

# RETIREMENT INCOME OPTIONS

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UNIVERSITY *of* WASHINGTON



## **INCLUDED IN THIS PRESENTATION**

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- > **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

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- > Steps to retirement
- > Retirement eligibility rules
- > Retirement income options
- > PEBB Retiree Health insurance
- > Medicare & Enrollment
- > Retiree Life Insurance
- > Annual leave and sick leave pay-out (VEBA)
- > Retirement Checklist
- > Working after retirement & other planning considerations



# KEY TERMS

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## ACRONYMS

- > **COLA: means cost of living adjustment**
- > **UWMC: University of Washington Medical Center**
- > **HMC: Harborview Medical Center**
- > **DRS: Department of Retirement Systems**
- > **PERS: Public Employees Retirement System**
- > **TRS: Teacher's Retirement System**
- > **LEOFF: Law Enforcement Officers and Fire Fighter's Retirement System**

# DEPARTMENT OF RETIREMENT SYSTEMS APPLICATION



## Plans 2 and 3 Application for Service Retirement

This form is for members of the Teachers' Retirement System (TRS) only.

Date of Birth (mm/dd/yyyy) 05/15/1950	Phone Number XXX-XXX-XXXX	Alternate Phone Number
Email Address hhusky@gmail.com		
Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input checked="" type="checkbox"/> Married/Registered Domestic Partnership <input type="checkbox"/> Separated <input type="checkbox"/> Divorced If you are, or have been, divorced or separated, was your spouse awarded any portion of your retirement? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, you might be required to provide documentation of your divorce decree. By law, you must provide your marital status and notify DRS of any change in marital status that occurs before your retirement.		
<b>Employment Information</b>		
Employer University of Washington	Job Title Retirement Consultant	
Date Separated from Employment (mm/dd/yyyy) 06/30/20XX	Effective Date of Retirement (mm/01/yyyy) 07 01 20XX	
Are you a member or retiree of a separate retirement plan covered by the city of Seattle, Spokane or Tacoma? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, which one(s)? <input type="checkbox"/> Seattle <input type="checkbox"/> Spokane <input type="checkbox"/> Tacoma	If Retired, Date of Retirement (mm/dd/yyyy)
Have you ever contributed or are you currently contributing to a higher education retirement plan (HERP) in Washington state? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes, Employer Name	If Yes, Dates (mm/dd/yyyy) From: _____ To: _____
<b>Early Retirement Factor (ERF) Selection</b> (for members hired before May 1, 2013, who are retiring before age 65 with 30 or more years of service credit) <input type="checkbox"/> 3% ERF: Your benefit is reduced by 3% for each year before age 65 you retire. <input type="checkbox"/> 2008 ERF: Your benefit is not reduced if you retire at age 62 or later. However, it is reduced for each year before age 62. If you return to work in any capacity for a DRS-covered employer before age 65, you will not receive a benefit for any month in which you work. The 2008 ERF became effective July 1, 2008, for PERS members.		

DRS P 354 3/17



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## Plan 1 Application for Service Retirement

This form is for members of the Public Employees' Retirement System (PERS) only.

05/15/1950	XXX-XX-XXXX	
Email Address hhusky@gmail.com		
Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input checked="" type="checkbox"/> Married/Registered Domestic Partner <input type="checkbox"/> Separated <input type="checkbox"/> Divorced If you are, or have been, divorced or separated, was your spouse awarded any portion of your retirement? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, you might be required to provide documentation of your divorce decree. By law, you must provide your marital status and notify DRS of any change in marital status that occurs before your retirement.		
<b>Employment Information</b>		
Employer University of Washington	Job Title Payroll Coordinator	
Date Separated from Employment (mm/dd/yyyy) 06/30/2017	Effective Date of Retirement (mm/01/yyyy) 07 01 2017	
Are you a member or retiree of a separate retirement plan covered by the city of Seattle, Spokane or Tacoma? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, which one? <input type="checkbox"/> Seattle <input type="checkbox"/> Spokane <input type="checkbox"/> Tacoma	If retired, date of retirement (mm/dd/yyyy)
Have you ever or are you currently contributing to a higher education retirement plan (HERP) in Washington state? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, employer name	If yes, dates (mm/dd/yyyy) From: _____ To: _____
<b>Optional Cost-of-Living Adjustment</b> <input type="checkbox"/> I choose the Optional COLA. <input type="checkbox"/> I don't choose the Optional COLA.		



