

WAC 415-112-160 Judicial benefit multiplier program teachers' retirement system Plan 1. (1) **What is the judicial benefit multiplier program?** The judicial benefit multiplier (JBM) program provides a higher benefit multiplier to teachers' retirement system (TRS) Plan 1 members who serve as supreme court justices or judges in the court of appeals or superior court.

(2) **What is a benefit multiplier?** In this section, "multiplier" is the percentage component used, with average final compensation (AFC) and years of service credit, in the calculation of a retirement benefit. Your multiplier will be three and one-half percent. This means you will receive three and one-half percent of your AFC for each year of service credit you earn under the JBM program.

(3) **Can I participate in the judicial benefit multiplier program?** You can participate in the JBM program if you are a supreme court justice or judge in the court of appeals or superior court and:

(a) You chose to be a member. If you were a TRS Plan 1 member in judicial service on December 31, 2006, and remained in judicial service on January 1, 2007, you had the opportunity to choose to participate in the JBM program during the open window from January 1, 2007, through December 31, 2007; or

(b) You are required to participate in the JBM program. If you entered TRS Plan 1 membership as a justice or a judge on or after January 1, 2007. If your current term began prior to your entry into the JBM program, you must purchase service credit from the beginning of your term at the JBM program rate; or

(c) If you were previously a TRS Plan 1 member and withdrew your contributions when you separated from employment, and you were then elected to judicial service on or after January 1, 2007, you may choose to become a member of PERS Plan 2 (unless you have prior PERS membership then you would become a member of that plan). If you choose to become a PERS member, you will be required to join the JBM program. Once you have established or reestablished your PERS membership, you may restore your withdrawn TRS contributions plus interest. If you choose to restore in TRS, you would then return to TRS Plan 1 membership and earn service credit prospectively under the JBM program as a TRS Plan 1 member. Any service you earned in PERS will remain in PERS and you would be a dual member.

(4) **What is the member contribution rate in the judicial benefit multiplier program?** Your contribution rate will be 12.26 percent of your earnable compensation. See RCW 41.45.203.

(5) **What is the employer contribution rate in the judicial benefit multiplier program?** Your employer will pay the employer contribution rate in effect for your plan.

(6) **Will my retirement benefit be capped in the judicial benefit multiplier program?** Yes, your total TRS monthly retirement benefit, including the service credit you earned in the JBM program and the service credit you earned prior to and subsequent to participating in this program, may not exceed 75 percent of your AFC.

Portability retirements. Your total monthly benefit will be calculated per RCW 41.54.070(2) to combine the benefits from both retirement systems.

(7) **May I choose to not participate in the judicial benefit multiplier program after I have made the election to participate?** No, your decision to participate in the JBM program is permanent.

(8) **May I join membership in DRS and not participate in the judicial benefit multiplier program?** No, if you are an elected official in a judicial position and choose to join membership in PERS in this

elected position you will be required to also be in the judicial benefit multiplier program. If you are in a nonelected judicial position and the employment is eligible for membership you will be required to be in the judicial benefit multiplier program.

(9) What if I am in the judicial benefit multiplier program and I have service credit that does not qualify for the higher multiplier? Your retirement benefit will be calculated using the appropriate multiplier for the type of service credit and retirement plan in which it was earned. If you earn credit for service other than as a justice or a judge, the formulas in RCW 41.32.498 will apply to that portion of service credit.

Example: William is in TRS Plan 1 and has 20 years of service credit and an AFC of \$10,000. William earned 10 years of service credit as an administrator for a school district and 10 years of service credit as a superior court judge in the JBM program. William's retirement benefit would be:

| | | |
|--|---|----------------|
| (Administrator service credit) 2% × 10 years (20%) × \$10,000 | = | \$2,000 |
| (Superior Court judge service credit) 3.5% × 10 years (35%) × \$10,000 | = | \$3,500 |
| Total retirement benefit | = | \$5,500 |

(10) As a judicial benefit multiplier member, may I have the higher multiplier applied to prior service credit? If you elected to participate in the JBM program, you may purchase the higher multiplier to be applied to prior judicial service credit. You may choose to have the higher multiplier applied to all, some, or none of your qualifying service credit. Only the service credit you earned as a justice or judge is eligible for the higher multiplier.

