

Certain DSHS PERS Plan 2 and 3 Members into Public Safety Officers' Retirement System (PSERS) Plan 2 legislation Frequently Asked Questions

Published March 2025

Background

<u>SSB 6106</u> amends <u>RCW 41.37</u> to expand membership in PSERS to include certain DSHS employees who meet qualifications.

1. Which DSHS organizations are included in the new law?

- Special Commitment Center (Anderson Island)
- Maple Lane Behavioral Health & Treatment (Grand Mound, Thurston County)
- Olympic Heritage Behavioral Health (Tukwila)

2. What is the new definition of a PSERS employee?

The definition of member was changed to include:

Any employee whose primary responsibility is to provide nursing care to, or to ensure the custody and safety of, offender, adult probationary, or patient populations; and who is in a position that requires completion of defensive tactics training or de-escalation training; and who is employed by one of the state institutions or residential sites operated by the department of social and health services that serve civilly committed residents or serve patients under not guilty by reason of insanity findings.

3. Did the definition of a full-time employee change?

The definition of a full-time employee has not changed, and a position must be full time to be eligible for PSERS membership. This is the definition:

An employee who is regularly scheduled to provide at least 160 hours of compensated service for an employer each calendar month.

4. Our qualified employees are regularly scheduled on a full-time basis, but our weekly schedules do not always mean a person is scheduled for 160 hours per month. Will our employees be excluded from PSERS membership as a result?

Your employees will be eligible for PSERS membership if they are regularly scheduled for full-time employment but occasionally fall below 160 scheduled hours in a calendar month. They will still be eligible for PSERS if they are scheduled for an average of 160 hours per month in a calendar year.

EXAMPLE

Your employee is scheduled to work four 10-hour days on, then four 10-hour days off. As a result, three out of 12 months in the calendar year fall below 160 hours; however, they



are still scheduled to work full time and the monthly average for the calendar year is 171 so they remain eligible for PSERS membership.

Months and hours worked

January: 164.00 July: 168.00
February: 161.80 August: 189.80
March: 172.00 September: 193.80
April: 143.60 October: 187.80
May: 168.00 November: 151.30
June: 159.80 December: 196.00

5. How will eligible employees earn Service Credit in PSERS?

Once an eligibility determination is made, and an employee is reported in PSERS, they will begin accruing service credit. A PSERS member will earn:

- One service credit month for each calendar month in which salary is received for 90 or more hours
- One-half service credit month for any month in which salary is received for fewer than 90 but more than 70 hours, or
- One-quarter service credit month for any month in which salary is received for fewer than 70 but more than zero hours.
- 6. When will the new changes take place for our newly hired eligible employees?

 Newly hired employees who meet the eligibility requirements will become PSERS Plan 2 members beginning June 1, 2025.
- 7. When will the new changes take place for current PERS Plan 2 and Plan 3 members? Existing members who meet the eligibility requirements and are participating in PERS Plan 2 or 3 on June 1, 2025, will be eligible to transfer to PSERS Plan 2 during the election period beginning June 1, 2025, and ending Sept. 1, 2025.
- 8. Will current PERS Plan 2 and Plan 3 members who meet the new eligibility requirements be mandated in PSERS membership during this window?

 No. Current PERS Plan 2 and Plan 3 members that meet the new PSERS eligibility requirements must elect to transfer into PSERS. If they do not elect to transfer, they will remain in PERS.



9. If an employee elects to transfer from PERS Plan 2 or 3 to PSERS, will the service credit earned in PERS be converted to PSERS?

No. The transfer from PERS to PSERS is Sept. 1, 2025, forward. Any service credit earned as a member of PERS will remain in PERS. For employees that elect to transfer to PSERS, they will begin earning service credit in PSERS from the date on their election form.

10. What happens if I have PSERS employees who are on leave during the election period? You need to provide the election materials to your absent employees so they can make their decision during the election period. If they don't make their decision by Sept. 1, 2025, they will not qualify for PSERS membership and will remain in PERS. There are no exceptions.

11. Do current PERS Plans 2 and 3 members become dual members if they transfer into PSFRS?

Yes. If your eligible employees decide to transfer to PSERS, they will become dual members of PERS and PSERS. Dual members can combine service credit from each plan to become eligible to retire and use their highest base salary to calculate their monthly pension benefit. If you have eligible employees, this <u>recorded presentation</u> may help them with their upcoming choice.

12. What happens if the PERS Plan 2 or 3 member doesn't transfer or doesn't want to transfer?

Those who do not choose to transfer during the election period window, or those who miss the election period window, will remain in PERS Plan 2 or 3. However, if they change employers, and the new position is a PSERS position, they will become PSERS Plan 2 members.

13. If the employee selects a transfer to PSERS during the 2025 election period, will they remain in PSERS as long as they remain employed with their current employer? Yes. As long as the employee is working in a PSERS-eligible position for their current employer, they will remain in PSERS. However, if they move to a new position that is not PSERS eligible, the employee will be mandated into the retirement system for that new position.



14. If the PERS Plan 2 or 3 member doesn't transfer or doesn't want to transfer, can they become PSERS members later?

Not as long as the employee remains employed with their current employer. They will remain in PERS if they didn't select PSERS during the 2025 election period. Moving back to a PSERS-eligible position for the same employer would return them to PERS membership. If the member accepts a PSERS position with another employer, the member is mandated into PSERS.

15. If an employee leaves a PSERS position and then returns to their employer in a PERS-eligible position, which plan will they be in?

They will be in a PERS Plan 2 or 3 position. They will not be in PSERS.

16. Can a PERS Plan 2 or 3 member who did not elect to transfer, but still meets the eligibility requirements, request a transfer after the election deadline?

No. All elections to transfer from PERS to PSERS must be made during the election period. There are no exceptions

17. Can a PERS Plan 2 or 3 member who meets the eligibility requirements ask for a retroactive transfer?

No. All transfers from PERS to PSERS are prospective only, from the date on their election form that they will fill out and return to their employers.

18. Can PERS Plan 1 members be PSERS Plan 2 members?

No. Only PERS Plan 2 and 3 members who qualify can become PSERS Plan 2 members (see questions 1 and 2 for qualifications).

19. How are you communicating with members and employees?

The project team will be working with employers and developing materials to include a member election form, several notices to employers, an updated PSERS eligibility form and updated employer handbook.

The project team will also maintain and update this FAQ.