



## Classified Substitute's Guide

A classified substitute is an employee of a school district or educational service district (ESD) who is employed exclusively as a substitute for an absent employee or working in an ineligible position. As a classified substitute, your membership in the School Employees' Retirement System (SERS) is optional.

Your hours and earnings are reported to the Department of Retirement Systems (DRS) by each employer you work for during the year, but contributions are not deducted from your paycheck. If you meet eligibility requirements and would like to receive SERS service credit, you must apply with DRS and pay the appropriate contributions by requesting a substitute bill. You may not purchase service credit for substitute time before July 27, 2003.

### Membership requirements for obtaining service credit

Topics	New members	Established members
<b>Eligibility requirement</b>	You must work as a classified substitute for 70 or more hours per month for at least five months during a school year to be eligible for membership and request a bill.	The hour requirement only pertains to those who are establishing membership for the first time.
<b>Timing</b>	Once the school year is over, you can apply for service credit and request a bill beginning in September.	Once the school year is over, you can apply for service credit and request a bill beginning in September.
<b>Service credit application</b>	Mail the following forms to DRS: <ul style="list-style-type: none"> <li>Classified Substitute's Application for Service Credit.</li> <li>Member Information Form (MIF) for Classified Substitutes.</li> </ul> Carefully consider your plan choice – it's permanent and you cannot change it.	All members must complete a <i>Classified Substitute's Application for Service Credit</i> and mail it to DRS. Only Plan 3 members and those Plan 2 members who decide to transfer to Plan 3 need to complete a <i>Member Information Form (MIF) for Classified Substitutes</i> .
<b>Plan choice</b>	You may choose between SERS Plan 2 and Plan 3. To learn more, read the <i>Plan Choice Booklet</i> at <a href="http://www.drs.wa.gov">www.drs.wa.gov</a> . Indicate which plan you'd like to join on your <i>MIF for Classified Substitutes</i> .	You made a plan choice when you first applied for substitute service credit. You chose either SERS Plan 2 or Plan 3.
<b>Transfer rights</b>	New members do not have transfer rights. Once you make a plan choice, you remain in your chosen plan.	There are some Plan 2 members who may transfer to Plan 3. To learn more, read the <i>Plan Choice Booklet</i> at <a href="http://www.drs.wa.gov">www.drs.wa.gov</a> . Established Plan 3 members remain in Plan 3.
<b>SERS begin date</b>	Your SERS membership officially begins on the day your substitute bill is paid in full.	Your membership begin date is either: <ul style="list-style-type: none"> <li>When you were first hired into a SERS-eligible position; or</li> <li>When you paid your first substitute bill in full.</li> </ul>

### When will I receive a bill?

Upon receipt of your application materials, DRS will determine the amount of service credit you are eligible to purchase and will send you a bill for the amount due. DRS will apply the service credit to your account once you pay your bill in full. Your employer will receive a bill for the employer contributions due.

### How do I pay my bill?

Payment must be made in a full lump sum. You may make direct payment with a personal check or cashier's check. In many cases it is also possible to transfer funds from another eligible retirement account to purchase service credit (please check with the administrator of your account). DRS is classified by the IRS as a 401(a) account. DRS cannot accept funds in excess of the cost to make your purchase.



## How much service credit is established when I pay my bill in full?

If this applies to you...	You earn this service credit...
You work 810 hours or more, begin working in September and work at least 9 months of the school year.	12 service credit months per school year.*
You work 630 - 809 hours, begin working in September and work at least 9 months of the school year.	6 service credit months (0.5 service credit for each month) per school year.*
You work at least 630 hours in at least 5 months within a 6-month period during the school year.	6 service credit months per school year beginning with the 2008/2009 school year.*
All other instances.	1.0 service credit month for each month you work 90 or more hours.
	0.5 service credit month for each month you work at least 70 but less than 90 hours.
	0.25 service credit month for each month you work less than 70 hours (but more than zero).

\* A school year is September 1 through August 31. We will apply the method that provides you the most service credit.

### Will I owe interest on my bill?

The interest-free period lasts through February immediately following the end of the school year you worked. If you wait to make payment until after the last day of February, you are then charged interest on both member and employer contributions for Plan 2, and employer contributions only for Plan 3.

### Am I required to submit a quarterly report?

You are only required to submit a quarterly report if you are purchasing service credit for the 2003-04 school year. Quarterly reports must show the exact hours you worked and compensation you earned each month, and must be signed by your employer.