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# RETIREMENT INCOME OPTIONS

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## SINGLE LIFE OPTION

### > Option 1

- Pays the highest monthly amount of the four choices
- No ongoing payments after you die
- Any remaining account balance (your contributions plus interest) will be paid as lump sum to your named beneficiary

# RETIREMENT INCOME OPTIONS

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## SURVIVOR OPTION

- > **Option 2 - Joint and 100% Survivor**
  - reduced benefit to the retiree; designated survivor receives same amount you were receiving for his/her lifetime
- > **Option 3 - Joint and 50% Survivor**
  - reduced benefit to the retiree; designated survivor receives 50% of your benefit for his/her lifetime
- > **Option 4 – Joint and 66.67% Survivor**
  - reduced benefit to the retiree; designated survivor receives 66.67% of your benefit for his/her lifetime

*Click on the links below to see plan specific EXAMPLES of applications:*

[DRS PERS Application for Service Retirement - Plans 2 and 3](#)



**DEP**

You must choose either Single Life Option OR Survivor Option.

**Single Life Benefit Option** (choose only one benefit option)

**Survivor Benefit Options** (choose only one benefit option)

Option 2 — 100% Survivor       Option 3 — 50% Survivor       Option 4 — 66.67% Survivor

**Survivor Designation**

Name of Survivor (Last, First, Middle)	Date of Birth	Mailing Address		
Husky, Mary	07/01/1950	123 Main Street		
Social Security Number	Relationship	City	State	ZIP
987-65-4321	spouse	Seattle	WA	98119

**Survivor Proof of Age**

Please check mark one of the proof-of-age documents in this box, and submit a copy of it with your application.

- Birth Certificate
- Passport/Passport Card
- Government-Issued Driver License
- Government-Issued Identification (ID) Card
- NEXUS Card
- Naturalization Certificate
- Certificate of Armed Services Record — US DD-214



Relationship	Social Security Number	Date of Birth	City	State	ZIP

# RETIREMENT INCOME OPTIONS

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## POP-UP PROVISION

- > **If you choose a Survivor Option and designated survivor predeceases you**
  - > **Notify DRS to initiate adjustment**
  - > **Your retirement benefits will be adjusted to Single Life Option 1**



# DEPARTMENT OF RETIREMENT SYSTEMS

## Spousal/Registered Domestic Partner Declaration of Consent (notarization required)

Member  
I am  
(Opti  
Mem  
State  
Date  
Notar  
Notar

If you are married or in a registered domestic partnership, the following section must be completed and signed regardless of the retirement option you selected. If you are married or in a registered domestic partnership and don't complete this section, DRS will automatically use Option 3 when calculating your benefit.

I, \_\_\_\_\_, as the spouse or registered domestic partner of the applicant, declare that I am aware of the retirement option chosen and its effect on me. I consent to the option my spouse or registered domestic partner chose on page 5.

Spouse/Registered Domestic Partner Signature		Date
State of	County of	Seal or Stamp
Date Signed or Attested Before Me	Date My Appointment Expires	
Notary Signature		
Notary Name		Notary Title

tion \_\_\_\_

**Notarization is required to process your application.**

# DEPARTMENT OF RETIREMENT SYSTEMS APPLICATION



## Plan 1 Application for Service Retirement

This form is for members of the Public Employees' Retirement System (PERS) only.

