

The power of a penny saved

A wise Benjamin Franklin once said “a penny saved is a penny earned.” We think he would have agreed that the earlier you start saving money that will supplement your pension in retirement, the more “pennies” you’ll stack up. And the more options you’ll have for your retirement lifestyle.

Andrea Selvidge, who recently retired after more than 25 years with DRS, began contributing to the state’s Deferred Compensation Program (DCP) early in her career. She was motivated by a desire to ensure she would be self-sufficient when she was no longer working.

After years of saving and planning, Andrea retired this past June. She appreciates the flexibility her early focus on savings has given her family. I’m enjoying retirement,” she says. “We’re very much family oriented and enjoy just hanging out with our family.”

For Kay Journey, who recently retired a second time after a post-retirement employment stint with the Department of Ecology, planning for the future goes hand-in-hand with her career choice. Much of her career was spent as an environmental planner, working to preserve and improve the quality of Washington’s environment. “I managed contracts with Super Fund Contractors to clean up sites throughout the state that were on the EPA’s most contaminated list.”

Saving for retirement has also been a priority for Kay since early in her state career.

“I’m a big fan of saving for retirement,” Kay says. “I saw so many close family and friends trying to live solely on their retirement income or Social Security. It wasn’t easy for them.”

Several years into her career, Kay decided to meet with a financial planner to create a savings program.

“He helped me work out a retirement plan, and a fairly substantial portion of it revolved around deferred compensation.”

Kay and her husband Vaughn, who was also a state employee for many years, were both DCP contributors. Unfortunately, Vaughn passed away unexpectedly in 1996. However, the retirement savings that both Journeys had accrued has had a positive impact on Kay’s life after retirement.

“Although the future didn’t turn out as we planned, his contributions made a big difference in the quality of my life after he was no longer with me.”

Like Andrea, Kay has also enjoyed life after retirement. She says that she has spent about six months working on her “to do” list, which included several trips to see friends and family.



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“It’s been a great experience so far. I’ve had very few time constraints for the first time in over 32 years,” she says.

Enjoying retirement. That’s really the goal not only for DCP, but for other savings vehicles like individual retirement accounts and personal savings plans.

Regardless of where you are in your career, and whether it’s DCP, an IRA or other savings plans, getting started today can pay big dividends after you retire.

Information about DCP is available on our Web site at www.drs.wa.gov/dcp.

Who knows? If you start soon, you just might find that the wise Ben Franklin vastly underestimated the power of a penny saved. ■

Attention TRS Plan 3 members

During the month of January, TRS Plan 3 members may change their contribution rate.

You can obtain a rate change form from your employer or find one on the TRS Plan 3 Web site at www.icmarc.org/xp/plan3/trs/contributionrateflexibility.xml. Completed forms must be turned in to your employer by January 31.

Plan 3 transfer opportunity

During the month of January, eligible PERS, SERS and TRS Plan 2 members have the opportunity to transfer to Plan 3.

Several tools, including financial modeling software and a comparison chart, are available to help you decide whether Plan 3 is the best choice for your individual situation. For details, visit our Web site and click on the “members” section. ■

What does it all mean to you?

A Web search on the keywords “save for retirement” will return somewhere in the neighborhood of 43 million results. There’s no shortage of opinions and guidance about saving for retirement, but you may not see how it relates to you.

It can be summed up in one word: choices. While your pension is a valuable benefit that will provide income in retirement, your personal savings can make the difference in the flexibility you have – about your lifestyle, whether or not you want to continue to work and how far each dollar will stretch in your post-career life. Today’s retirees often say that health care costs alone take a greater chunk of that dollar than they expected.

You may have already done the planning and crunched the numbers, paid off any debt, and decided that your pension will be all you need. Or, you may have decided that personal savings will also be an important part of your future.

