



# RULE-MAKING ORDER PERMANENT RULE ONLY

## CR-103P (December 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: May 12, 2022

TIME: 9:27 AM

WSR 22-11-041

**Agency:** Department of Retirement Systems

**Effective date of rule:**

**Permanent Rules**

- 31 days after filing.  
 Other (specify) \_\_\_\_\_ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

- Yes  No If Yes, explain:

**Purpose:** State pension plans limit a person from receiving more than one retirement service credit per month. This rule provides direction on how situations of excess service credit will be handled by the department.

**Citation of rules affected by this order:**

New: WAC 415-113-067  
Repealed:  
Amended:  
Suspended:

**Statutory authority for adoption:** RCW 41.50.050

**Other authority:**

**PERMANENT RULE (Including Expedited Rule Making)**

Adopted under notice filed as WSR 22-08-071 on April 5, 2022 (date).

Describe any changes other than editing from proposed to adopted version: No changes, the text being adopted is identical to the text proposed

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Web site:  
Other:

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

Federal statute:	New	___	Amended	___	Repealed	___
Federal rules or standards:	New	___	Amended	___	Repealed	___
Recently enacted state statutes:	New	___	Amended	___	Repealed	___

**The number of sections adopted at the request of a nongovernmental entity:**

New	___	Amended	___	Repealed	___
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**The number of sections adopted on the agency's own initiative:**


New	<u>1</u>	Amended	___	Repealed	___
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**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

New	<u>1</u>	Amended	___	Repealed	___
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**The number of sections adopted using:**

Negotiated rule making:	New	___	Amended	___	Repealed	___
Pilot rule making:	New	___	Amended	___	Repealed	___
Other alternative rule making:	New	___	Amended	___	Repealed	___

<b>Date Adopted:</b> May 11, 2022	<b>Signature:</b> 
<b>Name:</b> Tracy Guerin	
<b>Title:</b> Director	

NEW SECTION

**WAC 415-113-067 As a dual member in a DRS administered retirement plan and a first class city retirement system can I earn service credit in both plans at the same time?** (1) You may earn service credit in a DRS system and in a first class city (FCC) retirement system for the city of Seattle, Spokane, or Tacoma at the same time if:

(a) You work for a DRS employer and an employer covered by an FCC retirement system; and

(b) Your employer cannot report service for the FCC in the DRS system.

(2) If the combined months of service credit exceeds the months of overlapping work, the excess service credit will be removed from the DRS system using the following calculation to bring the total combined service credit to not more than one per month:

(a) DRS will determine the months of FCC service credit by obtaining the total hours worked at the city during the overlapping time period, and dividing those hours by 2,088 hours (the number of working hours in a year), and then multiplying that by 12 months.

(b) DRS will determine the amount of excess service credit, rounding down to the nearest quarter month, by taking the combined total of the months of DRS service credit during overlapping time period and the months of FCC service credit during overlapping time period, and subtracting the number of months in the overlapping period, not to exceed the total number of calendar months in the overlapping period.

**Example 1:**

A PERS 2 employee works full time between January 2005 and June 2010 for a PERS employer. Between July 2007 and February 2008 they work full time for a FCC, working a total of 1,566 hours during these eight months. The FCC service credit will be calculated as  $(1,566/2,088) \times 12 = 9$  months of credit.

The excess service credit would be determined by adding the eight months of DRS credit earned with the nine months of FCC credit earned and subtracting the eight calendar months of overlapping time period. This leaves an excess of nine months of credit; however, since the overlapping time period is only eight months long, eight months of credit will be removed from PERS 2.

Prior to the removal the employee would have had eight months of PERS service credit between July 2007 and February 2008. After the removal they have no PERS service credit for this time period.

**Example 2:**

A SERS 3 employee works part time between September 2005 and August 2011 for a SERS employer, earning one-half of a month of service credit for each month. Between July 2007 and June 2008 they work full time for a FCC, working a total of 2,088 hours during these 12 months. The FCC service credit will be calculated as  $(2,088/2,088) \times 12 = 12$  months of credit.

The excess service credit would be determined by adding the six months of DRS credit earned with the 12 months of FCC credit earned and subtracting the 12 calendar months of overlapping time period. This leaves an excess of six months of credit therefore six months will be removed from SERS 3.

Prior to the removal of the service credit this employee had six months of SERS service credit between July 2007 and June 2008. After the removal of service credit they are left with no SERS during this time period.

**Example 3:**

A PERS 3 employee works part time between March 2010 and November 2011 for a PERS employer, earning 13.5 months of service credit during this period. During the same time period, they work part time for a FCC, working a total of 2,500 hours during these 20 months. The FCC service credit will be calculated as  $(2,500/2,088) \times 12 = 14.368$  months of credit.

The excess service credit would be determined by adding the 13.5 months of DRS credit earned with the 14.368 months of FCC credit earned and subtracting the 20 calendar months of overlapping time period. This leaves an excess of 7.868 months of credit therefore 7.75 months (rounding down to the nearest quarter credit) will be removed from PERS 3.

Prior to the removal of service credit this employee had 13.5 months of service credit in PERS between March 2010 and November 2011. After the removal of the excess service credit they will have 5.75 months of service credit for this time period.

**Example 4:**

A PERS 2 employee leaves their PERS employer on February 14th and begins working with a FCC on February 15th. They had worked 80 hours for their PERS employer and earned one-half of a service credit for February. They worked 80 hours for the FCC in February so they earned .46 months of credit with the city  $(80/2,088) \times 12$ .

The excess service credit would be determined by adding the .5 months of DRS credit with the .46 months of credit from the FCC. Since this does not exceed one month of credit there is not an excess of service credit.

**Example 5:**

A PERS 2 employee leaves their PERS employer on March 14th and begins working with a FCC on March 15th. They had worked 80 hours for their PERS employer and earned one-half of a service credit for March. They worked 96 hours for the FCC in February so they earned .55 months of credit with the city  $(96/2,088) \times 12$ .

The excess service credit would be determined by adding the .5 months of DRS credit with the .55 months of credit from the FCC. The .05 of credit is excess; however, it rounds down to zero since it does not exceed a quarter credit of excess credit.

**Example 6:**

An FCC employee leaves their FCC employer on July 14th and begins working with a PERS 2 employer on July 15th. They had worked 80 hours for their FCC employer and earned .46 months of a service credit for July. They worked 96 hours for the PERS employer in July so they earned a full month of credit in PERS 2.

The excess service credit would be determined by adding the one months of DRS credit with the .46 months of credit from the FCC. The .46 months of credit is excess and rounds down to a quarter of service credit to be removed from PERS 2.