<input type="checkbox"/> Single <input type="checkbox"/> Widowed <input checked="" type="checkbox"/> Married/Registered Domestic Partner <input type="checkbox"/> Separated <input type="checkbox"/> Divorced If you are, or have been, divorced or separated, was your spouse awarded any portion of your retirement? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, you might be required to provide documentation of your divorce decree. By law, you must provide your marital status and notify DRS of any change in marital status that occurs before your retirement.		
<b>Employment information</b>		
Employer University of Washington	Job Title Payroll Coordinator	
Date Separated from Employment (mm/dd/yyyy) 06/30/2017	Effective Date of Retirement (mm/01/yyyy) 07/01/2017	
Are you a member or retiree of a separate retirement plan covered by the city of Seattle, Spokane or Tacoma? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, which one? <input type="checkbox"/> Seattle <input type="checkbox"/> Spokane <input type="checkbox"/> Tacoma	If retired, date of retirement (mm/dd/yyyy)

### Optional Cost-of-Living Adjustment

I choose the Optional COLA.

I don't choose the Optional COLA.



# **COST OF LIVING ADJUSTMENT (COLA)**

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PERS/TRS 1

## **> Optional COLA**

- **Cannot increase or decrease more than 3% of your previous year benefit—can never reduce your benefit to less than your original amount –based on the consumer price index**
- **Reduces your initial pension if Optional COLA is elected**
- **If elected, you will receive an annual cost-of-living adjustment every July after being retired one full year**
- **Election of this benefit is permanent**
- **To find out your benefit with and without optional COLA go to DRS website-Optional COLA calculator**

# **COST OF LIVING ADJUSTMENT (COLA)**

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PERS 2/TRS 3, & LEOFF 2

- > **Up to 3% annual increase per year (based upon regional index)**
- > **No election necessary**
- > **No reduction to monthly benefit**
- > **Paid July 1 each year to members who have been retired at least one full year**

# TAXES

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- > Pension is fully taxable income (for most)
- > Retirees receive IRS 1099-R form from DRS
- > Contributions made prior to September 1, 1984 were taken POST-TAX
  - Reduced taxable income
  - On 1099-R box 5 – lists amount paid out that was already taxed
  - On 1099-R:
    - > Box 1 – Gross earnings
    - > Box 2 – Taxable earnings
    - > Box 5 – Amount paid out that was already taxed





## **RECEIVING YOUR PENSION**

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- > **Receive your pension by mailed check, or**
- > **Receive your pension by Direct Deposit**
- > **Pension checks are issued on the LAST day of the month**



# RECEIVING YOUR PENSION

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LAST DAY WORKED	FINAL PAY	VACATION PAY
1 <sup>ST</sup> -15 <sup>TH</sup>	25 <sup>TH</sup>	10 <sup>TH</sup> *
16 <sup>TH</sup> - end of month	10 <sup>TH</sup> *	25 <sup>TH</sup> *

\*of the following month



# RECEIVING YOUR PENSION

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## EXAMPLE

- > **Your last day of work is June 30.**
- > **Your effective date of retirement is July 1.**
- > **Final pay will be paid on July 10.**
- > **Vacation payout may\*\* be paid on July 25.**
- > **Receive first DRS pension check on July 31.**

**\*\* UWMC and HMC may have a delay in vacation payout. Check with your department regarding timing**

# **AGENDA**

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- > **Steps to retirement**
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- > **Retirement income options**
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- > **Medicare & Enrollment**
- > **Retiree Life Insurance**
- > **Annual leave and sick leave pay-out (VEBA)**
- > **Retirement Checklist**
- > **Working after retirement**



# THANK YOU FOR ATTENDING!

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## Total Benefits office contact information:

**Web:** <http://hr.uw.edu/benefits/>  
**Email:** [totalben@uw.edu](mailto:totalben@uw.edu)  
**Phone:** 206-543-4444  
**Address:** UW Tower, Box 359556, Seattle, WA 98195  
4333 Brooklyn Ave NE, UW Tower, O Building, 1st floor

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