

RETIREMENT ELIGIBILITY RULES

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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

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



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

- At Least Age:
- 65 with 5 Service Credit Years; or
- 55 with 20* Service Credit Years
(*Actuarially Reduced Benefit)

> LEOFF 2 Retirement Eligibility

- 53 with 5 Service Credit Years; or
- 50 with 20* Service Credit Years
(*Actuarially Reduced Benefit)

RETIREMENT ELIGIBILITY

PERS 3/TRS 3

> At Least age:

- 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 July 1, 1996 OR
- 55 with 10* Service Credit Years (*Actuarially Reduced Benefit)

RETIREMENT ELIGIBILITY

EARLY RETIREMENT FACTOR: PERS 2 OR 3

- > **Members less than age 65 with 30+ years of PERS service credit have choice of which reduction factor to retire under:**
 - **2008 ERF option** - less severe reduction in monthly benefit; no reduction starting age 62 however cannot return to work for a Washington State public employer without forfeiting pension until age 65
 - **3% ERF Option** - larger reduction but have option to return to work at a Washington State public employer prior to age 65 subject to DRS return to work rules

For more information about rules and eligibility please click [here](#).

HOW DOES DRS CALCULATE MY PENSION?

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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

PENSION CALCULATION

PERS 3/TRS 3 RETIREMENT FORMULA

> Example:

- $1\% \times 25 \text{ SCY} \times \text{AFC } \$3,000/\text{month} = \$750/\text{month}$
- No maximum benefit; no vacation pay included

> **Must be taking DB benefit immediately after separation to be UW Retiree**

> **Eligible for retiree medical benefit at 55+ 10 YOS without drawing DB-not eligible for VEBA or retiree Husky Card**

PENSION CALCULATION

PERS 3/TRS 3 RETIREMENT FORMULA

Defined Contribution Component

- > Employee contributions**
- > Your investment choice and fund performance determine how and when you take your payment**
- > Contact DRS for information about your options**
 - Leave in the plan**
 - Partial or complete withdrawal or transfer; review tax implications before doing this**

DEPARTMENT OF RETIREMENT SYSTEMS (DRS)

FOR DETAILED RETIREMENT QUESTIONS INCLUDING:

- > 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/>

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THANK YOU FOR ATTENDING!

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