



Classified Substitute's Guide

A classified substitute is an employee of a school district or educational service district (ESD) who is employed exclusively as a substitute for an absent employee or working in an ineligible position. As a classified substitute, your membership in the School Employees' Retirement System (SERS) is optional.

Your hours and earning are reported to the Department of Retirement Systems (DRS) by each employer you work for during the year, but contributions are not deducted from your paycheck. If you meet eligibility requirements and would like to receive SERS service credit, you must apply with DRS and pay the appropriate contributions by requesting a substitute bill. You may not purchase service credit for substitute time before July 27, 2003.

Use the chart below to find the requirements for obtaining service credit.

Membership requirements for obtaining service credit

Topics	New members	Established members
Membership requirement	To establish membership for the very first time as a new SERS member, you must work as a classified substitute for 70 or more hours per month for at least five months during a school year.	You're an established SERS member if you already earned service credit and paid contributions.
Plan Choice	You may choose between SERS Plan 2 and Plan 3 when you request your first substitute bill. To learn more about choosing a plan, read the <i>Plan Choice Booklet</i> at www.drs.wa.gov .	You're already a member of SERS Plan 2 or 3.
Transfer rights	As a new member you do not have transfer rights because once you make a plan choice, you remain in your chosen plan.	Established Plan 2 members may transfer to Plan 3 unless you chose Plan 2 under your choice rights. To learn more about choosing a plan, read the <i>Plan Choice Booklet</i> at www.drs.wa.gov . Established Plan 3 members remain in Plan 3.
Service Credit Application	Mail the following forms to DRS: <ul style="list-style-type: none"> • <i>Classified Substitute's Application for Service Credit</i>. • <i>Member Information Form (MIF) for Classified Substitutes</i>. Carefully consider your plan choice – it's permanent and you cannot change it.	Mail the following forms to DRS: <ul style="list-style-type: none"> • <i>Classified Substitute's Application for Service Credit</i>. • <i>Member Information Form (MIF) for Classified Substitutes</i>.
Application timing	You can apply for service credit beginning in September following the school year you worked.	You can apply for service credit beginning in September following the school year in which you worked.

When will I receive a bill?

Upon receipt of your application materials, DRS will determine the amount of service credit you are eligible to purchase and will send you a bill for the amount due. DRS will apply the service credit to your account once you pay your bill in full, and will bill your employer for the employer contributions due.

How do I pay my bill?

Payment must be made in a full lump sum. You may make direct payment with a personal check or cashier's check. In many cases it is also possible to transfer funds from another eligible retirement account to purchase service credit (please check with the administrator of your account). DRS is classified by the IRS as a 401(a) account. DRS cannot accept funds in excess of the cost to make your purchase.



How much service credit is established when I pay my bill in full?

If this applies to you...	You earn this service credit...
You work 810 hours or more, begin working in September and work at least 9 months of the school year.	12 service credit months per school year.*
You work 630 - 809 hours, begin working in September and work at least 9 months of the school year.	6 service credit months (0.5 service credit for each month) per school year.*
You work at least 630 hours in at least 5 months within a 6-month period during the school year.	6 service credit months per school year beginning with the 2008/2009 school year.*
All other instances.	1.0 service credit month for each month you work 90 or more hours.
	0.5 service credit month for each month you work at least 70 but less than 90 hours.
	0.25 service credit month for each month you work less than 70 hours (but more than zero).

* A school year is September 1 through August 31. We will apply the method that provides you the most service credit.

Will I owe interest on my bill?

The interest-free period lasts through February immediately following the end of the school year you worked. If you wait to make payment until after the last day of February, you are then charged interest on both member and employer contributions for Plan 2, and employer contributions only for Plan 3.

Am I required to submit a quarterly report?

You are required to submit a quarterly report to DRS along with your application for service credit only under the following conditions:

- You work for a school district or educational service district (ESD) and are purchasing service credit for a period of time before the 2004-05 school year.
- You work for a higher education employer or for the School for the Deaf or School for the Blind.

What if I withdrew my SERS contributions?

If you were previously a member of SERS Plan 2 and withdrew your contributions, you can re-establish your membership. To re-establish membership in Plan 2 you must:

- Work as a classified substitute for five months for at least 70 or more hours per month during a school year;
 - Complete the attached *Classified Substitute's Application for Service Credit* and purchase service credit for that year; and
 - Pay the service credit bill in full.
- If you are a Plan 3 member and withdrew your contributions, you may continue to apply for service credit in Plan 3 for substitute time you worked.

