

**RCW 41.34.040 Contributions—Rate structures—Annual option. (1)**

A member shall contribute from the member's compensation according to one of the following rate structures in addition to the mandatory minimum five percent:

Option A	Contribution Rate
All Ages	0.0% fixed
Option B	
Up to Age 35	0.0%
Age 35 to 44	1.0%
Age 45 and above	2.5%
Option C	
Up to Age 35	1.0%
Age 35 to 44	2.5%
Age 45 and above	3.5%
Option D	
All Ages	2.0%
Option E	
All Ages	5.0%
Option F	
All Ages	10.0%

(2) The department shall have the right to offer contribution rate options in addition to those listed in subsection (1) of this section, provided that no significant additional administrative costs are created. All options offered by the department shall conform to the requirements stated in subsections (3) and (5) of this section.

(3) (a) For members of the teachers' retirement system entering plan 3 under RCW 41.32.835 or members of the school employees' retirement system entering plan 3 under RCW 41.35.610, within ninety days of becoming a member the member has an option to choose one of the above contribution rate structures. If the member does not select an option within the ninety-day period, the member shall be assigned option A.

(b) For members of the public employees' retirement system entering plan 3 under RCW 41.40.785, within the ninety days described in RCW 41.40.785 an employee who irrevocably chooses plan 3 shall select one of the above contribution rate structures. If the member does not select an option within the ninety-day period, the member shall be assigned option A.

(c) For members of the teachers' retirement system transferring to plan 3 under RCW 41.32.817, members of the school employees' retirement system transferring to plan 3 under RCW 41.35.510, or members of the public employees' retirement system transferring to plan 3 under RCW 41.40.795, upon election to plan 3 the member must choose one of the above contribution rate structures.

(d) Within ninety days of the date that an employee changes employers, the member has an option to choose one of the above contribution rate structures. If the member does not select an option within this ninety-day period, the member shall be assigned option A.

(4) Each year, through January of 2015, members of plan 3 of the teachers' retirement system may change their contribution rate option by notifying their employer in writing during the month of January. After January of 2015, a member of plan 3 of the teachers' retirement

system may only change their contribution rate option under subsection (3)(d) of this section. The termination of this annual contribution rate change option in January 2015 is required to meet the plan qualification requirements in section 401(a) of the internal revenue code. Consistent with plan qualification requirements in the internal revenue code, this annual contribution rate change has never been available to plan 3 members of the public employees' retirement system and the school employees' retirement system.

(5) Contributions shall begin the first day of the pay cycle in which the rate option is made, or the first day of the pay cycle in which the end of the ninety-day period occurs.

(6) The contribution of plan 3 members is not affected by any reduction in hours worked because of participation of their employer in a shared work program under chapter 50.60 RCW. Plan 3 members shall continue to make contributions as if the member did not incur a reduction in hours through participating in an approved shared work compensation plan under chapter 50.60 RCW. [2021 c 12 § 4; 2014 c 95 § 1; 2010 1st sp.s. c 7 § 32; 2003 c 156 § 1; 2000 c 247 § 403; 1996 c 39 § 14; 1995 c 239 § 204.]

**Retroactive application—2021 c 12:** See note following RCW 41.26.030.

**Effective date—2010 1st sp.s. c 26; 2010 1st sp.s. c 7:** See note following RCW 43.03.027.

**Effective dates—Subchapter headings not law—2000 c 247:** See RCW 41.40.931 and 41.40.932.

**Effective dates—1996 c 39:** See note following RCW 41.32.010.

**Intent—Purpose—1995 c 239:** See note following RCW 41.32.831.

**Effective date—Part and subchapter headings not law—1995 c 239:** See notes following RCW 41.32.005.