

## ▶ Facts in a Flash

### **Membership definition**

You are a member of Public Employees' Retirement System (PERS) Plan 2 if you were first hired into an eligible position:

- with a covered employer on or after Oct. 1, 1977.
- with a covered employer on or after March 1, 2002, for state agencies and higher education; or Sept. 1, 2002, for local government employers, and chose PERS Plan 2.

### **Contribution rates**

You and your employer each contribute a percentage of your salary or wages to help fund the plan. The Pension Funding Council adopts contribution rates and periodically adjusts them to reflect the overall cost of the plan. The Legislature has the final decision on contribution rates.

### **Benefit formula**

$2\% \times \text{service credit years} \times \text{Average Final Compensation} = \text{monthly benefit}$

### **How service credit is accumulated**

Service credit is based on the hours you are compensated.

- 90 hours = 1 service credit month
- Less than 90 but at least 70 hours =  $\frac{1}{2}$  service credit month
- Less than 70 hours =  $\frac{1}{4}$  service credit month

### **Purchasing additional service credit**

When you retire, you may purchase up to 60 months of additional service credit to increase your benefit. It will not count as membership service.

### **Military service credit**

You may be eligible to receive service credit while on approved leave of absence or for time spent in the military.

### **Eligible for retirement**

You are eligible to retire with a full benefit at 65 if you have at least five years of service credit. Retirement before 65 is considered an early retirement. If you have at least 20 years of service credit and are 55 or older, you can choose to retire early, but your benefit may be reduced.

### **Average Final Compensation (AFC)**

Your AFC is the monthly average of your 60 consecutive highest-paid service credit months. Payments for any type of severance pay, such as lump-sum payments for deferred sick leave, vacation, annual or personal leave are not included.

### **Disability benefits**

If you become totally incapacitated for continued employment with a covered employer, and leave that employment as a result of the disability, you may be eligible for a disability retirement benefit.

### **Death in service survivor benefit**

If you die before retirement, your survivor may be eligible to receive a benefit based on your years of service credit.

### **Cost-of-Living Adjustment (COLA)**

On July 1 of every year that follows your first full year of retirement, your monthly benefit will be adjusted to a maximum of 3 percent per year, as determined by the Consumer Price Index.

## ▶ Facts in a Flash

### **Membership definition**

You are a member of Public Employees' Retirement System (PERS) Plan 3 if you were first hired into an eligible position with a covered employer on or after March 1, 2002, for state agencies and higher education; or Sept. 1, 2002, for local government employers, and chose or were defaulted into PERS Plan 3.

### **Defined contribution rates**

Contributions to PERS Plan 3 are mandatory. Under current federal law, once you select a contribution rate you cannot change it unless you change employers. Currently, there are six contribution rate options.

### **Defined contribution account**

Your member contributions are deposited in a defined contribution account. That money is invested according to your instructions and you can take payment of that account any time you separate from all covered employment.

### **Defined benefit formula**

$1\% \times \text{service credit years} \times \text{Average Final Compensation} = \text{monthly benefit}$

### **How service credit is accumulated**

Service credit is based on the hours you are compensated.

- 90 hours = 1 service credit month
- Less than 90 but at least 70 hours =  $\frac{1}{2}$  service credit month
- Less than 70 hours =  $\frac{1}{4}$  service credit month

### **Purchasing additional service credit**

When you retire, you may purchase up to 60 months of additional service credit to increase your benefit. It will not count as membership service.

### **Military service credit**

You may be eligible to receive service credit while on approved leave of absence or for time spent in the military.

### **Eligible for retirement**

You are eligible for normal retirement at age 65 if you have at least:

- 10 service credit years; or
- five service credit years, including 12 service credit months earned after age 44; or
- five service credit years earned in PERS Plan 2 before June 1, 2003.

An early retirement benefit is available beginning at age 55 with 10 years of service credit.

### **Average Final Compensation (AFC)**

Your AFC is the monthly average of your 60 consecutive highest-paid service credit months. Payments for any type of severance pay, such as lump-sum payments for deferred sick leave, vacation, annual or personal leave are not included.

### **Disability benefits**

If you become totally incapacitated for continued employment with a covered employer, and leave that employment as a result of the disability, you may be eligible for a disability retirement benefit.




### **Death in service survivor benefit**

If you die before you have initiated payment from your defined contribution account, your beneficiary will receive the balance in that account. If you die before you retire, your surviving spouse, or if none, your minor children, will receive a defined benefit.

### **Cost-of-Living Adjustment (COLA)**

On July 1 of every year that follows your first full year of retirement, your monthly benefit will be adjusted to a maximum of 3 percent per year, as determined by the Consumer Price Index.

## Contact DRS

<b>Call</b>  Olympia 360.664.7000 Toll free 800.547.6657 TTY 711 DCP 888.327.5596	<b>Write</b>  Department of Retirement Systems PO Box 48380 Olympia, WA 98504-8380	<b>Email</b>  <a href="mailto:recep@drs.wa.gov">recep@drs.wa.gov</a> It might be possible for other people to read messages sent over the Internet. If you contact us by email, please include only the last four digits of your Social Security number.
<b>Visit</b>  6835 Capitol Blvd. Tumwater, WA 98501 <i>Directions are available on the DRS website.</i>	<b>Hours</b>  Monday - Friday 8 am to 5 pm Pacific Time	<b>Website</b>  <a href="http://www.drs.wa.gov">www.drs.wa.gov</a> You can also send us email through the DRS website. Visit the <i>Contact Us</i> page.

### DRS online account access

Use online account access to follow your retirement plan, track your contributions and service credit, read the latest newsletter, estimate your retirement benefit under different scenarios or retire online. With online account access, you can use a single login to access all of your DRS retirement plans as well as DCP. Visit [www.drs.wa.gov/oaa](http://www.drs.wa.gov/oaa).

### The smart, easy way to save

Even the best pension plan may not provide all you need at retirement. The Washington State Deferred Compensation Program (DCP) can help close the gap between your final salary and your pension payments. Secure the retirement you envision. Join DCP today!

Contact us for more information:  
888.327.5596, [www.drs.wa.gov/dcp](http://www.drs.wa.gov/dcp)

### Who do I contact?

DRS administers PERS. DRS maintains your defined benefit component while Empower Retirement is the Plan 3 record keeper for your defined contribution account.

For questions about your defined contribution account balance, investments, withdrawals, quarterly statements, allocations or fund transfers contact Empower Retirement:

888.327.5596

TTY: 711

email: [savewithwa@empower-retirement.com](mailto:savewithwa@empower-retirement.com)

[www.drs.wa.gov/plan3](http://www.drs.wa.gov/plan3)