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## Interruptive Military Service Credit

### COMPREHENSIVE REPORT

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### ISSUE STATEMENT

For purposes of receiving no-cost interruptive military service credit, the legislature has attempted to distinguish between service in combat zones and other types of service, however, the state law has continually resulted in inequities as not all service in combat zones qualifies for no-cost interruptive military service credit.

### OVERVIEW

LEOFF Plan 2 members may establish service credit for military service interrupting their LEOFF service. Member contributions are waived for LEOFF 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, policy considerations for making changes to the current law.

### BACKGROUND AND POLICY ISSUES

#### General Background

Interruptive military service credit applies to all Washington state retirement systems, including LEOFF 2. A member qualifies for this benefit when a leave of absence is taken 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.

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<sup>1</sup>. 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 has paid their contributions, the employer and state are billed 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 must meet the definition of “veteran” under RCW 41.04.005. The statute limits veterans to persons serving during a “period of war” defined as:

- World War I, World War II, the Korean conflict, the Vietnam era, the Persian Gulf War, and any future period of war declared by Congress.
- Specified military operations where the member earned a campaign badge or medal.

The DoD awards a campaign badge or medal to service members who:

- Served during a specified conflict<sup>2</sup>; and
- Were stationed in a designated war zone.

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.”

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<sup>1</sup> 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.

<sup>2</sup> 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.

Members who served during a specified operation but were not stationed in a war zone did not earn a campaign badge or medal. Because they do not meet the definition of “veteran”, those members are not eligible for no cost interruptive military service credit; however, they are eligible 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. 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 at receiving a campaign badge. However, HB 1548 was endorsed by the Select Committee on Pension Policy and the LEOFF 2 Board.

In 2009, the LEOFF 2 Board report<sup>3</sup> 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 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 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

<sup>3</sup> [http://leoff.wa.gov/wp-content/uploads/2015/06/121708.6\\_Interruptive-Military-Service-Credit.pdf](http://leoff.wa.gov/wp-content/uploads/2015/06/121708.6_Interruptive-Military-Service-Credit.pdf)

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 was signed into law requiring the LEOFF 2 Board to study interruptive military service credit where the member was not awarded a campaign badge or medal. The LEOFF 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 2 Board endorsed legislation (HB 2701) in 2018. This legislation added a provision that ensured members are eligible for free 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 passed the legislature and became effective June 7, 2018.

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

### **Department of Defense**

Campaign, Expeditionary, and Service (CE&S) medals recognize service members for 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.<sup>4</sup>

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<sup>4</sup> 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](https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodm/1348.33_Vol2.pdf?ver=2018-03-29-102726-900)

There are four categories of CE&S medals<sup>5</sup>:

- **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 Service 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 hardship, while others only recognize being in active military service during a particular period of time.

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

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<sup>5</sup> 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](https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodm/1348.33_Vol2.pdf?ver=2018-03-29-102726-900)

**Table 1: Categories of CE&S Medals**

<b>Title of Decoration<sup>1</sup></b>	<b>Sub-category of CE&amp;S Medals</b>
Southwest Asia Service Medal <sup>2</sup>	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
<p>Note 1: This list is not all-inclusive. Military Departments also have CE&amp;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.</p> <p>Note 2: Before DoD established comprehensive CE&amp;S medal policy, the naming conventions for DoD CE&amp;S medals were inconsistent. This resulted in several medals with names that do not match the CE&amp;S medal category to which they are assigned.</p>	

Since the LEOFF 2 Board endorsed legislation passed in 2018, additional military campaigns, and underlying operations in support of those campaigns, have been identified as qualifying for a campaign medal. For example, the Kosovo Campaign Medal identified in the table above is not currently identified in the state statute as qualifying for no-cost interruptive military service credit.

Additionally, the DoD has recognized that service in an operation could qualify for either a campaign medal or some other medal depending on the degree of personal risk involved in the service. For example, Service in Operation New Dawn can qualify for either an Expeditionary Medal or an Iraq Campaign Medal.<sup>6,7</sup>

Furthermore, in some instances the DoD has encouraged veterans of past campaigns to apply for an upgrade to campaign medal if they believe that their personal service had the highest

<sup>6</sup> <https://prhome.defense.gov/Portals/52/Documents/RFM/MPP/OEPM/Docs/ICM%20-%20Approved%20Campaign%20Phases%20-%20Apr%202012.pdf>

<sup>7</sup> <https://fas.org/spp/crs/natsec/RS21405.pdf>

degree of personal risk and hardship as they were conducting combat operations and were deployed in the area where the combat was actually occurring.<sup>8</sup>

### **LEOFF 2 Data**

Since 2009, 534 LEOFF 2 members have received no-cost interruptive military service credit. Those members have received an average of 9.75 months of service credit.

