

Notice No.: 94-006  
Date: July 1, 1994  
Applies to: PERS employers  
Subject: Temporary duty disability

The following new information regarding contributions and service credit during temporary duty disability leave applies to members of both PERS Plan 1 and PERS Plan 2. The Department of Retirement Systems (DRS) policies described in this Notice supercede those in DRS Notice 86-011. The new policies are based on provisions of EHB 2643 enacted by the 1994 Legislature; they become effective with the July 1994 transmittal reporting period.

### New Reporting Option During Temporary Duty Disability

Members who are disabled in the line of duty and receiving benefits under Title 51 RCW (Industrial Insurance Act) or a similar federal workers' compensation program now have the option of accumulating service credit through the uninterrupted payment of contributions on the monthly transmittal report. Contributions reported on the transmittal must be based on the *regular compensation* the member would have received if the disability had not occurred. DRS must receive full payment on regular compensation for the full period of the disability, or the member is not entitled to any service credit for that period.

Because contributions must be based on regular compensation, before you begin transmitting contributions, it is important for the employer and member to agree on making full payments throughout the disability period. To document this commitment, the employer and member should enter into a written agreement to continue the contributions for up to twelve months unless the disability leave ends sooner or the member separates from service.

### Service Credit May Be Purchased Retroactively

The new reporting option does not affect the member's ability to purchase service credit directly from DRS following an authorized leave for disability. At the time service credit is

---

purchased retroactively, the member must be employed or on authorized leave of absence. If a member decides to purchase service credit retroactively through DRS, Membership Services will calculate the member and employer obligations based on the Verification of Employment form completed by the employer. The employer verifies that the member received benefits under Title 51 or a similar program during the period identified on this form.

When the bill for contributions is calculated, seven percent interest will be added to both the member's and the employer's obligation. The interest will be compounded monthly, calculated from the date each monthly salary would have been earned to the final payment date.

### Service Credit Limitation

Whether a member pays contributions on the monthly transmittal or purchases service credit retroactively, service credit will be granted for temporary duty disability for no more than twelve consecutive months. If a member returns to work for one month or more, he or she may be eligible for another twelve consecutive months of service credit, regardless of whether a subsequent disability leave is due to a flare-up of the original injury.

### Service Credit for Duty Disability: Other Provisions

#### PERS Plan 1

PERS Plan 1 members may retire if they are disabled as a result of an accident or occupational disease suffered in the line of duty. They will receive service credit for each month of disability retirement until age 60. They must apply for disability within two years of the date of disablement (RCW 41.40.220(2) and 41.40.320).

#### PERS Plan 2

In addition to the temporary duty disability provision discussed in this Notice, PERS Plan 2 members have an option under RCW 41.40.710 of establishing up to two years of service credit for an unpaid, authorized leave of absence. Since members are limited to two years of service credit under this provision during their working careers, a disabled member may wish to establish service under the temporary duty disability provision first.

Sheryl Wilson  
Director