

Notice No.: 92-009
Date: May 29, 1992
Applies to: School districts, community colleges, and technical colleges
Subject: TRS service credit for elected officials of educational associations

Legislation passed in the 1992 session allows members of the Teachers' Retirement System (TRS) to earn service credit for authorized unpaid leave of absence to serve as elected officials of education associations. This law was enacted as SSB 6186, Chapter 3, Laws of 1992. Under this legislation, the definition of *education association* is added to TRS law. An *education association* is defined as an association organized to carry out collective bargaining activities, the majority of whose members are certificated school employees or academic employees of community or technical colleges.

Leave prior to June 30, 1992: Plan 1 and Plan 2

Any TRS Plan 1 or TRS Plan 2 member employed by a school district, community college, or technical college who used authorized unpaid leave prior to June 30, 1992, to serve as an elected official of an education association can earn service credit if one of the three conditions listed below has been met.

1. If the employer reported compensation to DRS for the period of authorized unpaid leave, service credit is granted.
2. If the member was on authorized unpaid leave for this purpose during the 1990–91 and/or 1991–92 school year, but compensation and contributions were not reported to DRS, service will be granted if member and employer contributions, plus any applicable interest, are paid before January 1, 1993.
3. If DRS returned contributions to a member and credited employer accounts for a member on authorized unpaid leave for this purpose, service credit for those periods can be established if the member and employer contributions, plus any applicable interest, are paid to DRS before January 1, 1993.

Any member who wishes to establish service credit under condition 2 or 3 above should contact DRS Membership Services at (206) 753-3113, SCAN 234-3113. Any contributions paid between

now and January 1, 1993, will be paid directly to DRS; these contributions will **not** be reported on the transmittal. The member contributions will **not** be tax-deferred.

Service Credit After June 30, 1992: Plan 1

A Plan 1 member may earn a maximum of four years of service credit for future periods of authorized unpaid leave to serve as an elected official of an education association. This provision applies to any period of service after June 30, 1992.

Any member wishing to receive such service credit must apply directly to DRS. Contributions will **not** be reported on the transmittal. To be granted service credit for such an authorized unpaid leave, the member must pay both member and employer contributions, plus any applicable interest, to DRS within five years of returning to employment with a TRS employer or prior to retirement, whichever comes first.

Contributions for school district employees will be calculated on the salary for the position occupied by the member immediately prior to entering union service. Contributions are calculated on the salary for that position under the district's collective bargaining agreement for the period of time the member is on leave. Contributions for community college and technical college employees will be calculated using a salary that is an average of the member's salary when he/she begins authorized leave and the salary when the member returns to work with the TRS employer.

Service Credit After June 30, 1992: Plan 2

Provisions allowing Plan 2 members to establish service credit for periods after June 30, 1992, were not included in SSB 6186. However, under Plan 2 law, members can establish a maximum of two years of service credit during their careers for **any** authorized unpaid leave, if the member pays member and employer contributions. This provision can be used by those who take authorized unpaid leave to serve as an elected official of an education association.

A member wishing to receive such service credit must apply directly to DRS. Contributions will **not** be reported on the transmittal. To be granted service credit for an authorized unpaid leave, the member must pay all member and employer contributions, plus any applicable interest, to DRS within five years of returning to employment with a TRS employer or prior to retirement, whichever comes first.

Contributions are calculated using a salary that is an average of the member's salary when he/she begins authorized leave and the salary when the member returns to work with the TRS employer.
Questions?

If you have questions about TRS service credit for members on authorized leave without pay, contact DRS Membership Services at (206) 753-3109, SCAN 234-3109.

George Northcroft
Director