



Judicial Benefit Multiplier Program

The Judicial Benefit Multiplier (JBM) Program was created to provide judicial members of the Teachers' Retirement System (TRS) Plan 1 an increased retirement benefit multiplier. Judicial members in TRS on January 1, 2007 or later will make contributions to TRS under the rules of the JBM Program. TRS members in judicial service on December 31, 2006 and January 1, 2007, were given the option of joining the JBM Program.

What is a benefit multiplier?

The benefit multiplier is the percentage used, along with your number of service credit years, and your average final compensation (AFC), to determine your retirement benefit. The JBM Program increases the multiplier for judicial service to 3.5%. The benefit multiplier for non-JBM service is typically 2% but some members may have a different benefit multiplier under certain circumstances.

Am I required to participate in the JBM Program?

You are required to participate in the JBM Program if you are a TRS member and are elected to a judicial position on or after January 1, 2007 in one of the following courts:

- Supreme Court
- Court of Appeals
- Superior Court

Will I be in the JBM Program if I'm not a member of TRS?

No. In order to be in the JBM program as a TRS member you must be an active member or be in an inactive status with previous TRS membership that has not been withdrawn. If you have withdrawn TRS Plan 1 time and are elected to the Supreme, Appeals or Superior Courts, you must be enrolled in the Public Employees' Retirement System (PERS) Plan 2. Once PERS membership is established, you may request to restore your TRS service credit. Once your TRS service credit is restored, you can request that your employer start reporting you in TRS Plan 1. For more information, see the brochure *What is dual membership and how does it affect me?* or contact DRS.

What are the provisions of the JBM Program?

If you are in the JBM Program, you:

- Prospectively accrue service credit at a higher benefit multiplier for all judicial service;
- Are subject to the JBM benefit cap;
- Will not be able to contribute to the Judicial Retirement Account (JRA); and
- Do not have the option to increase past judicial service to the higher benefit multiplier.

Will the higher benefit multiplier apply to all my service credit?

The higher benefit multiplier applies only to the judicial service credit you earn after you begin participating in the JBM Program. Justices and judges who are required to participate in the JBM Program may not increase the multiplier for periods of judicial service prior to joining the JBM Program.



Will my benefit be capped as part of the JBM Program?

Yes. Your benefit will be capped at 75% of your AFC.

How will my benefit be calculated in the JBM Program?

The benefit formula is:

$$\text{Benefit Multiplier} \times \text{Years of Service Credit} \times \text{AFC} = \text{Retirement Benefit}$$

The benefit multipliers used in your calculation:

- Judicial service earned in the JBM Program will use 3.5%; and
- Non-JBM service will use your regular benefit multiplier. The benefit multiplier for non-JBM service is typically 2%.

Your AFC is calculated by averaging the earnings from your two consecutive highest-paid fiscal years (July 1 – June 30).

EXAMPLES

You have 20 years of service credit when you retire at age 60 and your AFC is \$10,000 and your annuity balance (contributions plus interest) is \$175,000. You earned 10 years before entering the JBM Program, and then you earned 10 years in the JBM Program. Your maximum benefit, if you leave your annuity in the retirement fund, would be:

(For non-JBM service)	$2.0\% \times 10 \text{ years (20\%)} \times \$10,000 = \$2,000$
(For JBM service)	$3.5\% \times 10 \text{ years (35\%)} \times \$10,000 = \$3,500$
	Total maximum benefit = \$5,500

If you decide to withdraw 100% of your annuity, your maximum benefit would be:

Annuity of \$175,000 x .0079685 (annuity factor for age 60) = \$1,394
Total benefit amount of \$5,500 – \$1,394 = \$4,106
Total maximum benefit = \$4,106

Benefit capped at 75%

You have 30 years of service credit when you retire at age 60, your AFC is \$10,000 and your annuity balance is \$200,000. You earned 15 years before entering the JBM program, and then you earned 15 years in the JBM Program.

Your maximum benefit, if you leave your annuity in the retirement fund, would be:

(For non-JBM service)	$2.0\% \times 15 \text{ years (30\%)} \times \$10,000 = \$3,000$
(For JBM service)	$3.5\% \times 15 \text{ years (52.5\%)} \times \$10,000 = \$5,250$
	Uncapped benefit = \$8,250
	Capped at 75% x \$10,000 = \$7,500
	Total capped benefit = \$7,500

If you decide to withdraw 100 % of your annuity, your maximum benefit would be:

Annuity of \$200,000 x .0079685 = \$1,593
Total capped benefit amount of \$7,500 – \$1,593 = \$5,907
Total maximum benefit = \$5,907

What will my JBM member contribution rate be?

TRS Members are required to contribute a percentage of their compensation as reported by their employer to DRS. The JBM member contribution rate for TRS is 9.76%.

How do I earn service credit as a justice or judge?

Service credit is based on the number of days of compensated employment reported by your employer for each fiscal year. You receive:

- A full year of service credit if you receive compensation for at least 144 days of service;
- A fractional year's service credit for less than 144 days of service;
- No service credit is granted for less than 20 days of service.

If I participate in the JBM Program, may I purchase additional service credit?

Yes. Whether you choose to join the JBM Program or not, you may purchase up to five years of additional service credit at the time you apply for retirement. The additional service credit you purchase is not considered actual membership service credit and can only be purchased when you have already qualified for retirement. The purchase of service credit will provide you an additional amount that will be added to your monthly retirement benefit. For more information see the *Purchasing Additional Service Credit* brochure available on the DRS Web site or by contacting DRS.

To Learn More

More information about the Judicial Benefit Multiplier Program is available on the DRS Web site or by contacting DRS.

Web site: www.drs.wa.gov

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This brochure does not contain a complete description of the law. If there are conflicts between what is written here and what is contained in the law, the applicable law will govern. The Judicial Benefit Multiplier is described in the Revised Code of Washington and the Washington Administrative Code.