



SERS Membership Rules for State Elected Officials

Washington State Department of Retirement Systems

The following rules apply to state elected officials who choose to continue coverage under either SERS Plan 2 or SERS Plan 3 while in office. Additional rules governing all SERS Plan 2 or SERS Plan 3 members are summarized in the Member Handbooks for each respective plan.

You are eligible to participate in SERS while in office if:

- You have been elected to a statewide office (for example, Representative or Senator in the state legislature, and
- You are a SERS Plan 2 or SERS Plan 3 member when elected to office, or
- You are a former SERS Plan 2 or SERS Plan 3 member, even if you withdrew funds from your retirement account.

You have the additional option of becoming a PERS Plan 2 member rather than continuing membership in SERS. See the PERS Plan 2 State Elected Official information sheet. You are not required to belong to any retirement system pursuant to state elected office.

If you will hold multiple positions concurrently while in office, you can either continue your SERS membership or choose not participate in a retirement system pursuant to your elected official's position while continuing membership through your non-elected position.

If you choose to continue your SERS participation or to become a PERS Plan 2 member while in office, you must apply to the Department of Retirement Systems.

When can I apply for membership?

During your first term: You may apply for 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 employee contributions (SERS Plan 2 members must also pay interest) dating back to the first day of your current term.

During a following term: If you do not apply for 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.

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?"

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

SERS Membership Rules for State Elected Officials (continued)

Washington State Department of Retirement Systems

If you separate from service and leave office, you will not be considered separated if you return to office for the same employer during the term in which you left.

You may retire and retain your elected position if:

- In that position, you earn less than \$15,000 adjusted annually for inflation, and
- You abandon claims for credit for future periods of elected service.

How much service credit will I earn?

The amount of your retirement benefit is determined in part by the amount of service credit you accumulate.

As a state elected official, you:

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

Service in any state elective position is considered full-time service. For each full year of elected service, you are eligible for up to one year of service credit.

Can I receive credit for past elected service?

After you have established membership for your current term of state elected 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 for your previous term or terms of elected service as determined by DRS (SERS Plan 2 members must also pay interest). Your employer may elect to pay the required employer contributions (and interest if you are a SERS 2 member) 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 office, and later become an active member in a non-elected position, you may then purchase credit for your elected service.

What will my retirement benefit be?

If you are a SERS Plan 2 member, you will receive a service retirement benefit based on the following formula:

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

If you are a SERS Plan 3 member you will receive a split benefit. The defined contribution portion of your benefit will be determined by the amount of your contributions and their investment earnings. The defined benefit portion of your plan will be determined by the formula:

$$1 \text{ percent} \times \text{Service Credit Years} \times \text{Average Final Compensation} = \text{monthly benefit}$$

SERS Membership Rules for State Elected Officials (continued)

Washington State Department of Retirement Systems

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?

Plan 2 contribution rates are variable and may be changed as necessary to reflect the cost of the plan.

If you are a SERS Plan 3 member, you select your contribution rate from options offered by the Employee Retirement Benefits Board.

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 difference between the employee and employer contributions.

What if I am a retired SERS member when elected?

If you are a retired Plan 2 or Plan 3 member who is elected to office, you can choose to either remain retired and continue receiving your retirement allowance while serving in office, or become an active PERS Plan 2 or Plan 3 member while serving in office.

If you choose to remain retired while holding elected office, you can work up to 867 hours in a calendar year and continue to receive your benefit. 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 (either Plan 2 or Plan 3); you will stop receiving a monthly retirement benefit; and 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 begin, continue, or reestablish 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

SERS Membership Rules for State Elected Officials (continued)

Washington State Department of Retirement Systems

Beginning date of each term of elected 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.

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 Legislative and Legal Services 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 legal 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.

This publication is available in alternate formats. For information contact DRS Member Communications at (360) 664-7278.