

PLAN 2

PLAN 3

DEFINED BENEFIT

DEFINED BENEFIT

DEFINED CONTRIBUTION

PLAN STRUCTURE

The benefit in **Plan 2** is based on the length of time you've worked, your pay and your age at retirement. You will receive a benefit for the rest of your life. The payments are guaranteed by the State of Washington.

Both you and your employer contribute to your plan.

Part of the benefit in **Plan 3** is based on the length of time you've worked, your pay and your age at retirement. You will receive a benefit for the rest of your life. The payments are guaranteed by the State of Washington.

Your employer contributes to this part of your plan.

The other part of the benefit is based on what you contribute to the plan and how the investments you select perform.

BENEFIT CALCULATION

$2\% \times \text{service credit years} \times \text{average final compensation} = \text{defined benefit}$

$1\% \times \text{service credit years} \times \text{average final compensation} = \text{defined benefit}$

Your contributions and investment performance = defined contribution

CONTRIBUTION RATES

Public Employees: 4.92%
School Employees: 4.64%
Teachers: 4.96%

As of September 2013.

The most current rates can always be found on our website at www.drs.wa.gov.

Your employer contributes to this part of your benefit; you do not.

You select your rate. You cannot change your rate unless you change employers (see exception on page 9).

- Option A:** 5% all ages
- Option B:** 5% up to age 35
6% ages 35-44
7.5% age 45 and older
- Option C:** 6% up to age 35
7.5% ages 35-44
8.5% age 45 and older
- Option D:** 7% all ages
- Option E:** 10% all ages
- Option F:** 15% all ages

THE ROLE OF INVESTMENTS

Your contributions are invested by the Washington State Investment Board. Your benefit is guaranteed and is not dependent on investment performance.

Your employer contributes to this part of your benefit. Those contributions are invested for you by the Washington State Investment Board. Your benefit is guaranteed and is not dependent on investment performance.

You choose how your contributions will be invested from a range of options provided by the Washington State Investment Board. The amount of your benefit depends on the amount you contribute and the performance of your investments.

VESTING

You earn the right to a retirement benefit when you have 5 years of service credit.

After 10 years of service credit in most cases; or
 After 5 years of service credit, depending on your age and when your service credit was earned.

Vesting does not apply to this part of your benefit. You may withdraw the account balance if you leave employment.

PLAN 2

PLAN 3

DEFINED BENEFIT	DEFINED BENEFIT	DEFINED CONTRIBUTION
ELIGIBILITY FOR NORMAL RETIREMENT		
Age 65 or older with at least 5 service credit years .	Age 65 or older with at least 10 service credit years ; or Age 65 or older, with at least five service credit years if at least 12 of those months were earned after the age of 44. Transfer members have a different retirement eligibility rule. See page 20.	There is no specific age requirement for this part of your benefit. You may access your money at any time after you leave employment.
ELIGIBILITY FOR EARLY RETIREMENT WITH A REDUCED BENEFIT		
Age 55 or older with at least 20 service credit years . There is less of a reduction to your benefit if you have at least 30 service credit years.	Age 55 or older with at least 10 service credit years . There is less of a reduction to your benefit if you have at least 30 service credit years.	There is no age requirement for this part of your benefit. You may withdraw your money at any time after you leave employment.
LEAVING EMPLOYMENT BEFORE YOU'RE ELIGIBLE TO RETIRE		
Your money can remain in the plan or you can withdraw your contributions and the interest they've earned. However, if you withdraw, you give up your right to a future retirement benefit.	You don't contribute to the defined benefit part of your plan. Your employer makes those contributions and you cannot withdraw those funds.	Your money can remain in the plan or you can access your contributions and investment earnings. A variety of distribution options are available.
COST-OF-LIVING ADJUSTMENTS		
On July 1 of every year after your first full year of retirement, your monthly benefit will be adjusted by the percentage change in the Consumer Price Index, up to a maximum of 3 percent per year.	On July 1 of every year after your first full year of retirement, your monthly benefit will be adjusted by the percentage change in the Consumer Price Index, up to a maximum of 3 percent per year.	There are no Cost-of-Living Adjustments for the defined contribution part of your benefit.
HEALTH CARE COVERAGE IN RETIREMENT		
Health care coverage may be provided by the Public Employee Benefits Board (PEBB). For information, contact PEBB at 360-725-0440 in Olympia, toll free at 800-200-1004 or www.pebb.hca.wa.gov , or contact your current employer.		
To qualify you must elect coverage within 60 days of termination and begin receiving your retirement benefit as soon as you leave employment. If you delay receiving your retirement benefit, you will not be eligible for health care coverage under PEBB.	To qualify you must elect coverage within 60 days of termination. As long as you meet the age and service requirements of the plan (age 55 or older, with 10 or more years of service credit) you can delay receiving your retirement benefit and still be eligible for PEBB coverage.	Leaving your contributions in the plan or starting to draw them does not impact your eligibility for health care coverage under PEBB.