

Think healthy. Act healthy. Stay healthy.

Your Retirement Plans

PERS, SERS, TRS

UPDATED 2008

The Washington State Public Employees' Retirement System (PERS), School Employees Retirement Systems (SERS), Teachers' Retirement System (TRS) will help make your retirement more financially secure.

PERS, SERS, TRS are designed to be an important source of income—that when combined with Social Security benefits, personal savings and other investments—will help pay your living expenses when you retire. Both you and the District make contributions to the retirement system which you are required to join during your period of employment.

This brochure *briefly* highlights the retirement benefits under each of these plans. The information is based on the Member Handbooks prepared by the Department of Retirement Systems. For detailed information, refer to the applicable handbook or the state laws governing the retirement systems. You can also contact PERS/SERS/TRS at **1-800-547-6657** or **www.drs.wa.gov**.



The actual rules governing your benefits are contained in the State retirement laws. This brochure is not a complete description of the plans or the law. If there are any conflicts between what is written in this brochure and what is contained in the law, the current law will govern. This is not an employment contract or a guarantee to continue employment for any length of time.

Washington State Public Employees' Retirement System—PERS

- **Plan 1**—you are a member of this plan if you were hired into an “eligible position” with a “covered employer” *prior to October 1, 1977*.

Membership in PERS

A “covered employer” is one that participates in PERS. Covered employers include:

- All departments, agencies, commissions, boards and offices of the State of Washington;
- All Washington State counties and public school districts;
- Most cities, towns and public utility districts; and
- Many diking districts, fire districts, health districts, housing authorities, irrigation districts, library districts, park districts, port districts, reclamation districts, sewer districts, water districts, airports and political subdivisions within the state.

Employees who qualify for SERS or TRS are excluded from membership in PERS. You should refer to your PERS Member Handbook for a listing of other employees who are excluded from this plan.

PERS Eligibility

You become a member of PERS when you first work in an “eligible position.” An “eligible position” is defined as five or more months of at least 70 compensated hours during each 12-month period.

Features of PERS

- If you qualify, the Plan pays disability retirement benefits and survivor benefits.
- You and your employer both contribute toward future benefits.
- You can withdraw your contributions only if you end employment.
- You may remain a member of this Plan if you transfer to another PERS covered employer.
- Under certain circumstances, you can restore your contributions and re-establish your benefits.

Refer to the PERS Member Handbook for more detailed information about the features of PERS.

When Benefits Become Payable

PERS benefits are payable at:

- Any age if you have 30 or more years of service credit; or
- Age 60 or older if you have at least five years of service credit; or
- Age 55 or older if you have at least 25 years of service credit.

Washington State School Employees' Retirement System—SERS

There are two plans under SERS—Plan 2 and Plan 3.

- **Plan 2**—you are a member of this Plan if you are employed in an “eligible position” with a “covered employer” and were previously a Public Employees’ Retirement System (PERS) Plan 2 member.
- **Plan 3**—you are a member of this Plan if you are hired into an “eligible position” with a “covered employer” on or after September 1, 2000. *Members of SERS Plan 2 may also transfer into this plan.*

You have 90 days to make a choice between Plan 2 and Plan 3 if you’re first hired – or if you first establish membership – on or after July 1, 2007 (previously, new hires were placed into Plan 3). If you do not make a decision within 90 days from your first date of hire, you will default to Plan 3. Whether you choose your plan or default to Plan 3, you will not be able to change your plan at a later date.

Membership in SERS

A “covered employer” is one that participates in SERS. Covered employers include school districts and educational service districts (ESDs).

Teachers who qualify for TRS are excluded from membership in SERS. You should refer to your SERS *Plan 2* or *Plan 3* Member Handbook for a listing of other positions that are excluded from these plans.

SERS Eligibility

You become a member of SERS when you first work in an “eligible position.” An eligible position is defined as five or more months of at least 70 compensated hours during each 12-month period.

Features of SERS

- The Plan pays disability and survivor benefits, if you qualify.
- You remain a member of the plan if you transfer to another Washington State school district or ESD.

If you are in **Plan 2**:

- You and your employer both contribute toward future benefits.
- Your contributions may be refunded only if you leave employment with a covered employer.
- Under certain circumstances, you can restore your contributions and re-establish your benefits.

