
2018	31	32
2019	46	26
2020*	19	11
Average		
10-Year	70.9	11.4
5-Year	41.2	20.2
Ratio**	1.72	0.56

*Does not represent a full year.
**Ratio of the 10-year average to the 5-year average.

The Washington State Military Department provided National Guard data on the number of Expeditionary and Campaign medals awarded over various time periods, as shown in the following two tables.

Army National Guard			
Campaign Medals	Afghanistan (2001-2014)	690	1,995
	Inherent Resolve (2014 to present)	129	
	Iraq (2003-2014)	1,148	
	Kosovo (1998-1999)	28	
Expeditionary Medals	Armed Forces (N/A)	85	991
	Global War on Terrorism (2011 to present)	906	
		Ratio	0.5

Note: Years in parentheses added by OSA.

Based upon the Army National Guard information, our initial understanding of this data suggested that Expeditionary medals were mostly a more recent phenomena; i.e., The Global War on Terrorism. We did not rely on the Army data for any other purpose due to limitations with how the information was reported to us.

Air National Guard		
	Campaign Medals	Expeditionary Medals
2016	15	272
2017	17	120
2018	54	50
2019	63	29
2020	10	5
Total	**159**	**476**
	Ratio	2.99

Comparatively, actual experience for the Air National Guard data may be skewed by the short-term window. For purposes of developing an assumed relationship between Expeditionary and Campaign medals, we utilized the DRS counts to normalize the Air National Guard data by taking a ratio of the 10-year average to the 5-year average for fully and partially subsidized figures, and applying it to the totals in the table above. This resulted in a modified ratio of 0.98 for Expeditionary-to-Campaign medals.

Based upon this analysis, we assumed service credit provided for Expeditionary medals would be similar to Campaign medals over the long-term. Please see OSA's presentation to the SCPP in October for additional details.

Actuarial Results

Based upon the high-level assumption identified above, we expect the cost of providing fully subsidized interruptive military service credit for Expeditionary medals is immaterial for the Public Employees' Retirement System (PERS) Plan 1, the Teachers' Retirement System (TRS) Plans 1/2/3, the School Employees' Retirement System (SERS) Plans 2/3, and LEOFF Plan 1.

For all other systems and plans, we expect:

- The Prospective costs (for Expeditionary medals awarded in the future) will mirror those from SHB 2544 that we identified for Campaign medals.
- The Retroactive costs (for Expeditionary medals awarded in the past) to be similar to the liabilities already captured in our current valuation for Campaign medal service awarded previously. We anticipate this estimate includes the cost for actives, retirees, and any refunds.

The following sub-sections outline how we arrived at the separate Prospective and Retroactive cost estimates.

Prospective

For this cost estimate, please see our actuarial fiscal note on SHB 2544 for all relevant disclosures related to the contribution rate and budget impact tables from that communication (as shown below).

Impact on Contribution Rates				
System/Plan	PERS 2/3	PSERS 2	LEOFF 2	WSPRS 1/2
	Current Members			
Employee (Plans 1/2)	0.0002%	0.0001%	0.0013%	0.0053%
Employer	0.0002%	0.0001%	0.0008%	0.0053%
State			0.0005%	

25-Year Budget Impacts					
(Dollars in Millions) **2020-2045**	PERS	PSERS	LEOFF	WSPRS	Total
General Fund	$0.1	$0.0	$0.3	$0.0	$0.4
Non-General Fund	0.1	0.0	0.0	0.1	0.3
Total State	**$0.2**	**$0.0**	**$0.3**	**$0.2**	**$0.6**
Local Government	0.2	0.0	0.4	0.0	0.7
Total Employer	**$0.4**	**$0.0**	**$0.7**	**$0.2**	**$1.3**
Total Employee	**$0.3**	**$0.0**	**$0.7**	**$0.2**	**$1.2**

Note: Totals may not agree due to rounding.

Please note that actual levels of Expeditionary medals granted in the future may vary from what we assume. For example, if costs quadrupled, then the contribution rate impact in LEOFF 2 would result in a rounded 0.01 percent increase; if costs tripled, then the contribution rate impact in WSPRS would result in a rounded 0.02 percent increase.

We've included these results because we assume the assumptions and methods used would be consistent for any new analysis. If this Prospective component is included in a bill during the 2021 Legislative Session, we would update this analysis based upon the most recent DRS data and our latest valuation which includes new demographic assumptions, the *June 30, 2019 Actuarial Valuation Report* (AVR).

Retroactive

For this cost estimate, we used the following methods:

- Our initial understanding was that Expeditionary medals have mostly been granted since 2011 (based upon Washington State National Guard data), so we estimated the value of the fully subsidized service credit previously given for Campaign medals over that period.
  - We calculated a liability per year of service by taking the total active liability for each plan (from the 2019 AVR) and dividing by total plan service credit. This amount was then multiplied by the fully subsidized service credit granted for Campaign medals.

- The Retroactive cost estimate we developed is based on the assumption that the same level of fully subsidized Expeditionary medal service credit would develop as what was observed for Campaign medals. We anticipate a limited number of members (who earned an Expeditionary medal in the past) will emerge from the current population who received partially subsidized service credit; this implies we're assuming a vast majority did not apply for interruptive military service credit.
  - We also recognize that some historical fully subsidized service credit may be attributable to retirees; our simplified methods don't allow us to distinguish between these groups, but we don't anticipate the difference in cost to be significant to the overall Retroactive cost estimate.

