WAC 415-02-175 May I establish service credit for the time I was on an unpaid authorized leave of absence? (1) **Will I get service credit for the time I was on an unpaid authorized leave of absence?** You will receive service credit for the period of time you are on an unpaid authorized leave of absence, up to a maximum of 24 service credit months during your entire working career, provided all of the following apply:

(a) You are a member of LEOFF Plan 2, PERS Plan 2 or 3, PSERS, SERS Plan 2 or 3, or TRS Plan 2 or 3;

(b) Your leave of absence was authorized by your employer;

(c) You resumed employment according to the requirements in subsection (3) of this section, unless you are a member of LEOFF Plan 2; and

(d) You establish the service credit for the period of leave according to the provisions in this section.

(2) **How does an unpaid authorized leave of absence affect my retirement?** If you establish service credit for the period of time you were on an unpaid authorized leave of absence:

(a) It will be used as part of your total service credit to determine retirement eligibility and pension; but

(b)(i) Except as noted in (b)(ii) of this subsection, the period of time you were on leave will not be included in your average final compensation period.

Example:
Joseph has the following earnable compensation prior to retirement:

YR 1	$30,000
YR 2	$35,000
YR 3	$40,000
YR 4	$45,000
YR 5	$50,000
YR 6	Unpaid leave of absence for entire year
YR 7	$55,000

Joseph's AFC period will be YR 2, YR 3, YR 4, YR 5, and YR 7.

(ii) This provision does not apply to interruptive military service. If you establish service credit for a period of interruptive military service and that period falls in your AFC period, you are entitled to have the salary you would have earned during that time period used in the calculation of your AFC.

(3) **Do I qualify to establish this service credit?** As a requirement for establishing this service credit, you must resume employment within the same retirement system you left, unless you are a LEOFF Plan 2 member and retire instead of returning to work.

(a) After resuming employment, you may request, and pay for, service credit whether you are a contributing member or whether you become inactive.

(b) If you are a law enforcement officer in LEOFF Plan 2 and took a part-time unpaid leave of absence while you worked part-time, you may request service credit. In this case, you may only request part-time service credit for the portion of time you were on unpaid leave of absence.

(4) **How do I request this service credit?** If you wish to establish this service credit, you must contact the department. The depart-

ment will obtain written verification from your employer confirming the months of your authorized leave of absence and your salary for the months preceding and following the leave.

(5) **How does the department determine the cost of establishing this service credit?**

(a) In order to establish service credit for the period of time you were on leave of absence, you must pay the employee and employer retirement contributions, plus applicable interest. LEOFF Plan 2 members must also pay the contributions normally paid by the state.

(b) The amount of the employee and employer contributions is calculated as follows:

(i) For TRS members, the salary upon which contributions are calculated is determined by averaging the salary earned for the school year, as defined in RCW 28A.150.040, prior to your unpaid leave of absence and the salary earned in the school year after you returned to work. If you were on leave of absence for less than the entire school year, that year's salary will be prorated according to the number of months you were on leave of absence.

(ii) For law enforcement officers in LEOFF Plan 2 who took a part-time unpaid leave of absence while working part-time, the salary upon which contributions are calculated is determined by:

(A) Averaging your basic salary during the last full month of employment before your part-time leave of absence, and your basic salary during the first full month after you return to full-time employment; and

(B) Multiplying the monthly salary determined according to (b)(ii)(A) of this subsection by the number of months you were on leave.

(C) For members retiring directly from an authorized leave of absence instead of returning to work, the basic salary at the time that the authorized leave of absence was granted will be adjusted for any cost-of-living or other pay increases provided to similar jobs or job classes during each month of the leave period.

(iii) For members of other systems, the salary upon which contributions are calculated is determined by:

(A) Averaging the compensation earned during the last full month of employment before your leave of absence, and the compensation you earned during the first full month after you returned to work; and

(B) Multiplying the monthly salary determined according to (b)(iii)(A) of this subsection by the number of months you were on leave.