If you are in **Plan 3**:

- The Plan includes two contribution components:
 - Your contributions to a “defined contribution” component. Your contributions are invested according to your instructions.
 - Your employer contributions to a “defined benefit” component. Your benefits at retirement are based on the length of your service and compensation.
- When you leave covered employment at any age, you may choose to withdraw your contributions or leave them in the Plan (up to April 1 of the year after you reach age 70 ½).

Refer to the SERS Plan 2 and Plan 3 Member Handbooks for more information about your SERS Plan.

When Benefits Become Payable

If you are in **Plan 2**, SERS benefits become payable at:

- Age 65, or later, if you have five or more years of service credit.
- Age 55, or later, if you have 20 or more years of service credit. Benefits are actuarially reduced for retirement before age 65.
- Age 55, or later, if you have 30 or more years of service credit. Benefits are reduced by 3% for each year that your retirement precedes age 65.

If you are in **Plan 3**, you may withdraw your contributions when you leave covered employment at any time. Employer contributions become payable at:

- Age 65, or later, if you have:
 - 10 or more years of service credit;
 - Five years of service credit that includes 12 months of service credit earned on or after age 44; or
 - Five years of service credit that were earned under *Plan 2* before September 1, 2000.
- Age 55, or later, if you have 10 or more years of service credit. Benefits are actuarially reduced for retirement before age 65.
- Age 55, or later, if you have 30 or more years of service credit. Benefits are reduced by 3% for each year that your retirement precedes age 65.

Washington State Teachers' Retirement System—TRS

There are three plans under TRS—Plan 1, Plan 2 and Plan 3.

- **Plan 1**—members of this Plan include “teachers” hired into “eligible positions” *prior to October 1, 1977.*
- **Plan 2**—members of this Plan include “teachers” hired into “eligible positions” *from October 1, 1977 through July 1, 1996.*
- **Plan 3**—members of this Plan include “teachers” hired into “eligible positions” *on or after July 1, 1996. Members of TRS Plan 2 may also transfer into this Plan.*

You have 90 days to make a choice between Plan 2 and Plan 3 if you’re first hired – or if you first establish membership – on or after July 1, 2007 (previously, new hires were placed into Plan 3). If you do not make a decision within 90 days from your first date of hire, you will default to Plan 3. Whether you choose your plan or default to Plan 3, you will not be able to change your plan at a later date.

Membership in TRS

For purposes of this Plan, “teacher” means any person who is certified to teach and is employed by a public school as an instructor, administrator or supervisor. This includes:

- State, school district and educational service district superintendents and their assistants,
- State, school district and educational service district employees who are certified by the Washington Superintendent of Public Instruction, and
- Any full-time school doctor who is employed by a public school and provides instructional or educational services.

TRS Eligibility

You are a member of TRS if you were hired into an “eligible position.” An “eligible position” is defined as five or more months of at least 70 compensated hours from September to August.

Features of TRS

- If you qualify, the Plan pays temporary disability benefits, disability retirement benefits and survivor benefits.
- You and your employer both contribute toward future benefits.
- You may remain a member of the Plan if you transfer to other public school employment in Washington. In addition, *Plan 1* membership continues if you transfer to other Washington State employment.
- You can withdraw your contributions only if you end employment.
- Under certain circumstances, you can restore your contributions and re-establish your benefits.

Refer to the TRS Member Handbook for more detailed information about TRS.

When Benefits Become Payable

If you are in **Plan 1**, TRS benefits are payable at:

- Any age if you have 30 or more years of service credit, or
- Age 60 or older if you have at least five years of service credit, or
- Age 55 or older if you have at least 25 years of service credit.

If you are in **Plan 2**, TRS benefits are payable at:

- Age 65 if you have five or more years of service credit, or
- Age 55 or older if you have at least 20 years of service (the benefit will be actuarially reduced).

If you are in **Plan 3**, you may withdraw your contributions when you leave covered employment at any time. Employer contributions become payable at:

- Age 65, or later, if you have:
 - 10 or more years of service credit;
 - Five years of service credit that includes 12 months of service credit earned on or after age 44; or
 - Five years of service credit that were earned under *Plan 2* before July 1, 1996 and were transferred to *Plan 3*.
- Age 55, or later, if you have 10 or more years of service credit. Benefits are actuarially reduced for retirement before age 65.