Impact on Contribution Rates				
System/Plan	**PERS 2/3**	**PSERS 2**	**LEOFF 2**	**WSPRS 1/2**
	Current Members			
Employee (Plans 1/2)	0.003%	0.004%	0.019%	0.099%
Employer	0.003%	0.004%	0.012%	0.099%
State			0.008%	

25-Year Budget Impacts					
(Dollars in Millions)	**PERS**	**PSERS**	**LEOFF**	**WSPRS**	**Total**
2021-2046					
General Fund	$1	$0	$4	$0	$5
Non-General Fund	1	0	0	2	3
Total State	**$2**	**$0**	**$4**	**$2**	**$8**
Local Government	2	0	5	0	8
Total Employer	**$5**	**$0**	**$9**	**$2**	**$16**
Total Employee	**$4**	**$0**	**$9**	**$2**	**$15**

Note: Totals may not agree due to rounding.

We assumed an effective date of 90 days after the 2021 Legislative Session for purposes of preparing this Retroactive cost estimate. If a bill is introduced during the 2021 Legislative Session that includes this component, the results presented in a fiscal note may vary from this cost estimate.

Other Considerations

By definition, Expeditionary medals tend to materialize as part of "small scale and/or short-duration combat operations"; whereas Campaign medals are typically earned in "large-scale or long-duration combat operations". We received limited data on how much service credit might be received when each type of medal is earned. As a result, based on this high-level characterization, the estimated costs could also be lower than we initially anticipated.

In terms of risk, we do not expect either the Prospective or Retroactive components to significantly impact overall risk measures. Prospectively, however, a large-scale and lengthy

future conflict could materially increase the number of members who earn fully subsidized service credit.

Separately, and subsequent to the preparation of these cost estimates presented to the SCPP in October (and November), staff received the following data from the DoD.

Department of Defense			
	Expeditionary Medals	Campaign Medals	Ratio
2001	4,275	1,276	3.35
2002	3,386	1,306	2.59
2003	7,187	4,463	1.61
2004	19,683	7,001	2.81
2005	31,256	15,652	2.00
2006	9,328	17,255	0.54
2007	7,285	17,002	0.43
2008	8,145	42,847	0.19
2009	9,390	36,791	0.26
2010	10,580	46,362	0.23
2011	16,091	46,305	0.35
2012	16,746	43,674	0.38
2013	19,635	40,020	0.49
2014	21,745	31,825	0.68
2015	36,737	24,108	1.52
2016	27,801	24,704	1.13
2017	48,596	22,478	2.16
2018	31,886	27,797	1.15
2019	23,899	18,793	1.27
Total	**353,651**	**469,659**	**0.75**

Our cursory review of this data indicates our preliminary assumption remains reasonable that service credit granted for Expeditionary medals would be similar to the amounts received for interruptive military service in which a Campaign medal was earned.

1. In other words, we believe that the Prospective costs we estimated are not likely to change in a significant way if priced again in the future. That said, assuming a lower Expeditionary-to-Campaign medals ratio in the range of 0.75 could be reasonable as well, thus reducing the expected cost of this component.
2. However, based upon the DoD data, we also learned that Expeditionary medals have been granted at a higher rate in the early 2000's than we originally understood. As a result, the Retroactive costs could be larger than our initial impacts indicated. If we incorporate the estimated value of the fully subsidized service credit given for Campaign medals before 2011, we anticipate the estimated costs for this component could approximately double (depending on the system).

Actuarial Disclosures

Unless otherwise noted, we relied on the assets, data, assumptions, and methods as disclosed in the 2019 AVR to prepare this analysis. We relied on data provided by DRS and the Washington State Military Department to estimate the relative relationship between Expeditionary and Campaign medals. We also considered how the data from DoD could impact our initial cost estimates. We reviewed the data and found it reasonable for the purposes of this analysis, but we did not audit the data.

We believe the data, methods, and assumptions used in this analysis are reasonable for the purposes of this pricing exercise. Use of another set of assets, data, assumptions, and methods may also be reasonable, and might produce different results. The risk analysis summarized in this letter involves the interpretation of many factors and the application of professional judgment.

We prepared this analysis based upon our understanding of the study language as of the date shown in the footer. We intend this analysis to be used strictly for your consideration of a potential study recommendation during the 2020 Interim. If a bill is introduced during the 2021 Legislative Session, we would prepare an actuarial fiscal note based upon that bill language. The results of that analysis could vary materially from the results documented in this letter.

The results contained herein can also change over time with new actuarial valuations or if new data becomes available. The analysis of these components does not consider any other changes to the systems; the combined effect of several changes to the systems could exceed the sum of each change considered individually.

The Office of the State Actuary ("we") prepared this analysis and provided opinions in accordance with Washington State law and accepted Actuarial Standards of Practice. The undersigned meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. While this communication is meant to be complete, we are available to provide extra advice and explanations as needed.

Michael Harbour

Michael T. Harbour, ASA, MAAA
Actuary

cc: Lisa A. Won, ASA, FCA, MAAA, Deputy State Actuary
Office of the State Actuary

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