If you worked part-time prior to the leave of absence, partial month wages will be used to estimate your average salary. In this case, you may only establish part-time service credit for the period of time you were on leave of absence.

(6) **What is the payment process for establishing this service credit?**

(a) You may purchase this service credit in one payment, or make payments at any time until the deadline expires.

(b) Interest will accrue on the unpaid balance until payment is made in full.

(c) The department will accept funds that have been rolled over from a tax deferred retirement account for the purchase of the service credit. However, the amount you may roll over is limited to the purchase price of the service credit. If the rollover amount does not cover the entire purchase price, you must pay the additional amount within 30 days of the rollover. If the balance is not paid within 30

days, the rollover funds will be returned to the original financial institution.

(d) If you took more than one authorized leave of absence, the department will bill you separately for each occurrence. Service credit will be granted for each occurrence only after the bill for that period is paid in full.

(7) **What is the deadline for establishing this service credit?** Except as provided in subsection (9) of this section:

(a) If you are a member of LEOFF Plan 2, PERS Plan 2, PSERS, or SERS Plan 2, payment in full must be received within five years from the initial date of your return to an eligible position, or prior to your retirement, whichever occurs first.

(b) If you are a member of PERS Plan 3 or SERS Plan 3, payment in full must be received prior to your retirement.

(c) If you are a member of TRS Plan 2 or 3, payment in full must be received by August 31st of the fifth school year, as defined in RCW 28A.150.040, after you return to employment or prior to your retirement, whichever comes first. The school year during which you return to work will be counted as year one.

(8) **What if I do not make payment in full by the deadline?**

(a) If you are a Plan 2 member or a PSERS member and do not make payment in full by the deadline, the amount you paid will be refunded to you.

(b) If you are a Plan 3 member and do not make payment by the deadline, the portion of your payments that were:

(i) Employer contributions will be refunded to you; and

(ii) Employee contributions will be deposited into your defined contribution account and available to you only upon separation from service.

(c) If you are a Plan 2 member or a PSERS member, the department will refund partial payments prior to the deadline upon your request.

(d) If you are a PERS Plan 2, SERS Plan 2, or TRS Plan 2 member and transfer to Plan 3 prior to making payment in full:

(i) The department will refund any partial payments; and

(ii) You must reapply under Plan 3 if you still wish to establish this service credit.

(9) **What is the exception to the deadline?** After your initial deadline has passed, you retain the right to establish this service credit until the date of your retirement. However, the purchase price will be equal to the full actuarial value of the increase in benefit that results from the purchased service credit. The department will use the two-part formula in WAC 415-10-030 to determine actuarial value.

(10) **What state law applies to establishing service credit for an unpaid authorized leave of absence?**

(a) PERS Plan 2: RCW 41.40.710;
(b) PERS Plan 3: RCW 41.40.805;
(c) TRS Plan 2: RCW 41.32.810;
(d) TRS Plan 3: RCW 41.32.865;
(e) SERS Plan 2: RCW 41.35.470;
(f) SERS Plan 3: RCW 41.35.650;
(g) LEOFF Plan 2: RCW 41.26.520;
(h) PSERS: RCW 41.37.260;
(i) Deadline extension: RCW 41.50.165.

[Statutory Authority: RCW 41.50.050 and 2025 c 112. WSR 26-10-011, s 415-02-175, filed 4/27/26, effective 4/28/26. Statutory Authority: RCW

41.50.050(5). WSR 14-06-053, § 415-02-175, filed 2/27/14, effective 10/1/14. Statutory Authority: RCW 41.50.050(5), 41.40.710, 41.40.805, 41.32.810, 41.32.865, 41.35.470, 41.35.650, 41.26.520, 41.37.260. WSR 06-18-009, § 415-02-175, filed 8/24/06, effective 9/24/06. Statutory Authority: RCW 41.50.050(5), 41.40.710, 41.40.805, 41.32.810, 41.32.865, 41.35.470, 41.35.650, 41.26.520, 41.50.165. WSR 04-20-005, § 415-02-175, filed 9/23/04, effective 10/24/04.]