

TRS Plan 1: Using Service Credit Earned Outside Washington State



Washington State Department of Retirement Systems

If you are a member of the Teachers' Retirement System (TRS) Plan 1, you may be able to use service credit earned in an out-of-state public retirement system that covers teachers to qualify for retirement; however, if you use out-of-state service credit, it's important to remember that only your Washington state service credit will be used to calculate your retirement benefit, and that your benefit will be reduced based on how much earlier you can start your benefit compared to not using out-of-state service. You may also be able to purchase up to four years of public education experience outside the Washington state retirement system if you meet certain criteria.



When can I retire?

TRS Plan 1 members qualify for retirement at age 60 with a minimum of five years of service credit. You may retire earlier than age 60 by meeting one of the following provisions:

- Age 55 with at least 25 years of service credit
- Any age with at least 30 years of service credit



Is it always to my advantage to use out-of-state service credit?

If you have enough Washington state service credit to qualify for retirement, based on the provisions listed above, there is no need to use your out-of-state service credit. Only service credit earned in Washington state will be used to calculate your monthly retirement benefit.

If you do not have enough Washington state service credit to meet the retirement qualifications listed above, you may use your out-of-state service credit to qualify for retirement and begin collecting a benefit; however, your benefit will be reduced. The reduction is based on the difference between the age you retire using the out-of-state service credit and the age you could retire using Washington state service credit alone.



How does using out-of-state service credit work?

Suppose you're 58 years of age, and you just separated employment with 24 years of Washington state service credit and a monthly Average Final Compensation (AFC) of \$5,500. To meet the 25-year service credit

provisions you would like to use one year of out-of-state service credit.

If you use one year of out-of-state service credit, your benefit would be computed based on your number of years of Washington state service credit, and would be reduced by an early retirement factor. The factor used in the example below is for illustrative purposes only. See the [Administrative Factors](#) page on the DRS website for the most current numbers.

Example

$2\% \times \text{service credit years} \times \text{AFC}^* \times \text{early retirement factor} = \text{monthly benefit}$

$2\% \times 24 \times \$5,500 \text{ AFC} \times 0.8370 = \$2,183.28$

How the reduction factor is calculated:

Retirement Age with 24 years: 60

Retirement Age with 25 years: 58

Age difference = 2 years

Reduction Factor: 0.8370

*AFC is the earnable compensation for your two consecutive highest-paid fiscal years (July 1 - June 30), divided by 24. For more information about AFC and calculating your retirement benefit, consult the TRS Plan 1 Member Handbook. The handbook is available at drs.wa.gov.



How do I apply to use out-of-state service credit?

If you decide to use out-of-state service credit, complete the Member Information section of the Proof of Out-Of-State Service form. Send it to the retirement system where you earned the service credit. The retirement system should complete the Certification of Out-of-State Service section on the form and return it to DRS.

In lieu of the form, DRS will accept a copy of an official document that provides the following three pieces of information:

1. Name of the public retirement system
2. Proof that it covers public school teachers
3. Years of service credit that you earned



May I purchase service credit for out-of-state teaching?

You may be able to purchase up to four years of service credit if you interrupt your TRS service to work as a teacher in another state or out of the country. To be eligible, you must:

- Be on an authorized leave of absence from your TRS employer

- Provide the service in a public school

After you return to work for your TRS employer, you have until the end of the fifth school year to pay for your contributions and interest. The service credit you purchase is considered membership service, and will be used to determine your eligibility for retirement and to calculate your pension benefit.

The amount of service credit you purchase cannot exceed the amount of TRS retirement service credit you have earned. For example: if you have earned three years of service credit in TRS, you may only purchase up to three years of out-of-state service credit.









How do I apply to purchase out-of-state service credit?

If you wish to apply for service credit purchase, please contact DRS to receive a billing.

Your former employer will need to provide:

- Proof of service, including days worked and salary
- Name of the public school

Your TRS employer will need to provide proof of your authorized leave of absence.

<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: drs.contact@drs.wa.gov</p> <p>Send a secure message through your online account: drs.wa.gov/oa</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>drs.wa.gov</p> <p>You can also send email through the Contact Us page on the DRS website.</p>