

Retirement Outlook

Active Members
Winter 2016-2017



Pension contribution rates approved for upcoming biennium

Updated member and employer contribution rates for Washington’s retirement systems have been approved for the state’s upcoming 2017-19 budget cycle, which begins July 1, 2017. The rates, adopted by the Washington State Pension Funding Council earlier this year, are subject to review by the Legislature during the 2017 session. The Legislature has the authority to revise rates and assumptions adopted by the PFC, but is not required to do so. For more information, including approved employer contribution rates, see the News section of the [DRS website](#).

Member Contribution Rates

	Current	Effective July 1, 2017
Public Employees’ Retirement System Plan 2	6.12%	7.38%
Law Enforcement Officers’ and Fire Fighters’ Retirement System Plan 1	0.00%	0.00%
Washington State Patrol Retirement System Plans 1/2	6.69%	7.34%
Public Safety Employees’ Retirement System Plan 2	6.59%	6.73%
	Current	Effective Sept. 1, 2017
Teachers’ Retirement System Plan 2	5.95%	7.06%
School Employees’ Retirement System Plan 2	5.63%	7.27%

Rates do not include DRS administrative fee.

Annual statements for education employees are now available! See page 4

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DCP offers new percentage option

Now you can make contributions to the Deferred Compensation Program (DCP) – using either a whole percentage or dollar amount. What is great about percentages? Your contributions are based on a percentage of your salary, so when you get a raise or position advancement, your DCP contributions automatically grow right along with you. Change your contributions quickly and easily online when you log in through drs.wa.gov/login. You can also call 888-327-5596.



What is DCP?

If you're not enrolled in the state's Deferred Compensation Program, now's the time to join. DCP is a supplemental savings program that offers you the opportunity to invest extra funds for retirement. Unlike most conventional savings accounts, the money you contribute to DCP is deducted from your paycheck before taxes are taken out, so you lower the amount you pay in current federal income taxes. Plus the money you contribute and the investment earnings grow tax-deferred until they are distributed.

Administered by the state Department of Retirement Systems, DCP is available to all state government employees. It is also offered by many local governments and districts. To get started or find out more about the program, visit drs.wa.gov/dcp.

Don't miss this one-time opportunity to defer taxes

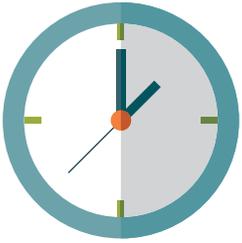
If you are planning to retire and have not maximized your DCP contributions for the year, you may do so by taking advantage of annual and sick leave cash outs. Your employer must participate in DCP for you to be eligible for this opportunity.

Annual leave: If you receive an annual leave cash out, you have an opportunity to defer the money into DCP, up to the maximum limit. Taxes are not paid on this money until you withdraw it from your DCP account. So you can roll the funds into your DCP account and defer paying taxes until you are ready to withdraw.

Sick leave: You can also receive compensation for unused sick leave if your employer does not participate in the Voluntary Employees' Beneficiary Association (VEBA). Check with your payroll or human resources department to see if your agency participates in VEBA.

It's easy to do. Contact DRS at least a month before your leave cash out date.





Missed work due to an authorized leave of absence?

You may be able to “buy back” this time

Have you missed work time due to an on the job injury, a military call up, maternity leave or another type of authorized leave of absence? If so, keep in mind that you might be able to “buy back” lost retirement credit time through the purchase of optional service credit.

The rules vary depending on the plan to which you belong and the type of leave you took. To purchase leave you may be required to pay the retirement contributions you would have paid had you worked during your leave time, as well as the contributions your employer would have paid, plus any interest. So, the sooner you make this purchase, the better.

To learn more, check out the Recovery of Optional or Withdrawn Service Credit brochure for [Plan 1](#), [Plan 2](#) or [Plan 3](#). For more information, contact DRS.

Visit the *Education* section of the DRS website for more retirement planning resources.



Consider attending a retirement planning seminar in 2017

Are you within five years of retirement? If so, consider attending a DRS Retirement Planning Seminar. The seminars are filled with information to help you plan for life in retirement. The seminars are held on Fridays and Saturdays from 9 am to 2:30 pm at locations around the state.

For a complete schedule, or to register for a seminar, visit the Seminar Registration page on the DRS website. If you are unable to attend, you can access [video seminars](#) from the DRS website Education menu.



2017 retirement planning seminars

City	Date	Plans Covered
Longview	Jan. 28	PERS, SERS, TRS Plans 2 and 3
Kirkland	Feb. 11	PERS 1-3, SERS 2-3, TRS 2-3 LEOFF 2, PSERS 2, WSPRS 2
Centralia	Feb. 25	PERS, SERS, TRS Plans 2 and 3
Everett	March 11	PERS, SERS, TRS Plans 2 and 3
Mount Vernon	March 25	PERS, SERS, TRS Plans 2 and 3
Port Orchard	April 1	PERS, SERS, TRS Plans 2 and 3
Tacoma	April 22	PERS 1-3, SERS 2-3, TRS 2-3 LEOFF 2, PSERS 2, WSPRS 2
Yakima	May 6	PERS, SERS, TRS Plans 2 and 3
Spokane	May 20	PERS 1-3, SERS 2-3, TRS 2-3 LEOFF 2, PSERS 2, WSPRS 2
Seattle	June 16	PERS, SERS, TRS Plans 2 and 3
Seattle	June 17	PERS 1-3, SERS 2-3, TRS 2-3 LEOFF 2, PSERS 2, WSPRS 2
Tumwater	June 23	PERS, SERS, TRS Plans 2 and 3
Tumwater	June 24	PERS 1-3, SERS 2-3, TRS 2-3 LEOFF 2, PSERS 2, WSPRS 2

Annual statements for education employees are now available



2016 annual statements for all other members will be available online this spring.

If you work for an educational employer, your 2015-2016 annual retirement statement is now available. Access your statement by logging in to your retirement account. Statements are available for members who work for one of the following employers:

- Public School Districts
- Higher Education Institutions
- Washington State Center for Childhood Deafness and the School for the Blind

Your annual retirement statement provides a summary of your service credit and contributions to your retirement plan. It's important to remember that the statement reflects the latest information DRS has received from your employer and may not match the total retirement contribution you find on your year-end pay slip. This may happen because contributions are posted to your account the month following payroll deduction.

If you are a Plan 3 member, you receive a separate statement each quarter which provides your contributions and account balance details. Because this information is already in your Plan 3 quarterly statement, your annual statement only shows your service credit totals.

Review your annual statement carefully. If you find any discrepancies or have questions, contact your payroll officer, or if you are no longer employed, call DRS.

2016 annual statements for all other members will be available this spring. Stay tuned to the DRS website for more on this.



The Washington State Department of Retirement Systems publishes *Retirement Outlook* for active members twice a year.

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