### What if I withdrew my SERS contributions?

If you were previously a member of SERS Plan 2 and withdrew your contributions, you can re-establish your membership. To re-establish membership in Plan 2 you must:

- Work as a classified substitute for five months for at least 70 or more hours per month during a school year;

- Complete the attached *Classified Substitute's Application for Service Credit* to receive a bill; and
  - Pay the bill in full.
- If you are a Plan 3 member and withdrew your contributions, you may continue to apply for service credit in Plan 3.

### Contacting DRS

- Website: [www.drs.wa.gov](http://www.drs.wa.gov)
- Email: [recep@drs.wa.gov](mailto:recep@drs.wa.gov)
- Telephone: 800.547.6657
- Local: 360.664.7000
- TTY: 360.586.5450
- Address: PO Box 48380  
Olympia, WA 98504-8380

February 2013

### Summary Description

The rules governing classified substitutes are contained in state retirement law. This publication is a summary, written in non-legal terms. It is 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.



SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS)

**CLASSIFIED SUBSTITUTE'S  
APPLICATION FOR SERVICE CREDIT**

PO Box 48380 Olympia, WA 98504-8380 ♦ www.drs.wa.gov  
Toll Free: 1-800-547-6657 ♦ Olympia Area: 360-664-7000 ♦ TTY: 360-586-5450

**INSTRUCTIONS**

**When to apply:**

- Applications are accepted beginning in September following the school year you worked.

**What to submit to DRS with this signed application:**

- A completed, signed Member Information Form (MIF) for Classified Substitutes.
- Copies of any quarterly reports, if required. (See "Am I required to submit a quarterly report?" on page two of the Classified Substitute's Guide.)

**Where to send the application:**

Department of Retirement Systems  
PO Box 48380  
Olympia, WA 98504-8380

**Interest free deadline:**

The interest-free period lasts through February immediately following the end of the school year you worked. If you wait to make payment until after the last day of February, you are then charged interest on both member and employer contributions for Plan 2, and employer contributions only for Plan 3.

**Beneficiary designation:**

If you wish to update your designated beneficiaries, contact your employer or visit the DRS Web site to obtain a Beneficiary Designation form.

**APPLICANT INFORMATION**

Applicant Name (Last, First, Middle)			Social Security Number
Mailing Address			
City	State	ZIP Code	Phone Number (    )

**APPLICANT SIGNATURE**

The information I have provided in this application and any attached quarterly reports are accurate representations of my substitute activities during the \_\_\_\_\_ - \_\_\_\_\_ school year. I understand that information submitted with this application will be verified by my employers upon receipt of my application. I also understand that under the repeal of gain sharing, new members of SERS receive the choice of plan 2 or 3. If a court of law decides the repeal of gain sharing is invalid, any new SERS members after that action would not have a choice between Plan 2 and Plan 3 and would be mandated into Plan 3.

Applicant Signature	Date
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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.



**WORK LOG FOR SCHOOL YEAR (please make additional copies if necessary)**

**Example:** This example assumes a salary of \$20/hr and a contribution rate of 3.14% for SERS Plan 2 and 5% for SERS Plan 3.

<b>Employer Name</b> <u>Sample School District</u>													<b>School Year</b> <u>2008</u> - <u>2009</u>	
Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total	
Salary Earned	\$800	\$1400	\$1400	\$600	\$1400	\$1400	\$1400	\$1000	\$1000	\$400	\$0	\$0	\$10,800	
Hours Worked	40	70	70	30	70	70	70	50	50	20	0	0	540	

  

<b>Estimated Billing Amount for SERS Plan 2:</b>	<u>\$10,800.00</u>	x	<u>0.0314</u>	=	<u>\$339.12</u>
	(Total Compensation)		(Contribution Rate)		(Billing Amount)
<b>Estimated Billing Amount for SERS Plan 3:</b>	<u>\$10,800.00</u>	x	<u>0.05</u>	=	<u>\$540.00</u>
	(Total Compensation)		(Minimum Contribution Rate)		(Billing Amount)

**1. Employer Name** \_\_\_\_\_ **School Year** \_\_\_\_\_ - \_\_\_\_\_

Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total
Salary Earned													
Hours Worked													

  

**Estimated Billing Amount:** \_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

(Total Compensation) (Contribution Rate) (Billing Amount)

**2. Employer Name** \_\_\_\_\_ **School Year** \_\_\_\_\_ - \_\_\_\_\_

Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total
Salary Earned													
Hours Worked													

  

**Estimated Billing Amount:** \_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

(Total Compensation) (Contribution Rate) (Billing Amount)

**3. Employer Name** \_\_\_\_\_ **School Year** \_\_\_\_\_ - \_\_\_\_\_

Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total
Salary Earned													
Hours Worked													

