

WAC 415-02-370 Factors for establishing or restoring service credit. RCW 41.50.165(2) and chapter 415-10 WAC allow you to establish or restore service credit by paying the actuarial value of the resulting increase in your monthly retirement allowance. This section describes what the factors take into consideration when the department uses actuarial factors to calculate the lump sum costs. See also chapter 415-10 WAC.

What are the factors and how are they used in calculating the lump sum costs of establishing or restoring service credit? For each system and plan there is a two-dimensional "age and service" table of actuarial factors which are used to calculate the cost of establishing or restoring service credit.

The department will calculate the actuarial value of the service credit you purchase using the following formula:

$$\text{Total Cost} = \text{Part 1 Cost} + \text{Part 2 Cost}$$

Part 1: Annual Average Salary x Service Credit Years to Purchase x Factor 1

Part 2: Annual Average Salary x Current Service Credit Years x (Factor 1 - Factor 2)

Factor 1 takes into consideration your current age and service credit, *including* the service credit you are purchasing.

Factor 2 takes into consideration your current age and service credit, *excluding* the service credit you are purchasing.

[Statutory Authority: RCW 41.50.050(5). WSR 14-06-053, § 415-02-370, filed 2/27/14, effective 10/1/14; WSR 13-18-034, § 415-02-370, filed 8/28/13, effective 10/1/13. Statutory Authority: RCW 41.50.050(5), 41.50.165. WSR 06-18-009, § 415-02-370, filed 8/24/06, effective 9/24/06; WSR 03-15-006, § 415-02-370, filed 7/3/03, effective 8/3/03.]