During that same time period, 24 LEOFF 2 members have purchased partially subsidized interruptive military service credit. Those members purchased an average of 8.85 months of service credit. 40 LEOFF 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.

## **POLICY OPTIONS**

Option 1 – Move definition of “veteran” to pension statutes and rewrite to include all past and future armed conflicts where Campaign Badges are awarded.

Option 2 – Expand no-cost interruptive military service to include Expeditionary Medals, move definition of “veteran” to pension statutes and rewrite to include all past and future armed conflicts where Campaign Badges and Expeditionary Medals are awarded.

Option 3 – Update existing list of armed conflicts to include any additional campaign medals not currently included in law.

Option 4 – No changes to existing law.

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<sup>8</sup> <https://dod.defense.gov/News/Article/Article/708382/carter-announces-operation-inherent-resolve-campaign-medal/>



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# Issue

- For purposes of receiving no-cost interruptive military service credit, the legislature has attempted to distinguish between service in combat zones and other types of service, however, the state law has continually resulted in inequities as not all service in combat zones qualifies for no-cost interruptive military service credit

# Interruptive Military Service

- A member qualifies for this benefit when a leave of absence is taken from a DRS covered position to serve in the United States military
- Two types:
  - Fully subsidized (“no-cost interruptive military service credit”)
  - Partially subsidized

# No-cost Interruptive Military Service Credit

- LEOFF 2 Board/SCCP endorsed 2009 legislation creating benefit
- Must meet the definition of “veteran” under RCW 41.04.005
  - World War I, World War II, the Korean conflict, the Vietnam era, the Persian Gulf War, and any future period of war declared by Congress, or
  - Specified military operations where the member earned a campaign badge or medal

# Policy Considerations in 2009

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

# Department of Defense Categories of Medals

- **Campaign Medal**
  - Recognize deployed participation in large-scale or long-duration combat operations
- **Expeditionary Medal**
  - Recognize deployed participation in small scale and/or short-duration combat operations or military operations where there is an imminent threat of hostilities

# Department of Defense Categories of Medals

- **Deployed Service Medal**

- 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**

- Individual Service medals recognize individual merit, direct participation in a DoD approved military activity, undertaking, event or operation, or service during a specified period

# Recent Examples

**Table 1: Categories of CE&S Medals**

Title of Decoration <sup>1</sup>	Sub-category of CE&S Medals
Southwest Asia Service Medal <sup>2</sup>	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
<p>Note 1: This list is not all-inclusive. Military Departments also have CE&amp;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.</p> <p>Note 2: Before DoD established comprehensive CE&amp;S medal policy, the naming conventions for DoD CE&amp;S medals were inconsistent. This resulted in several medals with names that do not match the CE&amp;S medal category to which they are assigned.</p>	

# LEOFF 2 Board 2018 Legislation

- **HB 2071 (2018) added:**
  - A provision that ensured members are eligible for free interruptive military service credit for multiple deployments to the same conflict
  - An end date in statute for the end of the Gulf War
  - Made two additional combat operations eligible for no-cost interruptive military service credit
    - Inherent Resolve, Iraq and Syria
    - Freedom's Sentinel, Afghanistan



# Issues

- State “veteran” definition specifies individual military conflicts and designated war zones, meaning that the definition must continually be updated in order to keep policy consistent
- The definition is located in a general personnel statute, not pension statutes, meaning that updating statute impacts more than just state pension plans

# Issues

- There are military campaigns which qualify for campaign medals that are not identified in state law
  - Kosovo Campaign Medal
    - 11 underlying campaigns
- DoD periodically “upscales” medals for campaigns
- DoD recognized that service in an operation could qualify for either a campaign medal or some other medal depending on the degree of personal risk involved in the service
  - Operation New Dawn
    - Eligible for Iraq Campaign Medal

# Policy Options

- **Option 1** – Move definition of “veteran” to pension statutes and rewrite to include all past and future armed conflicts where Campaign Badges are awarded
- **Option 2** – Same as Option 1, plus expand no-cost interruptive military service to include Expeditionary Medals
- **Option 3** – Update existing list of armed conflicts to include any additional campaign medals not currently included in law
- **Option 4** – No changes to existing law



**Thank You**

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