• Contacting DRS

- Website: www.drs.wa.gov
- E-mail: recep@drs.wa.gov
- Telephone: 1-800-547-6657
- Local: 360-664-7000
- TTY: 360-586-5450
- Address: PO Box 48380
Olympia, WA 98504-8380

May 2010

Summary Description

The rules governing classified substitutes are contained in state retirement law. This publication is a summary, written in non-legal terms. It is not a complete description of the law. If there are any conflicts between what is written in this publication and what is contained in the law, the applicable law will govern.



SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS)

CLASSIFIED SUBSTITUTE'S APPLICATION FOR SERVICE CREDIT

PO Box 48380 Olympia, WA 98504-8380 ♦ www.drs.wa.gov
 Toll Free: 1-800-547-6657 ♦ Olympia Area: 360-664-7000 ♦ TTY: 360-586-5450

INSTRUCTIONS

When to apply:

- Applications are accepted beginning in September following the school year you worked.

What to submit to DRS with this signed application:

- A completed, signed Member Information Form (MIF) for Classified Substitutes.
- Copies of any quarterly reports, if required. (See "Am I required to submit a quarterly report?" on page two of the Classified Substitute's Guide.)

Where to send the application:

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

Interest free deadline:

The interest-free period lasts through February immediately following the end of the school year you worked. If you wait to make payment until after the last day of February, you are then charged interest on both member and employer contributions for Plan 2, and employer contributions only for Plan 3.

Beneficiary designation:

If you wish to update your designated beneficiaries, contact your employer or visit the DRS Web site to obtain a Beneficiary Designation form.

APPLICANT INFORMATION

Applicant Name (Last, First, Middle)			Social Security Number
Mailing Address			
City	State	ZIP Code	Phone Number ()

APPLICANT SIGNATURE

The information I have provided in this application and any attached quarterly reports are accurate representations of my substitute activities during the _____ - _____ school year. I understand that information submitted with this application will be verified by my employers upon receipt of my application. I also understand that under the repeal of gain sharing, new members of SERS receive the choice of plan 2 or 3. If a court of law decides the repeal of gain sharing is invalid, any new SERS members after that action would not have a choice between Plan 2 and Plan 3 and would be mandated into Plan 3.

Applicant Signature	Date
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Department of Retirement Systems (DRS) requires that you provide your Social Security number for this form.

- DRS will use your Social Security number as a reference number and to ensure that any funds disbursed under your account are correctly reported to the IRS.
- DRS will not disclose your Social Security number unless required by law.
- Internal Revenue Code Sections 6041(a) and 6109 allow DRS to request your Social Security number.



WORK LOG FOR SCHOOL YEAR (please make additional copies if necessary)

Example: This example assumes a salary of \$20/hr and a contribution rate of 3.14% for SERS Plan 2 and 5% for SERS Plan 3.

Employer Name <u>Sample School District</u>													School Year <u>2008</u> - <u>2009</u>	
Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total	
Salary Earned	\$800	\$1400	\$1400	\$600	\$1400	\$1400	\$1400	\$1000	\$1000	\$400	\$0	\$0	\$10,800	
Hours Worked	40	70	70	30	70	70	70	50	50	20	0	0	540	
Estimated Billing Amount for SERS Plan 2:					<u>\$10,800.00</u>		x		<u>0.0314</u>		=		<u>\$339.12</u>	
					(Total Compensation)				(Contribution Rate)				(Billing Amount)	
Estimated Billing Amount for SERS Plan 3:					<u>\$10,800.00</u>		x		<u>0.05</u>		=		<u>\$540.00</u>	
					(Total Compensation)				(Minimum Contribution Rate)				(Billing Amount)	

1. Employer Name _____ **School Year** _____ - _____

Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total
Salary Earned													
Hours Worked													

Estimated Billing Amount: _____ x _____ = \$ _____
 (Total Compensation) (Contribution Rate) (Billing Amount)

2. Employer Name _____ **School Year** _____ - _____

Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total
Salary Earned													
Hours Worked													

Estimated Billing Amount: _____ x _____ = \$ _____
 (Total Compensation) (Contribution Rate) (Billing Amount)

3. Employer Name _____ **School Year** _____ - _____

Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total
Salary Earned													
Hours Worked													

Estimated Billing Amount: _____ x _____ = \$ _____
 (Total Compensation) (Contribution Rate) (Billing Amount)

4. Employer Name _____ **School Year** _____ - _____

Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total
Salary Earned													
Hours Worked													

Estimated Billing Amount: _____ x _____ = \$ _____
 (Total Compensation) (Contribution Rate) (Billing Amount)

Total Estimated Billing Amount: \$ _____



SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS)

**MEMBER INFORMATION FORM
FOR CLASSIFIED SUBSTITUTES**

PO Box 48380 Olympia, WA 98504-8380 ♦ www.drs.wa.gov
Toll Free: 1-800-547-6657 ♦ Olympia Area: 360-664-7000 ♦ TTY: 360-586-5450

For plan, contribution rate and investment program selection.