(11) How do I have the higher multiplier applied to past judicial service credit? If you elected to participate in the JBM program, you may request to increase the multiplier. The following rules apply:

(a) You may request to increase the multiplier when you apply for retirement.

(b) Your retirement date must be July 1, 2008, or later.

(c) You can only increase any remaining eligible months of past judicial service that have not already been increased.

(d) The cost formula is equal to five percent of your salary earned for each month of increase plus five and one-half percent annual interest, accumulated monthly. However, if the actuarial cost for increasing the selected number of past judicial service months is less, you will pay the lesser amount. The cost will be determined beginning with the salary for the latest judicial month being increased.

(e) The number of months you choose to increase cannot be an amount that would cause your retirement benefit to exceed 75 percent of your AFC.

(f) The higher multiplier for the service credit chosen will be applied to your retirement benefit calculation following full payment of your bill. The increase to your retirement benefit will be retroactive to your effective retirement date.

(g) You must pay your bill within 90 days of the date of the bill.

(h) You may make your payment:

(i) With an eligible rollover, a direct rollover, or a trustee-to-trustee transfer from an eligible retirement plan such as your deferred compensation account or judicial retirement account (JRA); or

(ii) With a personal check, cashier's check, or money order. Refer to Internal Revenue Service regulations for potential tax implications related to payments made with after-tax dollars.

(12) If I participate in the judicial benefit multiplier program, may I also contribute to a judicial retirement account? You and your employer will no longer contribute to your JRA, and your funds will remain in your account until you terminate employment. However, you may use your JRA funds to pay the cost of applying the higher multiplier to past service credit according to subsection (10) of this section.

(13) How would a survivor option be applied on my retirement benefit under the judicial benefit multiplier program? Your monthly retirement benefit will be reduced by the appropriate survivor option factor (SOF) after your benefit is capped.

Example: Mary is in TRS Plan 1 and has 27 years of service in the JBM program and has an AFC of \$10,000. Mary elected a survivor option 2 for her spouse, who is two years older. The SOF for option 2 is 0.918. Mary's retirement benefit is capped at 75% of her AFC. Mary's monthly retirement benefit is \$6,885 calculated as:

$$\begin{aligned} 3.5\% \times 27 \text{ years} &= 94.5\% \times \$10,000 = \$9,450 \\ \text{Capped at 75\% of } \$10,000 &= \$7,500 \\ \$7,500 \times 0.918 &= \$6,885 \end{aligned}$$

(14) If I die prior to retirement, can my survivor choose to increase past judicial service to the higher multiplier to use in the calculation of a survivor benefit? If you die prior to retirement, your survivor may not choose to increase your past judicial service to a higher multiplier. However, any JBM service earned or past judicial service that you increase to the higher multiplier prior to your death will be used in the calculation of the retirement benefit.

(15) May I participate in both the post 30-year program and the judicial benefit multiplier program?

(a) If you opted into the post 30-year program under the provisions of RCW 41.32.4986 before becoming a participant in the JBM program, your post 30-year contributions will stop when you become a JBM program participant and begin contributions to the JBM program. The balance in your post 30-year contribution account will continue to accrue interest and will be available for refund at retirement. Contributions made under the JBM program will not be available for refund at your retirement including any contributions made on leave cash outs.

(b) You will not be eligible to enter the post 30-year program if you already participate in the JBM program.

(16) How will my benefit be calculated if I am a participant in both the post 30-year program and the judicial benefit multiplier program? If you are a member of both the post 30-year program and the JBM program, your benefit will have two parts. The first part will include the benefit you earned under the post 30-year program, and the second part will include the additional amount you earned under the JBM program. The two parts, added together, will provide you with one retirement benefit.

(a) The AFC determined when you opted into the post 30-year program will apply to the post 30-year part of your retirement benefit, and a different AFC, based on your JBM program service, will be used for the part of your retirement benefit earned under the JBM program.

