WAC 415-104-111 How is my LEOFF Plan 2 retirement allowance affected if I return to work after retirement? This rule applies to you if you are a LEOFF 2 retiree who returns to work in an eligible LEOFF, public employees' retirement system (PERS), public safety employees' retirement system (PSERS), school employees' retirement system (SERS), or teachers' retirement system (TRS) position.

(1) **If you return to employment in a LEOFF eligible position, you must reenter membership and your retirement allowance will stop.** When you separate from service, the department will calculate your retirement allowance.

(2) **The department will:**

(a) Recompute your retirement allowance pursuant to RCW 41.26.420 using:

(i) Your total years of career service, including service earned prior to your initial retirement and service earned after reentering membership; and

(ii) Any increase in your final average salary resulting from your reentry into membership; and

(iii) An actuarial reduction of your retirement allowance to offset the cost of your benefit option if it includes a survivor feature. See WAC 415-104-215.

(b) Your benefit will be calculated in two separate parts based on service credit earned in each working period and any early retirement factors applicable based on the age of retirement for that period.

(i) The first part (original period) will include:

(A) Service credit that was used in the original retirement calculation.

(B) Any early retirement reduction factor that was in place at the time of the initial retirement.

(C) The highest salary considering the entire work history.

(D) Any previously earned cost of living adjustments.

(ii) The second part (retiree return to membership period) of the calculation will include:

(A) Only service credit earned during the retiree return to membership working period.

(B) Any appropriate early retirement reduction factors in place at the time of reretirement.

(C) Any survivor factor in place at the time of reretirement will be applied to both retirement periods. You must return to work to become eligible for any survivor benefit option other than the option chosen in the first retirement (WAC 415-104-215 (7)(a)).

(D) The highest salary considering the entire work history.

Example: Pat had 30 years of service when they initially retired at age 50 with a final average salary (FAS) of $5,000. An early retirement factor of .91 was applied to this initial retirement. Pat returned to membership at age 55 and worked for an additional three years and then reretired with a newly calculated FAS of $8,000. No early retirement factor is applicable. Pat also selected a survivorship option at reretirement that will provide them .92 of their calculated retirement benefit.

The two parts of their retirement calculation would be as follows:

Retirement 1: 2% x 30 years x $8,000 x .91 x .92 = $4,018.56

Retirement 2: 2% x 3 years x $8,000 x .92 = $441.60

Part 1 will also include any cost-of-living adjustments previously applied prior to Pat returning to membership. Any early retirement

factor applicable to retirement 2 will take into consideration total service credit earned over entire career. The same benefit enhancement that was applied to the first retirement, a lump sum based on service credit or an additional tiered multiplier, will also be applied to the second retirement.

(c) Under no circumstances will you receive a retirement allowance for a month during which you earned service credit.

(3) **If you enter employment in a PERS, PSERS, SERS, or TRS eligible position,** you have two options:

(a) You may decline membership in the PERS, PSERS, SERS, or TRS retirement system. Under this option, you will continue to receive your monthly LEOFF Plan 2 retirement allowance; or

(b) You may choose to become a member of the PERS, PSERS, SERS, or TRS retirement system. Under this option, your LEOFF Plan 2 retirement allowance will be suspended while you earn service credit in the other system. When you terminate employment in the PERS, PSERS, SERS, or TRS eligible position, you will resume receiving your LEOFF Plan 2 retirement allowance, along with a retroactive payment of your LEOFF Plan 2 retirement allowance for the time you were employed.

(i) Your **ongoing LEOFF Plan 2 retirement allowance** will include any cost of living adjustments (COLAs) that you would have received if your LEOFF allowance had not been suspended during the period of non-LEOFF employment.

(ii) Your **retroactive payment** will equal the sum of your suspended LEOFF Plan 2 retirement allowances, including COLAs, during the period of non-LEOFF employment. You may choose to receive your retroactive payment in either of the following forms:

(A) A lump sum; or

(B) An increase in your ongoing LEOFF Plan 2 retirement allowance on an actuarial basis. The amount of the increase is calculated by taking the lump sum amount and multiplying it by an actuarial factor that is determined by your age at the time your retirement allowance is resumed. See WAC 415-02-340 for more information on how the department uses actuarial factors to determine the equivalent value of a lump sum amount when compared with monthly payments.

[Statutory Authority: RCW 41.50.050. WSR 26-09-063, s 415-104-111, filed 4/13/26, effective 5/14/26. Statutory Authority: RCW 41.50.050(5). WSR 13-18-034, § 415-104-111, filed 8/28/13, effective 10/1/13. Statutory Authority: RCW 41.50.050(5) and 41.26.500. WSR 08-23-071, § 415-104-111, filed 11/18/08, effective 12/19/08. Statutory Authority: RCW 41.50.050(5) and chapter 41.37 RCW. WSR 08-02-048, § 415-104-111, filed 12/27/07, effective 1/27/08. Statutory Authority: RCW 41.50.050(5) and 41.26.500. WSR 06-03-096, § 415-104-111, filed 1/17/06, effective 2/17/06; WSR 05-12-043, § 415-104-111, filed 5/25/05, effective 6/25/05. Statutory Authority: RCW 41.50.050(5), 41.26.470, 2001 c 261. WSR 02-14-072, § 415-104-111, filed 6/28/02, effective 7/29/02. Statutory Authority: RCW 41.50.050. WSR 94-09-040, § 415-104-111, filed 4/19/94, effective 5/20/94.]