

PERS Plans 2 and 3

Rules for State Elected Officials

Washington State Department of Retirement Systems



You are likely eligible to participate in Plan 2 or Plan 3 of the Public Employees' Retirement System (PERS) while serving in a statewide elected office. To be eligible, you must have been elected to a statewide office (including the state Legislature) and meet at least one of the following requirements:

- When elected, you were already a Plan 2 or Plan 3 member of PERS, Teachers' Retirement System (TRS) or Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF).
- You are a former member of one of these plans (even if you withdrew funds from your account).
- You have never been a member of a retirement plan the state of Washington administers.

You aren't required to join a retirement system because you serve in an elected state position. However, if you want to become a member while in office, contact the Department of Retirement Systems (DRS).

When can I apply for membership?

You may apply for membership at any time during your current term in office. If you enter membership after your current term has begun, membership will be retroactive to the first day of your current term. You will be required to pay employee contributions plus interest back to the first day of your term.

Your membership decision is permanent. Once you establish retirement system membership, you must remain a member until you separate from all eligible public employment.

If you serve an additional term in office with the same employer without a break in service, you will remain a retirement system member until you terminate employment.

If you leave and return to office for the same employer during the term in which you left, you won't be considered separated. If you change elected positions or employers, you will need to reapply for membership.

Questions answered inside this publication

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Can I receive credit for past elected service?

Once you have become a state retirement system member for your current term, you might have the option of buying service credit for a previous term or terms. To do so, you must not have been a state retirement system member during that time.

To receive service credit for any previous term or terms in office, you must pay the required employee and employer contributions and interest, an amount DRS will calculate for you. Your employer might choose to pay the required employer contributions and interest for you.

If you served multiple terms in office with different employers, or nonconsecutive terms in office, you may buy service credit for each term independently. All past consecutive service with a single employer must be bought together.

If you don't choose to become a member while holding elected office and later become an active PERS Plan 2 or Plan 3 member, you may then buy service credit for your elected service.



Can I retire and keep my elected position?

You can retire during your term in office and continue serving in your elected position if you meet both of the following qualifications:

- You earn less than \$26,782.33 a year (as of 2015), an amount that is adjusted annually for inflation in that position.
- You acknowledge that by retiring you cannot place a claim for additional service credit for any future periods of elected service you engage in.



How much will I contribute to my retirement plan?

Plan 2 contribution rates are variable.

The Pension Funding Council adopts contribution rates and periodically adjusts them to reflect the overall cost of the plan. The Legislature has the final decision on contribution rates. In July 2015, the council set the contribution rate at 6.12 percent.

In Plan 3, the amount you contribute depends on the contribution rate option you choose. Plan 3 features six contribution rate options that, once selected, can only be changed if you change employers.

The Plan 3 contribution rate options are:

- Option A: 5% at all ages
- Option B: 5% up to age 35;
6% ages 35 to 44;
7.5% ages 45 and older
- Option C: 6% up to age 35;
7.5% ages 35 to 44;
8.5% ages 45 and older
- Option D: 7% at all ages
- Option E: 10% at all ages
- Option F: 15% at all ages



How much service credit will I earn?

The amount of service credit you earn helps determine the amount of your monthly benefit in retirement.

As a state elected official, you:

- Earn one month of service credit for each month of compensation you receive in your elected position
- Can't earn more than one month of service credit in any calendar month, even if you are employed with another DRS-covered employer

If you resign before the end of your term, you retain the service credit you earned for each month of compensation you received.

Service in any state elected position is considered full time. For example, if you serve a full year as a legislator, you receive a full year of service credit regardless of the number of hours you work in any month of your service.



What if I am a retired PERS Plan 2 or Plan 3 member when elected?

If you are a retired PERS Plan 2 or Plan 3 member when elected to office, you can choose to either remain retired while serving in office or return to PERS Plan 2 or Plan 3 membership.

Remaining retired

If you retired using the 2008 Early Retirement Factors (ERFs) and you return to work in any capacity for a DRS-covered employer before age 65, you won't receive a benefit for any month in which you work. Your benefit will restart the first of the month after you stop working. Once you reach age 65, the rules for retiring without using the 2008 ERFs will apply. For more information, see the DRS brochure *Thinking About Working After Retirement?*

If you didn't use the 2008 ERFs, you will continue to receive your monthly retirement benefit. However, you must wait at least 30 consecutive calendar days after you retire to begin working again, and you can work no more than 867 hours in a calendar year. If you work more hours within that year, your retirement benefit will be suspended. It will restart following your last day of employment or at the beginning of the next calendar year, whichever comes first.

Returning to membership

If you choose to return to active membership, you will stop receiving your monthly retirement benefit. You will resume making contributions to and accumulating service credit in PERS Plan 2 or 3. Your service credit will begin again on the first of the month following the date DRS processes your application for returning to membership. For example, if your application is processed July 19, 2016, your service credit will restart Aug. 1, 2016.

When you want to retire again, you must reapply for retirement. We will recalculate your benefit.

Be sure to keep your beneficiaries up to date in *online account access*. If you have additional questions about rules for state elected officials, contact DRS (see page 4).



What will my monthly retirement benefit be?

The portion of your benefit based on your time in office will be calculated using one of these formulas:

Plan 2

$2\% \times \text{service credit years} \times \text{Average Final Compensation (AFC)} = \text{monthly benefit}$

Plan 3

$1\% \times \text{service credit years} \times \text{AFC} = \text{monthly benefit}$

AFC is the monthly average of your 60 consecutive highest-paid service credit months.

Legislative service: Some PERS Plan 2 and Plan 3 members take a leave of absence from PERS positions so they can serve in the Legislature. If this is your situation, your

total earnings might include the salary you would have received in the position you left if your employee and employer contributions are paid.



How do I enroll?

To start, continue or reestablish PERS Plan 2 or Plan 3 membership, contact DRS in one of the ways described below.

Please be ready to provide the following information:

- Name
- Social Security number
- Address and phone number
- Position title and employer
- Beginning and ending dates of all elected official service

DRS will send you a letter and application once you provide us with this information.

To contact DRS

<p>Call</p>  <p>Phone 360.664.7000 800.547.6657 TTY 711</p>	<p>Write</p>  <p>Department of Retirement Systems PO Box 48380 Olympia, WA 98504-8380</p>	<p>Email</p>  <p>recep@drs.wa.gov</p> <p>It might be possible for other people to read messages sent over the Internet. If you contact us by email, please include only the last four digits of your Social Security number.</p>
<p>Visit</p>  <p>6835 Capitol Blvd. Tumwater, WA 98501</p> <p><i>Directions are available on the DRS website.</i></p>	<p>Hours</p>  <p>Monday - Friday 8 am to 5 pm Pacific Time</p>	<p>Website</p>  <p>www.drs.wa.gov</p> <p>You can also send us email through the DRS website. Visit the <i>Contact Us</i> page.</p>

This document is a summary. It is not a complete description of working as an elected official. State retirement laws govern your benefit. If a conflict exists between the information in this document and what is contained in current law, the law governs.