
HOUSE BILL 3024

State of Washington

60th Legislature

2008 Regular Session

By Representatives Conway, Fromhold, Bailey, Crouse, Hurst, Simpson, and Linville; by request of Select Committee on Pension Policy

Read first time 01/21/08. Referred to Committee on Appropriations.

1 AN ACT Relating to purchasing service credit in plan 2 and plan 3
2 of the teachers' retirement system for public education experience
3 performed as a teacher in a public school in another state or with the
4 federal government; and amending RCW 41.32.813 and 41.32.868.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 41.32.813 and 2006 c 257 s 1 are each amended to read
7 as follows:

8 (1) An active member who has completed a minimum of (~~five~~) two
9 years of creditable service in the teachers' retirement system may,
10 upon written application to the department, make a one-time purchase of
11 up to seven years of service credit for public education experience
12 outside the Washington state retirement system, subject to the
13 following limitations:

14 (a) The public education experience being claimed must have been
15 performed as a teacher in a public school in another state or with the
16 federal government; (~~and~~)

17 (b) The public education experience being claimed must have been
18 covered by a retirement or pension plan provided by a state or
19 political subdivision of a state, or by the federal government; and

1 (c) The member is not currently receiving a benefit or currently
2 eligible to receive an unreduced retirement benefit from a retirement
3 or pension plan of a state or political subdivision of a state or the
4 federal government that includes the service credit to be purchased.

5 (2) The service credit purchased shall be membership service, and
6 may be used to qualify the member for retirement.

7 (3) The member shall pay the actuarial value of the resulting
8 increase in the member's benefit calculated in a manner consistent with
9 the department's method for calculating payments for reestablishing
10 service credit under RCW 41.50.165.

11 (4) The member may pay all or part of the cost of the service
12 credit to be purchased with a lump sum payment, eligible rollover,
13 direct rollover, or trustee-to-trustee transfer from an eligible
14 retirement plan. The department shall adopt rules to ensure that all
15 lump sum payments, rollovers, and transfers comply with the
16 requirements of the internal revenue code and regulations adopted by
17 the internal revenue service. The rules adopted by the department may
18 condition the acceptance of a rollover or transfer from another plan on
19 the receipt of information necessary to enable the department to
20 determine the eligibility of any transferred funds for tax-free
21 rollover treatment or other treatment under federal income tax law.

22 (5) The employer also may pay all or a portion of the member's cost
23 of the service credit purchased under this section.

24 **Sec. 2.** RCW 41.32.868 and 2006 c 257 s 2 are each amended to read
25 as follows:

26 (1) An active member who has completed a minimum of (~~five~~) two
27 years of creditable service in the teachers' retirement system may,
28 upon written application to the department, make a one-time purchase of
29 up to seven years of service credit for public education experience
30 outside the Washington state retirement system, subject to the
31 following limitations:

32 (a) The public education experience being claimed must have been
33 performed as a teacher in a public school in another state or with the
34 federal government;

35 (b) The public education experience being claimed must have been
36 covered by a retirement or pension plan provided by a state or
37 political subdivision of a state, or by the federal government; and

1 (c) The member is not currently receiving a benefit or currently
2 eligible to receive an unreduced retirement benefit from a retirement
3 or pension plan of a state or political subdivision of a state or the
4 federal government that includes the service credit to be purchased.

5 (2) The service credit purchased shall be membership service, and
6 may be used to qualify the member for retirement.

7 (3) The member shall pay the actuarial value of the resulting
8 increase in the member's benefit calculated in a manner consistent with
9 the department's method for calculating payments for reestablishing
10 service credit under RCW 41.50.165.

11 (4) The member may pay all or part of the cost of the service
12 credit to be purchased with a lump sum payment, eligible rollover,
13 direct rollover, or trustee-to-trustee transfer from an eligible
14 retirement plan. The department shall adopt rules to ensure that all
15 lump sum payments, rollovers, and transfers comply with the
16 requirements of the internal revenue code and regulations adopted by
17 the internal revenue service. The rules adopted by the department may
18 condition the acceptance of a rollover or transfer from another plan on
19 the receipt of information necessary to enable the department to
20 determine the eligibility of any transferred funds for tax-free
21 rollover treatment or other treatment under federal income tax law.

22 (5) The employer also may pay all or a portion of the member's cost
23 of the service credit purchased under this section.

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