(b) Your total retirement benefit cannot exceed 75 percent of the AFC used to determine the JBM part of your benefit.

(c) Leave cash outs allowed to be used in determining your AFC will be included in both AFCs used to calculate each part of your retirement benefit.

(17) **If I retire for disability, how will my benefit be capped?** Your benefit will be capped at 75 percent of your AFC.

(18) **If I participate in the judicial benefit multiplier program, may I purchase additional service credit when I retire?** Yes, you may purchase service credit under the provision of RCW 41.32.066. The amount you receive due to the purchase of service credit is in addition to your retirement benefit. See WAC 415-02-177.

(19) **How will an annuity withdrawal at retirement be applied to my benefit in the judicial benefit multiplier program?** Your monthly retirement benefit is the sum of a pension portion and an annuity portion. The annuity portion of your benefit is determined by your age at retirement and the amount of contributions and interest in your retirement account. You may withdraw some or the entire annuity portion of your benefit. If you decide to withdraw all or part of the annuity portion, your benefit will be reduced by the annuity amount withdrawn.

Example: Vicky retires at age 60 with 20 years of service credit, an AFC of \$10,000, and total contributions of \$175,000. The annuity factor for age 60 is .0079310, so the value of the annuity portion of her benefit would be \$1,388 (\$175,000 × .0079310). Vicky earned 10 years of service credit as an administrator for a school district and 10 years of service credit as a Superior Court judge in the JBM program. If Vicky did not withdraw any of the annuity portion, her maximum monthly retirement benefit would be \$5,500 calculated as:

$$\begin{aligned} \text{(Administrator service credit) } 2\% \times 10 \text{ years (20\%)} \times \$10,000 &= \$2,000 \\ \text{(Superior Court judge service credit) } 3.5\% \times 10 \text{ years (35\%)} \times \$10,000 &= \$3,500 \\ \text{Total retirement benefit} &= \underline{\$5,500} \end{aligned}$$

If Vicky withdrew the entire annuity portion of her benefit, her maximum monthly retirement benefit would be \$4,112 calculated as:

$$\begin{aligned} \text{Total maximum retirement benefit} &= \$5,500 \\ \text{Less annuity portion} &= \underline{\$1,388} \\ \text{Total maximum retirement benefit} &= \underline{\$4,112} \end{aligned}$$

If the uncapped benefit exceeds 75 percent, the reduction for the annuity withdrawal would be applied to the capped benefit amount.

Example: Brad retires at age 62 with 30 years of service credit, an AFC of \$10,000 and total contributions of \$200,000. The annuity factor for age 62 is .0081703 so the value of the annuity portion of Brad's benefit would be \$1,634 (\$200,000 × .0081703). Brad earned 15 years of service credit as a principal for a school district and 15 years of service credit as a Superior Court judge in the JBM program. His maximum retirement benefit would be \$5,866 calculated as:

$$\begin{aligned} \text{(Principal service credit) } 2\% \times 15 \text{ years (30\%)} \times \$10,000 &= \$3,000 \\ \text{(Superior Court judge service credit) } 3.5\% \times 15 \text{ years (52.5\%)} \times \$10,000 &= \$5,250 \\ \text{Uncapped benefit} &= \underline{\$8,250} \\ \text{Capped at 75\%} \times \$10,000 &= \$7,500 \\ \text{Total capped retirement benefit} &= \underline{\$7,500} \\ \text{Less annuity portion} &= \underline{-\$1,634} \\ \text{Total maximum retirement benefit} &= \underline{\$5,866} \end{aligned}$$

[Statutory Authority: RCW 41.50.050, 2.14.115, 41.32.581, 41.32.584, 41.32.587, 41.40.124, 41.40.127, 41.40.404, 41.40.408, 41.40.760, 41.40.763, 41.40.767, 41.40.770, 41.40.870, 41.40.873, 41.40.877, 41.40.880, 41.45.200, 41.45.203, and 41.45.207. WSR 24-01-024, § 415-112-160, filed 12/8/23, effective 1/8/24.]