



Spotlight: Bob Smyth

It's never too late to follow your dreams or discover new ones. Take PERS retiree Robert (Bob) Smyth, for example, whose active retirement has included checking out the movie industry, starting a business and honing his computer skills.

Last fall, the 82-year-old e-mailed us in response to a call for input on our retirement packets and the retirement process.

"I retired in 1982 from the University of Washington's Scientific Instrument Facility at age 57 with 25 years of service," wrote Bob. He went on to tell us about some of the wonderful things he's managed to accomplish since retiring.

"THE WHOLE WORLD IS ACCESSIBLE, WITH UNENDING AND LIMITLESS OPPORTUNITIES TO FIND HOBBIES, AND COMMUNICATE WITH PEOPLE WITH SIMILAR INTERESTS."

"A friend and I signed up with a movie extra booking agent," says Bob, "and got parts in *The Three Fugitives*, *Fire Walk with Me (Twin Peaks)*, *The War of the Roses*, *The Lame Duck*, *Fabulous Baker Boys*, *D.B. (Cooper documentary)*, *Chips the War Dog*, commercials (including one for NBC sports as a boxing referee!), and an *Ivar's* clam ad."

"Earning a little extra money on location, eating good food, and a chance to see stars up close was great fun," he says. Then he happened to meet a Texas film producer who was "discussing a movie he was planning with a friend of mine. I asked him to keep me in mind for a small part." Which was how, about a week later, he found out he'd won a speaking part in an adventure movie shot in Honduras called *Dive Masters*. "That was my last movie," says Bob, "as my life was beginning to accelerate in other areas."

After reading an article in the paper about Comet Falls near Mount Rainier, the Smyths hiked up

to see them. "That was the spark that ignited the waterfall seeking in our lives," he says. "The fun of hiking up to the falls, the thrill and anticipation when the sound of falling water is heard, then the first glimpse of falls—it has to be experienced. We have pretty well covered Washington, Oregon, California, Montana, Yosemite, Idaho and Yellowstone," says Bob.

"Out of all the things I've engaged in since retirement, my greatest and most unending interest is the computer," says Bob. His advice? "Take computer lessons. The whole world is accessible, with limitless opportunities to find hobbies and communicate with people with similar interests." And, "for heaven's sake start walking every day. It's stimulating and vital to your well being."

Now 83 years old, Mr. Smyth feels that "life holds thousands of things to do and learn. You kids better gear up for an exciting time ahead." ■

Pension Protection Act of 2006 offers tax benefits in certain situations

The Pension Protection Act of 2006 was signed into law on August 17, 2006. Below are two provisions in the Act that may give you or your beneficiaries new tax benefits.

Beneficiary rollover options: A beneficiary who is not your spouse may now have the option of transferring any remaining plan contributions into an inherited Individual Retirement Account (IRA).

Retired public safety officers: If you are a retired public safety officer, you may be eligible to exclude up to \$3,000 from your federal taxable income.

The exclusion applies to the purchase of qualified health, accident and long-term care insurance premiums that are deducted from your retirement benefit and paid directly to your insurance provider by DRS.

If you're interested in knowing more, we have new publications on the subject available on our Web site. Just go to www.drs.wa.gov/retiree to find:

- A quick three-question qualification checklist—*Public safety officers' tax savings on health insurance premiums*
- A form to elect into the program—*Public Safety Officers' Health Insurance Premiums Exclusion Election*
- A question and answer piece with the qualifications and how the program works—*Public safety officers' tax savings on health insurance premiums—commonly asked questions and answers*

You can also contact us for more information about either of these tax benefits. We'll be glad to help. Just call: 1-800-547-6657 (toll-free) or 360-664-7000 (Olympia area). ■



Keep us in the loop

The information you initially provided DRS may change after you begin receiving retirement benefits. Please keep us informed when you make any changes to the following:

Address

If you move or change your mailing address, please be sure to complete a *Name/Address Change* form available on our Web site or call us at (360) 664-7000 or toll-free at 1-800-547-6657.

Direct deposit

If you have a change in your direct deposit information (such as an account number or a change in bank name) you will need to complete a new *Authorization for Direct Deposit* form available on our Web site or call 1-800-547-6657 to have the form mailed to you. ■

Gain sharing changes affect retirees of PERS and TRS Plan 1

The Legislature passed a law this year to end gain sharing after a final distribution on January 1, 2008. The legislation provides a new benefit for Plan 1 retirees of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS).

If you're a PERS or TRS Plan 1 retiree, you will receive an additional Uniform Cost of Living Adjustment (COLA) increase July 1, 2009 in addition to the Uniform COLA increase caused by the January 1, 2008 gain sharing event. Both increases are permanent and will be adjusted by three percent each July.

The new law also contains a provision on what would happen if a court were to overturn the legislation. If a court decides the repeal of gain sharing is invalid, the additional COLA will no longer be valid. ■

What is gain sharing?

The 1998 Legislature passed a law that created gain sharing. If the Washington State Investment Board's earnings on the state retirement fund average more than 10 percent over a four-year period, the portion over 10 percent is declared "extraordinary gains." In January of even numbered years, eligible retirees may potentially receive a gain sharing benefit in the form of an increase to their uniform COLA. The law stated that gain sharing is not a contractual benefit and may be subject to future modification or elimination by the Legislature. The 2007 Legislature eliminated gain sharing and added new benefits.



