

SERS Plans 2 and 3 Classified Substitutes' Guide

Washington State Department of Retirement Systems



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.

Am I eligible to obtain service credit?

To become eligible for membership if you've never been a SERS member, you must work as a classified substitute for 70 or more hours per month for at least five months of a school year. Existing members don't need to meet the hours requirement.

When can I apply for service credit?

Once the school year is over, you can apply for service credit and request a bill beginning in September of the next school year. To avoid paying interest on the contributions, submit your application between September and February of the school year following the one in which you worked.

For example, if you worked during the 2016-17 school year, submit your application between September and February of the 2017-18 school year. If your payment is received after the last day of February, you will be charged interest on the employer contributions. (Plan 2 must also pay interest on the member contributions.)

Your SERS membership officially will begin on the date your substitute bill is paid in full. For existing members, your membership began on either the date your first substitute bill was paid in full or when you were first hired into a SERS-eligible position.

I'm eligible and want to receive service credit. What should I do now?

Follow the steps below.

- 1** Apply with DRS using the forms in this document. If you are a new member, carefully consider whether you want to join Plan 2 or Plan 3, which you will choose on the *Member Information Form for Substitutes* on pages 4-5. Your choice is permanent. To learn more, read the *Plan Choice Booklet* at www.drs.wa.gov/choice and explore the *calculator*.
- 2** Send in copies of any quarterly reports for the 2003-04 school year, if applicable. For more recent years, each employer you work for during the school year reports your hours and earnings to the Department of Retirement Systems (DRS). However, they don't deduct contributions from your pay. You may not purchase service credit for substitute time before July 27, 2003.
- 3** DRS will process your request. This step can take up to 10 days from the date we receive your forms and any additional documentation. If approved, DRS will send you a substitute bill.
- 4** Pay your bill in full.

Is buying substitute service credit my best option?

Typically, yes. However, if you're age 65 or older and vested, purchasing your current substitute service credit might not be your best choice. Please call DRS to discuss your options.

When will I receive a bill?

Once DRS receives your application materials, we will look up the amount of service credit you are eligible to buy. Then we will send you a bill for the amount due.

Once you pay your bill in full, we will apply the service credit to your account. You can view your service credit balance in *Online Account Access*. You can sign up or log in at any time.

How can I submit my payment?

Payment must be made in a full lump sum. You can make a direct payment with a personal check or cashier's check. You can transfer funds from another of your eligible retirement accounts to purchase service credit.

The IRS classifies DRS plans as 401(a) accounts.

Will I owe interest on my bill?

The interest-free period lasts from September through February of the school year after the one for which you're seeking service credit.

If your payment is received after the last day of February, you will be charged interest on employer contributions. Plan 2 members will also be charged interest on the member contributions.

Fast fact

 You can review your service credit details as well as update your beneficiary and contact information in your *online retirement account*. Sign up or log in at www.drs.wa.gov/aaa.

Must I submit quarterly reports?

You must submit a quarterly report only if you are purchasing service credit for the 2003-04 school year. For more recent years, each employer you work for during the school year reports your hours and earnings to DRS.

Quarterly reports must show the exact hours you worked as well as the compensation you earned each month. Your employer must sign the reports too.

What if I previously withdrew my SERS contributions?

If you were previously a member of SERS Plan 2 and withdrew your contributions, you can reestablish your membership.

To reestablish membership in Plan 2, you must work as a substitute for five months for at least 70 or more hours per month during a school year.

Then complete the attached *Substitute's Application for Service Credit* to receive a bill.

If you are a Plan 3 member and withdrew your defined contributions, you can continue to apply for service credit in Plan 3.



Substitute's Application for Service Credit

This form is for substitutes to use to request service credit for the time periods worked.

Send completed form to:
 Department of Retirement Systems
 PO Box 48380 • Olympia, WA 98504-8380
 www.drs.wa.gov • 800.547.6657
 360.664.7000 • TTY: 711

Important Information

When: To avoid paying interest on the contributions, submit this application between September and February of the school year following the one in which you worked. For example, if you worked during the 2016-17 school year, submit your application between September and February of the 2017-18 school year. If your payment is received after the last day of February, you will be charged interest on the employer contributions. (Plan 2 members must also pay interest on the member contributions.)

Applicant Information

Name (Last, First, Middle)		Social Security Number	
Mailing Address	City	State	ZIP
Email Address		Phone Number	
Retirement System <input type="checkbox"/> School Employees' Retirement System (SERS) <input type="checkbox"/> Teachers' Retirement System (TRS)		School Year(s) Applying For	

Applicant Signature

The statements in this application and any accompanying documentation, including my full name and Social Security number, are correct. I understand that my employer(s) will be asked to verify the information I provide.	
Signature	Date

Your Social Security number is needed so DRS can report to the IRS any funds paid to you. DRS will not disclose your Social Security number unless required to do so by law. See IRC sections 6041(a) and 6109.





