

June 19, 2015

To the Select Committee on Pension Policy:

This past January, I wrote to you concerning RCW 41.50.165. Up until recently, I had been told by DRS that I could not purchase service credit for my four years of half-time teaching in Washington (during the years of 1987-1991) because RCW 41.50.165 was not retroactive. I am now being told by DRS that the law is retroactive, but that I still cannot purchase service credit for those four years of teaching with a .5 contract.

RCW 41.50.165 states, *“This act removes the time limitations within the state’s retirement systems for: (b)The crediting of certain service that, under the provisions of the system, was not creditable at the time it was performed, such as a probationary period or interrupted military service.”*

The position of DRS is that this doesn’t apply to my situation because my service was creditable, I just didn’t have enough hours (under the provisions of the system) to earn service credit.

Under the provisions of the system, half-time teachers received no service credit for the years of '87 - '91. Clearly, since half-time teachers could not earn service credit during those years, their service was not creditable at the time it was performed.

The legislature changed the service credit rules in 1991, seeing the need to recognize the service of part-time employees. Shortly after, in 1994, they passed RCW 41.50.165, which enables teachers to obtain credit for past service rendered which was not creditable at the time performed.

For years, I have been trying to have my half-time experience from '87 to '91 count for something in this state. During those years I taught alongside several half-time Plan 1 teachers who received service credit for their service. I feel it is a reasonable request that Plan 2 and 3 teachers should be allowed to purchase credit for half-time service to this state during those years.

Please let me know if you agree with the position that DRS had taken. If so, then please promote some type of legislation which would finally allow teachers, like me, to be able to purchase service credit for time spent teaching half-time in Washington State.

Thank you for your time,

Jennifer Quesnell

Kennewick, WA

quesje@yahoo.com

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(<http://app.leg.wa.gov/Rcw/default.aspx?cite=41.50.165>)

## **RCW 41.50.165**

# **Establishing, restoring service credit — Conditions.**

(1) Except for those affected by subsection (4) of this section, a member of a retirement system specified by RCW [41.50.030](#) or, one previously established by the state but closed to new membership, may, as provided in each retirement system:

- (a) Establish allowable membership service not previously credited;
  - (b) Restore all or a part of that previously credited membership service represented by withdrawn contributions; or
  - (c) Restore service credit represented by a lump sum payment in lieu of benefits.
- (2) Persons who previously have failed to:

(a) Establish service credit for service previously earned; or

(b) Reestablish service credit by the restoration of withdrawn contributions or repayment of a lump sum payment in lieu of a benefit, may now establish or reestablish such service credit by paying the actuarial value of the resulting increase in their benefit in a manner defined by the department.

(3) Any establishment of service credit for service previously rendered, restoration of service credit destroyed, or repayment of a lump sum received in lieu of benefit must be completed prior to retirement.

(4) Service credit is established for or restored to the period in which the service credit is earned.

[1994 c 197 § 2.]

### **Notes:**

**Intent -- 1994 c 197:** "(1) This act removes the time limitations within the state's retirement systems for:

(a) The restoration of service credit represented by employee contributions withdrawn by a member of a state's retirement systems; or

(b) The crediting of certain service that, under the provisions of the system, was not creditable at the time it was performed, such as a probationary period or interrupted military service.

(2) This act expands the current procedures for establishing service credit previously earned, restoring withdrawn contributions, or repaying lump sums received in lieu of a benefit. In so doing, it allows the member of one of the state's retirement systems to obtain additional service credit by paying the value of this added benefit that was previously unavailable." [1994 c 197 § 1.]

**Severability -- 1994 c 197:** "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1994 c 197 § 37.]

**Effective date -- 1994 c 197:** "This act shall take effect January 1, 1995." [1994 c 197 § 38.]