RETIREMENT ELIGIBILITY RULES
INCLUDED IN THIS PRESENTATION

> PERS 1, 2, or 3
  – (Public Employees Retirement System)
> TRS 1 or 3
  – (Teachers Retirement System)
> LEOFF 2
  – (Law Enforcement Officers’ and Fire Fighters’ Retirement Plan)
AGENDA

> Introduction to the DRS
> Retirement eligibility rules
> Retirement income options
> PEBB Retiree Health Insurance Eligibility
> Medicare & Enrollment
> PEBB Retiree Health Insurance Enrollment
> Retiree Life Insurance
> Annual leave and sick leave pay-out (VEBA)
> Retirement Checklist
> Working after retirement
> UW Retirement Association
Terms

- DRS – Department of Retirement Systems
- PERS – Public Employees Retirement System
- TRS – Teacher’s Retirement System
- LEOFF – Law Enforcement Officers and Fire Fighters Retirement System
- ERF – Early Retirement Factor
- AFC – Average Final Compensation
- SCY – Service Credit Years
RETIREMENT ELIGIBILITY

PERS 1/TRS 1

> At least age:
  – 60 with 5 Service Credit Years; or
  – 55 with 25 Service Credit Years; or
  – ANY AGE with 30 Service Credit Years
RETIREMENT ELIGIBILITY

PERS 2/ LEOFF 2

> PERS 2
  – 65 with 5 Service Credit Years; or
  – Early Retirement at age 55 with 20* Service Credit Years

> LEOFF 2 Retirement Eligibility
  – 53 with 5 Service Credit Years; or
  – Early Retirement at age 50 with 20* Service Credit Years

*Actuarially Reduced Benefit
RETIREMENT ELIGIBILITY

PERS 3/TRS 3

> Normal Retirement:
  - 65 with 10 Service Credit Years; OR
  - 65 with 5 (12 service credit months earned after 44) Service Credit Years OR
  - 65 with 5 service credit years earned in PERS 2 and transferred to PERS 3 before June 1, 2003; TRS 3 before June 1, 2003

> Early Retirement
  - 55 with 10 Service Credit Years (Actuarially Reduced Benefit based on ERF)
RETIREMENT ELIGIBILITY

EARLY RETIREMENT FACTOR (ERF): PERS 2 or PERS/TRS 3

> Members less than age 65 with 30+ years of service credit will have their benefit calculated with the 2008 ERF:

> Members less than age 65 with less than 30+ years of service credit are subject to the 3% ERF:
  - 3% ERF – larger reduction compared to 2008 ERF
HOW DOES DRS CALCULATE MY PENSION?
PENSION CALCULATION

PERS 1 / TRS 1 RETIREMENT FORMULA

2% X Service Credit Years X AFC*

- *AFC = Average Final Compensation
  - Monthly average of 24 consecutive highest paid service credit months
  - TRS 1 highest two consecutive fiscal years (July 1- June 30)

Example:

- 2% x 25 SCY x AFC $3,000/month = $1,500/month
  - Maximum benefit of 60% AFC
  - Unused annual leave (240 hours maximum) to increase your benefit:
    - To be included, the leave must have been earned during your Average Final Compensation* period (your highest-paid 24 consecutive service credit months)
PENSION CALCULATION

PERS 2/ LEOFF 2 RETIREMENT FORMULA

> 2% X Service Credit Years X AFC*
  - *AFC = Average Final Compensation
  - Monthly average of 60 consecutive highest paid service credit months

> Example:
  - 2% x 25 SCY x AFC $3,000/month = $1,500/month
  - No maximum benefit
  - No vacation pay included
PENSION CALCULATION

PERS 3/TRS 3 RETIREMENT FORMULA

A Dual Benefit Structure

> Defined Benefit Component

> Employer contributions

  – 1% x Service Credit Years x AFC

  – AFC is monthly average of 60 consecutive highest paid service credit months

> Example:

  – 1% x 25 SCY x AFC $3,000/month = $750/month

  – No maximum benefit; no vacation pay included
PENSION CALCULATION

PERS 3/TRS 3 RETIREMENT FORMULA

Defined Contribution Component

> Funded by employee contributions
> Your contribution rate, investment choices and fund performance determine your benefit
> Contact DRS for information about your options
  – Leave in the plan
  – Partial or complete withdrawal
  – Lifetime annuity option
  – Transfer to another qualified plan
  – Review tax implications before taking action
DEPARTMENT OF RETIREMENT SYSTEMS (DRS)

FOR DETAILED RETIREMENT QUESTIONS INCLUDING:

- Military Service Credit
- Purchasing service credit
- I received notification you have received my application—will I hear from you again
- Can service credit from another state be used to qualify for retirement
- How does membership in another system affect my retirement.
- What kind of deductions can be taken from my check.
- Other frequently asked questions:

http://www.drs.wa.gov/retirement-planning/faq/
PEBB-ELIGIBILITY – RETIREE INSURANCE

Must be vested member of and meet the eligibility criteria to retire from a Washington State sponsored retirement plan when your own PEBB coverage ends:

- Elect a monthly retirement plan payment no later than the first month following end of PEBB coverage, unless one of the following exceptions apply:
  - Lump-Sum elected if DRS offered you a lump-sum as well as an ongoing monthly payment option
  - PERS 2 – Separated on or after January 1, 2024 and you are at least age 55 with at least 20 years of PERS 2 service credit
  - PERS/TRS 3 – Separated and you are at least age 55 with at least 10 years of PERS 3 service credit
THANK YOU FOR ATTENDING!

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