Member Information Form for Substitutes

This form is for members of the School Employees' Retirement System (SERS) and Teachers' Retirement System (TRS) to select a plan, contribution rate and investment program.

Send completed form to:
 Department of Retirement Systems
 PO Box 48380
 Olympia, WA 98504-8380
www.drs.wa.gov • 800.547.6657
 360.664.7000 • TTY: 711

Choosing a plan? Visit drs.wa.gov/choice for info to help you decide.

Member Status and System

<p>Member status</p> <p><input type="checkbox"/> New Member Choosing Plan 2: Complete Sections 1, 2 and 3 Choosing Plan 3: Complete Sections 1, 2, 3 and 4</p> <p><input type="checkbox"/> Returning Plan 1 or Plan 2 Member Complete Section 1 only</p> <p><input type="checkbox"/> Returning Plan 3 Member Complete Sections 1, 3 and 4</p>	<p>System</p> <p><input type="checkbox"/> TRS Teachers' Retirement System</p> <p><input type="checkbox"/> SERS School Employees' Retirement System</p>
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Section 1: Personal Information

Name (last, first, middle)		Social Security Number	
Mailing Address	City	State	ZIP
Birthdate (mm/dd/yyyy)	Gender (optional) <input type="checkbox"/> Male <input type="checkbox"/> Female	Phone Number	
Email Address			

Section 2: Retirement Plan Selection (new members)

Choose your plan. Your selection is permanent. Note: If your employer has not received your plan selection within 90 calendar days of your hire date, you will be permanently assigned to the plan specified in state law.

- Plan 2
- Plan 3 — Also complete Section 4 on the back

Section 3: Signature Required (new and returning members)

Sign and date this form on the day you submit it to your employer.

New member: I have chosen the retirement plan marked in Section 2. I understand that my retirement plan selection is permanent. If I selected Plan 3, I have also completed Section 4 on the back of this form.

Returning Plan 3 member: I have completed Section 4 on the back of this form. I also understand that returning Plan 3 members who do not select a contribution rate within 90 days will be assigned the current default rate of 5%.

Signature	Date
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Section 4: Plan 3 Contribution Rate and Investment Program Selection

Plan 3 contribution rate. 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 only with a change of employer or through the purchase of optional service credit from work as a substitute teacher.

	Age	Member Contribution Rate
<input type="checkbox"/> Option A	All ages	5.0%
<input type="checkbox"/> Option B	Up to age 35 Ages 35 to 44 Ages 45 and older	5.0% 6.0% 7.5%
<input type="checkbox"/> Option C	Up to age 35 Ages 35 to 44 Ages 45 and older	6.0% 7.5% 8.5%
<input type="checkbox"/> Option D	All ages	7.0%
<input type="checkbox"/> Option E	All ages	10.0%
<input type="checkbox"/> Option F	All ages	15.0%

Plan 3 investment program. Choose one. You can change your investment selections at any time.

- Use the target date fund for my age as part of the Self-Directed Program (SELF)**
This option will automatically place you in the Retirement Strategy Fund that assumes you'll retire at age 65.
- I will choose my Self-Directed Program Investments (SELF)**
If you choose this option, your Plan 3 account will need to be created before you can select investments. Once you submit this form and receive a letter that confirms your plan choice, call 888-327-5596 or visit drs.wa.gov/login to choose your investments. If you do not choose investments, 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**

For more information about Plan 3 investments, including a complete list of available investments, visit drs.wa.gov/plan3 or call 888-327-5596.

 Once I pay my bill in full, how much service credit will I receive?

How much service credit you receive is based on how much you worked during the school year for which you apply for credit. A school year is Sept. 1 through Aug. 31.

Amount of service credit					
You work					
810 hours or more, begin working in September and work during at least nine months of the school year	Between 630 and 809 hours, begin working in September, and work during at least nine months of the school year	At least 630 hours during at least five months within a six-month period during the school year	In all other instances		
			90 or more hours in a month	At least 70 hours but fewer than 90 hours	Between one and 70 hours
You earn					
12 service credit months per school year	Six service credit months (half a service credit for each month) per school year	Beginning in the 2008-09 school year, six service credit months per school year	One service credit month per month	Half a service credit month per month	One-quarter service credit month for each month

To contact DRS

<p>Call </p> <p>360.664.7000 800.547.6657 TTY 711</p>	<p>Write </p> <p>Department of Retirement Systems PO Box 48380 Olympia, WA 98504</p>	<p>Email </p> <p>General inquiries: <i>drs.contact@drs.wa.gov</i></p> <p>Send a secure message through your online account: <i>drs.wa.gov/oa</i></p>
<p>Visit </p> <p>6835 Capitol Blvd. SE Tumwater, WA 98501</p> <p>See the DRS website for directions.</p>	<p>Hours </p> <p>Monday - Friday 8 am to 5 pm Pacific Time</p>	<p>Website </p> <p><i>drs.wa.gov</i></p> <p>You can also send email through the Contact Us page on the DRS website.</p>

This document is a summary. It is not a complete description of working as a classified substitute. 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.