How to start or increase what you’re already doing? We have unbiased, helpful tips and resources on our Web site, including links to:

- An estimator that takes complex calculations like projected Social Security benefits and earnings assumptions and turns them into easily understood language and math
- Investment education seminars
- A retirement planning checklist
- Practical savings tips on everything from gasoline to cell phone bills

You’ll find the above and more on our home page – www.drs.wa.gov – under *National Save for Retirement Week*, which we helped to celebrate October 21 - 27. If you’d like to see more or different information on our Web site, just e-mail us at: communications@drs.wa.gov. We’ll be glad to do all we can to help. ■

Your annual retirement statement

If you're a member of one of the retirement systems shown below, your 2007 Annual retirement statement will be delivered to your employer during the month of March 2008:

- Public Employees' (PERS)
- Law Enforcement Officers' and Fire Fighters' (LEOFF)
- Washington State Patrol (WSPRS)
- Judicial (JRS)
- Public Safety Employees' (PSERS)

Employees of public school districts, educational service districts, institutions of higher education and the Washington State School for the Deaf and Blind should have received their statements in November 2007. If you did not, be sure to contact us.

Your annual statement provides updates on your service credit and contributions, based on the most recent information reported to us by your employer. However, it may not match the total retirement contribution on your year-end payroll earnings statement because contributions are generally posted to your account the month following payroll deduction.

If you are a Plan 3 member, your statement will show only your service credit information. Plan 3 members receive quarterly statements that detail their contributions and account balance.

If you are a member of PERS who is no longer contributing, you will not automatically receive an annual statement in March. You'll need to contact us and request a statement.

To view your annual statement online, sign up for the *DRS Online Account Access* service. Just visit the DRS Web site at www.drs.wa.gov.

Be sure to review your annual statement carefully. If you find discrepancies or have questions, please contact your payroll officer, or call DRS if you are no longer employed. ■



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Retirement Outlook is available to members in alternate formats. For more information contact the editor at 360-664-7097.

A 2007 study shows that half of American workers are planning to rely on their own savings as their largest source of retirement income.*

Work-place retirement savings plan, such as DCP	28%
Other personal savings or investments	22%
Social Security	14%
Traditional employer-provided pension	13%
Employment	11%
Sale or refinancing of your home	2%
Something else	3%
Don't know/No response	6%

* Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2007 Retirement Confidence Survey.



This newsletter is delivered in bulk to employers.
Changes to affixed mailing labels should be directed to your employer.

New retirement planning seminars a success

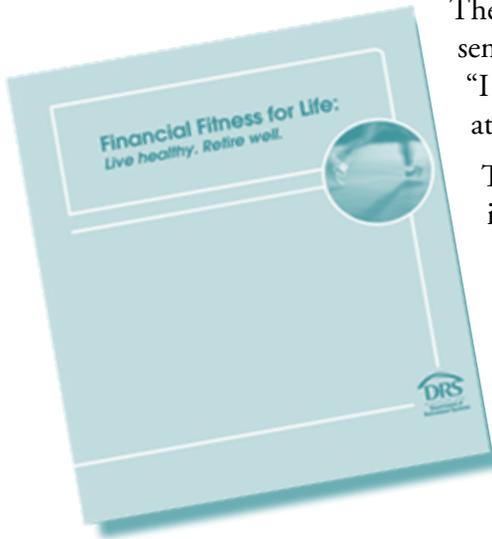
Participants are giving high marks to the new DRS retirement planning seminars, which have been refocused to address the needs of members who will be retiring in less than five years. One attendee said, "I have been to other DRS seminars and by far, this is the best one yet."

They also praise the detailed planning workbook they receive during the seminar, which contains room to add other important retirement information. "I love the workbook and know I will be using it in the future," said another attendee.

The seminar, presented free of charge, goes over how your retirement benefit is calculated; as well as important information on VEBA, Social Security and the Deferred Compensation Program. The new format is designed to help nearly-retired members make a successful transition.

The sessions fill quickly, so if you are less than five years from retirement, be sure to sign up as soon as possible.

Because we meet as a group, individual appointments are not held during the seminar, but you can always arrange one by calling DRS and asking to meet with a Retirement Services Analyst. ■



Seminar Locations: January–April 2008

Saturday, January 26	Kelso
Saturday, February 9	Aberdeen
Saturday, February 23	Tumwater/Olympia
Saturday, March 15	Vancouver
Saturday, March 29	Seattle
Saturday, April 5	Yakima
Saturday, April 12	Mount Vernon
Saturday, April 26	Colville

Note: See our Web site for detailed seminar content information.

Three easy ways to register:

1. Online: www.drs.wa.gov
2. E-mail: register@drs.wa.gov
3. Phone: 1-888-711-6676 or 360-664-7300 in the Olympia area