Help change the world...

By partnering with the Combined Fund Drive

The Combined Fund Drive (CFD) has developed a simple and secure way for you to deduct charitable donations from your retirement check. Just select the charities and the amount you wish to give. DRS deducts the amount directly from your benefit check and the CFD distributes it to your selected charities.

Help change the world by giving through the CFD. For more information please contact Cindy Craig at retirees@dop.wa.gov or call 888-353-9396. ■

The WSIB and your pension

The pension trust funds are professionally managed by the Washington State Investment Board (WSIB). Did you know that, of the nearly \$2.6 billion in retirement benefits paid out each year, approximately 75 percent comes from investment earnings? The WSIB's investment performance is continually in the best-of-class nationwide.

OF THE NEARLY \$2.6 BILLION IN RETIREMENT BENEFITS PAID OUT EACH YEAR, APPROXIMATELY 75 PERCENT COMES FROM INVESTMENT EARNINGS.

Pension investments are long-term. The WSIB works with a 30-year investment horizon, which allows the years with high returns to offset the years when the returns are inevitably lower. Over the last ten years, the WSIB has averaged earnings of 9.7 percent.

The WSIB is one of the most highly respected public institutional investors in the country. If you're interested in knowing more, the investment board has a helpful and informative Web site at www.sib.wa.gov. ■

Did You Know?

When you applied for retirement, you selected a benefit option. If you chose one that continues a monthly benefit to a designated survivor upon your death and your survivor dies before you, be sure to notify DRS. Your retirement benefit can be adjusted to the higher level. This does not apply to LEOFF Plan 1.

Retirement Outlook for retirees is published twice a year by the Washington State Department of Retirement Systems.

Director Sandra J. Matheson
Editor Dawn Gothro

Member e-mail contact:
recep@drs.wa.gov

Mailing address:
Department of Retirement Systems
P.O. Box 48380
Olympia, WA 98504-8380
www.drs.wa.gov

Agency telephone numbers:
Information..... 360-664-7000
Toll-free..... 1-800-547-6657
TDD Line 360-586-5450

Deferred Compensation Program:
Information..... 360-664-7111
Toll-free..... 1-888-327-5596

Retirement Outlook is available to members in alternate formats. Contact the editor at 360-664-7097.

2007 legislative update

The 2007 session wrapped up on April 22. Seventeen pension-related bills were passed and signed into law by Governor Gregoire. Below are highlights of the bills that affect retirees. For more detailed information, please visit the legislative section of our Web site at www.drs.wa.gov/legislative/2007.

Senate Bill 5175 – Age 66 COLA

PERS PLAN 1 AND TRS PLAN 1

After you've been retired for at least a year, if you turn 66 at any time within the calendar year, you'll receive the Uniform Cost of Living Adjustment (COLA) in July. Before this bill passed, a retiree who turned 66 in August, September, October, November or December would have to wait until the following July to receive the COLA.

House Bill 1266 – Expanding the \$150,000 Death Benefit

Survivors of a retiree who dies from an occupational disease or duty-related illness are now eligible for the \$150,000 lump sum death benefit. Before this bill, only survivors of public employees who died as a result of injuries sustained in employment were eligible to receive the benefit. The new bill applies to all members of PERS, TRS, SERS, LEOFF, WSPRS, PSERS, JRS, as well as state, school district, and higher education employees who are

not members of a state retirement system.

House Bill 2391 – Gain Sharing Changes

Please see article on page 3.

House Bill 1262 – Post Retirement Employment

TRS PLAN 1

If you are a TRS Plan 1 retiree, this bill increases the waiting period from 30 days to 45 days from the date of your retirement before you can return to employment and work more than 867 hours. If you wait 45 days from your retirement date before returning, you can work up to 1,500 hours without affecting your retirement benefit, if your employer has met certain requirements.

The bill also establishes requirements for employers. Your employer must now have a written policy for hiring retirees and document the need for hiring a retiree, as well as the hiring process used. Prior reemployment agreements are prohibited.

PERS PLAN 1

The bill establishes the same requirements for *employers* that are listed above for TRS Plan 1. ■

Retirement benefit disbursement schedule

To the right is a schedule of the dates your monthly retirement benefit will be mailed or electronically deposited in your account. *Please note:* If you recently signed up for direct deposit or made a change to your account, a warrant (check) may temporarily be mailed to your financial institution.

Signing up for electronic deposit is easy. If you're interested, just complete the *Authorization for Direct Deposit* form available on our Web site or call us at 1-800-547-6657 to have the form mailed to you. ■

October 2007 – March 2008

Check Mailing Dates	Electronic Deposit Dates
October 27, 2007	October 31, 2007
November 28, 2007	November 30, 2007
December 27, 2007	December 31, 2007
January 28, 2008	January 31, 2008
February 26, 2008	February 29, 2008
March 27, 2008	March 31, 2008



PRESORTED
STANDARD
U.S. POSTAGE PAID
Washington State
Department of Printing