  

**Estimated Billing Amount:** \_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

(Total Compensation) (Contribution Rate) (Billing Amount)

**4. Employer Name** \_\_\_\_\_ **School Year** \_\_\_\_\_ - \_\_\_\_\_

Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Total
Salary Earned													
Hours Worked													

  

**Estimated Billing Amount:** \_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_

(Total Compensation) (Contribution Rate) (Billing Amount)

**Total Estimated Billing Amount: \$** \_\_\_\_\_



SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS)

**MEMBER INFORMATION FORM  
FOR CLASSIFIED SUBSTITUTES**

PO Box 48380 Olympia, WA 98504-8380 ♦ www.drs.wa.gov  
Toll Free: 1-800-547-6657 ♦ Olympia Area: 360-664-7000 ♦ TTY: 360-586-5450

*For plan, contribution rate and investment program selection.*

**INSTRUCTIONS**

**New Members**

You are a new member if you have never established membership in SERS. SERS substitutes are eligible to choose either Plan 2 or Plan 3.

- Choosing Plan 2 – Complete Sections 1 and 2A
- Choosing Plan 3 – Complete Sections 1, 2A, 3 and 4

**Established Members**

You are eligible to transfer to Plan 3 if you have already established membership under SERS Plan 2 and that Plan 2 membership was not a result of an permanent plan choice. If you have already established membership under Plan 3, you will remain in Plan 3.

- Transferring to Plan 3 – Complete Sections 1, 2B, 3 and 4
- Returning Plan 3 Members – Complete Sections 1, 3, and 4

**SECTION 1: Personal Data – To Be Completed by All Members**

Name (Last, First, Middle)		Maiden Name	Social Security Number
Mailing Address	City	State ZIP	Phone Number ( )

**SECTION 2: Retirement Plan Selection**

**Complete either A or B below.**

**A) To be completed by new members**

Choose One:  Plan 2     Plan 3 (requires completing Sections 3 and 4 on back)

I certify that I have chosen the retirement plan marked above for the calculation of my substitute bill and I understand that upon payment of the bill in full, I will establish membership in the plan I have chosen. I further understand that my plan choice is permanent.

Member Signature (required)	Date
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**B) To be completed by any Plan 2 member who is eligible to transfer to Plan 3**

I certify that I have chosen to transfer from Plan 2 to Plan 3. I understand upon payment of the bill in full, I will establish membership in Plan 3 and all service and contributions currently posted to Plan 2 will transfer to Plan 3. I further understand that my Plan 3 choice is permanent.

Member Signature (required)	Date
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*Continued on back*



**SECTION 3: Selection of Contribution Rate (To Be Completed by All Plan 3 Members)**

Place a check mark in the box next to the contribution rate option you choose. If you do not choose an option, your default will be Option A. Once established by selection or default, you may change your rate option with future applications for substitute service credit unless you obtain employment in an eligible non-substitute position.

		Base Rate	Additional Rate	Total Member Contribution Rate
<input type="checkbox"/>	<b>Option A</b> All ages	5.0%	0.0%	<b>5.0%</b>
<input type="checkbox"/>	<b>Option B</b> Up to age 35	5.0%	0.0%	<b>5.0%</b>
	Age 35 to 44	5.0%	1.0%	<b>6.0%</b>
	Age 45 and above	5.0%	2.5%	<b>7.5%</b>
<input type="checkbox"/>	<b>Option C</b> Up to age 35	5.0%	1.0%	<b>6.0%</b>
	Age 35 to 44	5.0%	2.5%	<b>7.5%</b>
	Age 45 and above	5.0%	3.5%	<b>8.5%</b>
<input type="checkbox"/>	<b>Option D</b> All ages	5.0%	2.0%	<b>7.0%</b>
<input type="checkbox"/>	<b>Option E</b> All ages	5.0%	5.0%	<b>10.0%</b>
<input type="checkbox"/>	<b>Option F</b> All ages	5.0%	10.0%	<b>15.0%</b>

Member Signature (required)	Date
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**SECTION 4: Selection of Investment Program (To Be Completed by All Plan 3 Members)**

You can obtain information about both investment programs by contacting ICMA-RC toll-free at 1-888-711-8773. If you do not choose a program, your contributions will be reported into WSIB.

Place a check mark in the box next to the investment program you choose:

- Washington State Investment Board (WSIB) Investment Program.**
- Self-Directed Investment Program.** Call 1-888-711-8773 or go online at <http://www.icmarc.org/plan3> to set up your investment allocation.

Member Signature (required)	Date
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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.