



Using or purchasing out-of-state service credit

If you are a member of the Teachers' Retirement System (TRS) Plan 1 you may be able to use service credit earned in an out-of-state public retirement system that covers teachers to qualify for retirement. However, if you use out-of-state service credit, it's important to remember that only your Washington State service credit will be used to calculate your retirement benefit, and that your benefit will be reduced based on the difference between your age at retirement and the normal retirement age.

You may also be able to purchase up to four years of public education experience outside the Washington State retirement system if you meet certain criteria.

When can I retire?

TRS Plan 1 members qualify for retirement at age 60 with a minimum of five years of service credit. You may retire earlier than age 60 by meeting one of the following provisions:

- Age 55 with at least 25 years of service credit; or
- Any age with at least 30 years of service credit.

Is it always to my advantage to use out-of-state service credit?

If you have enough Washington State service credit to qualify for retirement, based on the provisions listed above, there is no need to use your out-of-state service credit. Only service credit earned in Washington State will be used to calculate your monthly retirement benefit.

If you do not have enough Washington State service credit to meet the retirement qualifications listed above, you may use your out-of-state service credit to qualify for retirement and begin collecting a benefit. However, your benefit will be reduced. The reduction is based on the difference between the age you retire using the out-of-state service credit and the age you could retire using Washington State service credit alone.

How does using out-of-state service credit work?

Suppose you're 58 years of age, with 24 years of Washington State service credit and a monthly average final compensation (AFC)* of \$5,500. In order to meet the 25-year service credit provisions you would like to use one year of out-of-state service credit.

If you use one year of out-of-state service credit, your benefit would be computed based on your number of years of Washington State service credit, and would be reduced by an early retirement factor. This early retirement factor is based on the number of years between your age at retirement and age 60. Your benefit would be calculated as indicated below with an early retirement factor of .8270:

$$2\% \times \text{service credit years} \times \text{AFC} \times \text{early retirement factor} = \text{monthly benefit}$$

$$2\% \times 24 \times \$5,500 \text{ (AFC)} \times .8270 = \$2,183.28$$

*AFC is the earnable compensation for your two consecutive highest-paid fiscal years (July 1 - June 30), divided by 24. For more information about AFC and calculating your retirement benefit, consult the *TRS Plan 1 Member Handbook*.

The handbook is available on the Department of Retirement Systems (DRS) website at www.drs.wa.gov.



How do I apply to use out-of-state service credit?

If you decide to use out-of-state service credit, complete the Member Information section of the attached Proof of Out-Of-State Service form. Send it to the retirement system where you earned the service credit. The retirement system should complete the Certification of Out-of-State Service section on the form and return it to DRS.

In lieu of this form, DRS will accept a copy of an official document that provides the following three pieces of information:

1. Name of the public retirement system;
2. Proof that it covers public school teachers; and
3. Years of service credit that you earned.

May I purchase service credit for out-of-state teaching?

You may be able to purchase up to four years of service credit if you interrupt your TRS service in order to work as a teacher in another state or out of the country. To be eligible, you must:

- Be on an authorized leave of absence from your TRS employer; and
- Provide the service in a public school.

After you return to work for your TRS employer, you have until the end of the fifth school year to pay for your contributions and interest. The service credit you purchase is considered membership service, and will be used to determine your eligibility for retirement and to calculate your pension benefit.

The amount of service credit you purchase may not exceed the amount of TRS retirement service credit

you have earned. For example: if you have earned three years of service credit in TRS, you may only purchase up to three years of out-of-state service credit.

How do I apply to purchase out-of-state service credit?

If you wish to apply for service credit purchase, please contact DRS to receive a billing.

Your former employer will need to provide:

- Proof of service, including days worked and salary; and
- Name of the public school.

Your TRS employer will need to provide proof of your authorized leave of absence.

Contacting DRS

For more information about using out-of-state service credit, visit our website or contact DRS directly. DRS office hours are 8 a.m. to 5 p.m., Monday through Friday, except legal holidays.

Website: www.drs.wa.gov

Telephone: 800-547-6657, or 360-664-7000 in Olympia area

TTY: 866-377-8895, or 360-586-5450 in Olympia area

E-mail: recep@drs.wa.gov

Address: PO Box 48380
Olympia, WA 98504-8380

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Summary Description

The provisions governing the use of out-of-state service credit are contained in the Revised Code of Washington. This publication is a summary of those provisions, not a complete description of the law. If there are any conflicts between what is written in this publication and what is contained in the law, the applicable law will govern.



TEACHERS' RETIREMENT SYSTEM (TRS)

PROOF OF OUT-OF-STATE SERVICE

PO Box 48380 Olympia, WA 98504-8380 ♦ www.drs.wa.gov
 Toll Free: 800-547-6657 ♦ Olympia Area: 360-664-7000 ♦ TTY: 360-586-5450

Member Information – To be completed by the member

Member Name		Social Security Number	
Mailing Address	City	State	ZIP
Daytime Phone Number ()	E-mail Address	Date of Birth	

Certification of Out-of-State Service – To be completed by the retirement system where service was earned

Public Retirement System:

A member of the Washington State Teachers' Retirement System may apply service credit earned in an out-of-state retirement system that covers teachers in public schools, solely for the purpose of determining the time at which the member may retire. The individual named above is applying for out-of-state service credit that he or she wishes to use for retirement eligibility in Washington State. Please verify whether or not your system covers public school teachers, and verify the service credit this person earned in your system. The service credit will be used to meet retirement eligibility criteria only. The state of Washington will not pay benefits for these years.

Retirement System Name		Phone Number ()	
Mailing Address	City	State	ZIP
Does this retirement system cover public school teachers?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Has the member named above earned service credit in this retirement system?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
How much service credit has been earned? (please indicate years and months of service credit earned)		Years	Months

I certify that the information on this form is a true and accurate account of the above member's retirement system record.

Qualified Certifier Signature	Title
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**Return this request directly to the
 Washington State Department of Retirement Systems**

Department of Retirement Systems (DRS) requires that you provide your Social Security number for this form.

- DRS will use your Social Security number as a reference number and to ensure that any funds disbursed under your account are correctly reported to the IRS.
- DRS will not disclose your Social Security number unless required by law.
- Internal Revenue Code Sections 6041(a) and 6109 allow DRS to request your Social Security number.