INSTRUCTIONS

New Members

You are a new member if you have never established membership in SERS. SERS substitutes are eligible to choose either Plan 2 or Plan 3.

- Choosing Plan 2 – Complete Sections 1 and 2A
- Choosing Plan 3 – Complete Sections 1, 2A, 3 and 4

Established Members

You are eligible to transfer to Plan 3 if you have already established membership under SERS Plan 2 and that Plan 2 membership was not a result of an permanent plan choice. If you have already established membership under Plan 3, you will remain in Plan 3.

- Transferring to Plan 3 – Complete Sections 1, 2B, 3 and 4
- Returning Plan 3 Members – Complete Sections 1, 3, and 4

SECTION 1: Personal Data – To Be Completed by All Members

Name (Last, First, Middle)		Maiden Name	Social Security Number
Mailing Address	City	State ZIP	Phone Number ()

SECTION 2: Retirement Plan Selection

Complete either A or B below.

A) To be completed by new members

Choose One: Plan 2 Plan 3 (requires completing Sections 3 and 4 on back)

I certify that I have chosen the retirement plan marked above for the calculation of my substitute bill and I understand that upon payment of the bill in full, I will establish membership in the plan I have chosen. I further understand that my plan choice is permanent.

Member Signature (required)	Date
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B) To be completed by any Plan 2 member who is eligible to transfer to Plan 3

I certify that I have chosen to transfer from Plan 2 to Plan 3. I understand upon payment of the bill in full, I will establish membership in Plan 3 and all service and contributions currently posted to Plan 2 will transfer to Plan 3. I further understand that my Plan 3 choice is permanent.

Member Signature (required)	Date
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SECTION 3: Selection of Contribution Rate – To Be Completed by All Plan 3 Members

Place a check mark in the box next to the contribution rate option you choose. If you do not choose an option, your default will be Option A. Once established by selection or default, you may change your rate option with future applications for substitute service credit unless you obtain employment in an eligible non-substitute position.

		Base Rate	Additional Rate	Total Member Contribution Rate
<input type="checkbox"/>	Option A All ages	5.0%	0.0%	5.0%
<input type="checkbox"/>	Option B Up to age 35	5.0%	0.0%	5.0%
	Age 35 to 44	5.0%	1.0%	6.0%
	Age 45 and above	5.0%	2.5%	7.5%
<input type="checkbox"/>	Option C Up to age 35	5.0%	1.0%	6.0%
	Age 35 to 44	5.0%	2.5%	7.5%
	Age 45 and above	5.0%	3.5%	8.5%
<input type="checkbox"/>	Option D All ages	5.0%	2.0%	7.0%
<input type="checkbox"/>	Option E All ages	5.0%	5.0%	10.0%
<input type="checkbox"/>	Option F All ages	5.0%	10.0%	15.0%

Member Signature (required)	Date
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SECTION 4: Selection of Investment Program – To Be Completed by All Plan 3 Members

Place a check mark in the box next to the investment program you choose. If you do not choose an investment program, you will be defaulted into the Self-Directed Investment Program and all of your contributions will be invested in the Retirement Strategy Fund that assumes you'll retire at age 65.

- Washington State Investment Board (WSIB) Investment Program.**
- Self-Directed Investment Program.** You must choose how your contributions will be invested. You may do so online at www.icmarc.org/plan3, or by phone at 1-888-711-8773. If you do not choose your investment allocations, your contributions will be invested in the Retirement Strategy Fund that assumes you'll retire at age 65.

You can obtain information about both investment programs by contacting ICMA-RC toll-free at 1-888-711-8773.

Member Signature (required)	Date
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Department of Retirement Systems (DRS) requires that you provide your Social Security number for this form.

- DRS will use your Social Security number as a reference number and to ensure that any funds disbursed under your account are correctly reported to the IRS.
- DRS will not disclose your Social Security number unless required by law.
- Internal Revenue Code Sections 6041(a) and 6109 allow DRS to request your Social Security number.