



PSERS Membership Rules for State Elected/Appointed Officials

Washington State Department of Retirement Systems

The following rules apply to Public Safety Employees' Retirement System (PSERS) members who hold state elected or governor-appointed positions. Additional rules governing all PSERS members are summarized in the *PSERS Member Handbook*. If you choose to continue your PSERS membership while in office, you must contact the Department of Retirement Systems (DRS).

You are eligible to continue PSERS membership while in office if:

- You have been elected or appointed by the governor to a statewide office (for example, Representative or Senator in the state legislature), and
- You are a PSERS member when elected or appointed by the governor to office, or
- You are a PSERS member who previously held an elected or appointed position after July 1, 2006.

Do I have to continue PSERS membership while in office?

You are not required to belong to any retirement system pursuant to state elected office.

If you hold a PSERS position while in office, you can either:

- continue your PSERS membership for your PSERS position (i.e., earn service credit and make contributions applicable to only your PSERS position); or
- continue your PSERS membership, but expand it to include your state elected office (i.e., earn service credit and make contributions applicable to both your PSERS membership and your state elected office).

If you do not hold a PSERS position while in office, you may be able to:

- become a member of the Public Employees' Retirement System (PERS) Plan 2 or Plan 3 for your state elected office. If you choose to become a member of PERS, see the *PERS Plan 2 or Plan 3 Membership Rules for State Elected/Appointed Officials brochure*; or
- not participate in any DRS retirement system.

When can I apply for membership?

During your first term: You may apply for continued membership at any time during your current term of office. If you enter membership after your current term of office has begun, you must retroactively pay contributions and interest dating back to the first day of your current term.

During a following term: If you do not apply for continued membership during your first term in office, you may apply for membership during a following term. Membership will be granted retroactively to the first day of the term during which you apply. You must retroactively pay employee contributions and interest dating back to the first day of your current term.

When you have established membership for your current term, you have the option of purchasing credit for any earlier term of office. See "Can I receive credit for past elected service?" on page 2.

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If you chose to participate in PSERS during your term of elected or governor-appointed office, and you serve an additional term of office with the same employer without a break in service, you will remain a PSERS member.

Your membership decision is final:

Once you have established retirement system membership, you must remain a member until you separate from all eligible public employment, with the following exception:

- You may retire and retain your elected position, if in that position, you earn less than \$21,551 (as of April 2006) adjusted annually for inflation, and you abandon claims for credit for future periods of elected service.

How much service credit will I earn?

As a state elected or governor-appointed official, you:

- Earn one month of service credit for each month during which you earn compensation pursuant to your elected or governor-appointed position.
- Can earn no more than one service credit month in any calendar month even if you are employed with another PSERS-covered employer.

Service in any state elected or governor-appointed position is considered full-time service. For each month of elected service, you are eligible for one month of service credit.

Can I receive credit for past elected service?

After you have established membership for your current term of state elected or governor-appointed office, you are entitled to establish membership and service credit retroactive to the first day of any previous elected term or terms of office.

To receive service credit you must pay the required employee and employer contributions and interest for your previous term or terms of elected or governor-appointed service as determined by DRS. Your employer may elect to pay the required employer contributions and interest for you. If you served multiple terms in office with different employers, you may purchase credit for service with as many of the employers as you choose. If you purchase credit for service with an employer, you must purchase all consecutive service with that employer.

If you do not choose to become a member while holding elected or governor-appointed office, and later become an active member in a non-elected or governor-appointed position, you may then purchase credit for your previous elected or governor-appointed service.

What will my retirement benefit be?

As a PSERS member, you will receive a service retirement benefit based on the following formula:

$$2 \text{ percent} \times \text{Service Credit Years} \times \text{Average Final Compensation} = \text{monthly benefit}$$

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Average Final Compensation (AFC) is the monthly average of your 60 consecutive highest-paid service credit months. Not included are payments for any type of severance pay, such as lump-sum payments for deferred sick leave, vacation or annual leave.

How much will I contribute to my retirement fund?

PSERS contribution rates are variable and may be changed as necessary to reflect the cost of the plan. As of July 1, 2006, the PSERS contribution rate is 6.57%.

As a legislator how do I calculate my compensation earnable?

For any year in which you serve in the legislature, you have the option of choosing the greater of:

- The compensation you would have earned in your previous covered position if you had not served in the legislature; or
- The combined compensation you earned for your legislative service and your non-legislative public employment.

If you select the option that produces the higher compensation earnable, you must pay the additional employee and employer contributions required on the additional compensation earnable.

What if I am retired from PSERS when elected?

If you are a PSERS retiree who is elected or appointed to office, you can choose to either remain retired, or become an active PERS Plan 2 or Plan 3 member while serving in office.

If you choose to remain retired while in office, you can work up to 867 hours in a calendar year without loss of benefits. Your benefits will be suspended if you work beyond 867 hours in a calendar year, and will remain suspended until you leave office or until the end of the calendar year, whichever comes first.

If you choose to enter active member status, you will enter PERS Plan 2 or Plan 3, and you will stop receiving a monthly retirement benefit. You will begin making contributions to PERS and accumulating PERS service credit. Any retirement benefit received during the term in office in which you enter active PERS membership must be returned to DRS.

How do I enroll?

To continue, or apply for membership in the appropriate retirement system and plan, contact DRS and provide the following information:

- Name
- Social Security number
- Address and phone number
- Position title and employer
- Beginning date of each term of elected or governor-appointed service (for recovery of previous service you will need to provide both beginning and ending dates for each of your terms of service)

You may also request an estimate of the cost of purchasing credit for previous service.

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Washington State Department of Retirement Systems

You can write DRS at:

Department of Retirement Systems
PO Box 48380
Olympia, WA 98504-8380

Questions?

To discuss the application of these rules to your specific case, call the DRS Central Reception Desk and ask to speak to the PSERS Unit.

DRS's central telephone number is toll free 1-800-547-6657 or locally (360) 664-7000.

Office hours are 8 a.m. to 5 p.m., Monday through Friday, except holidays.

THIS PUBLICATION IS A SUMMARY

This brochure does not contain a complete description of the law. If there are conflicts between the information contained in this brochure and retirement law, the applicable law will govern.