

WAC 415-113-065 Can I substitute salary from one system to another? (1) You can substitute base salary between systems.

(a) If you choose to retire with a multiple system benefit, you may substitute your base salary under one dual member system for your includable compensation in a second dual member system for purposes of computing a retirement allowance from the second system.

(b) Your average final compensation (AFC) will be calculated by reviewing all base salary from all periods of dual member employment and determining your highest consecutive AFC period prior to your retirement or death.

(c) Using the substituted salary, the department will compute your average compensation under each system's own requirements.

Example: Average final compensation calculation.

Sarah became a member of TRS Plan 2 and earned two years of service credit. After a break in employment, Sarah returned to public service in a PERS Plan 2 position and worked two additional years. Sarah then returned to a TRS Plan 2 position until retiring at the age sixty-five. Sarah's career earnings were as follows:

TRS Plan 2

81-82 School Year - \$18,000 per year

82-83 School Year - \$20,000 per year

PERS Plan 2

2013 Calendar Year - \$48,000 per year

2014 Calendar Year - \$50,000 per year

TRS Plan 2

14-15 School Year - \$60,000 per year

15-16 School Year - \$64,000 per year

16-17 School Year - \$68,000 per year

As a dual member, Sarah can substitute the PERS salary when calculating the highest sixty months of earnings to be used in the TRS benefit calculation:

$$\frac{\$48,000 + \$50,000 + \$60,000 + \$64,000 + \$68,000}{60 \text{ months}} = \$4,833 \text{ AFC}$$

The same calculation will be used for the PERS average final compensation.

(2) **TRS Plan 1 adjusted full-time salary is not base salary.** A multiple system retiree's adjusted full-time salary under RCW 41.32.345 shall not constitute base salary for purposes of computing the retiree's multiple system benefit.

(3) **Includable compensation defined.** For purposes of this chapter, "includable compensation" means:

(a) Earnable compensation under TRS Plan 1, 2 or 3 as defined in RCW 41.32.010(10);

(b) Compensation earnable under PERS Plan 1, 2 or 3 as defined in RCW 41.40.010(8);

(c) Compensation earnable under PSERS as defined in RCW 41.37.010(6);

(d) Basic salary under LEOFF Plan 2 as defined in RCW 41.26.030(13)(b);

(e) Monthly salary under WSPRS Plan 1 or 2 as defined in RCW 43.43.120(23); and

(f) Compensation earnable under SERS Plan 2 or 3 as defined in RCW 41.35.010(6).

(4) **Defined terms used.** Definitions for the following terms used in this section may be found in the sections listed.

- (a) "Average compensation" - WAC 415-113-030.
- (b) "Base salary" - RCW 41.54.010(1).
- (c) "Dual member system" - WAC 415-113-030.
- (d) "Member participant" - WAC 415-113-030.
- (e) "Multiple system benefit" - WAC 415-113-030.
- (f) "Multiple system retiree" - WAC 415-113-030.

[Statutory Authority: RCW 41.50.050. WSR 20-14-039, § 415-113-065, filed 6/25/20, effective 7/26/20. Statutory Authority: RCW 41.50.050(5) and 41.37.010(6). WSR 08-02-048, § 415-113-065, filed 12/27/07, effective 1/27/08. Statutory Authority: RCW 41.50.050(5) and chapter 41.54 RCW. WSR 02-18-046, § 415-113-065, filed 8/28/02, effective 9/30/02. Statutory Authority: RCW 41.50.050(5) and 41.54.030. WSR 02-03-120, § 415-113-065, filed 1/23/02, effective 3/1/02. Statutory Authority: Chapters 41.32, 41.34, 41.35, 41.50 RCW. WSR 01-01-059, § 415-113-065, filed 12/12/00, effective 1/12/01. Statutory Authority: RCW 41.50.050. WSR 99-22-043, § 415-113-065, filed 10/29/99, effective 11/29/99; WSR 95-03-001, § 415-113-065, filed 1/4/95, effective 2/4/95.]