Public Safety Employees’ Retirement System (PSERS)
Dual Member Retirement Examples

30 Years Combined Service (20 PERS/10 PSERS) – Retirement at age 60

Sally is a dual member of PERS Plan 2 and PSERS Plan 2. She has 30 years combined service credit and will retire at age 60 under PSERS eligibility rules. Her average final compensation (AFC) is $3,500 per month. She would have an early retirement factor (ERF) from PERS because she is retiring before the PERS normal retirement age of 65. The following example illustrates what her monthly benefit would be from each system.

The benefit formula for each system is:
2% x years of service x AFC x ERF (if applicable) = monthly benefit.

20 years of service in PERS / Early Retirement

2% x 20 years = .40
.40 x $3,500 (AFC) = $1,400
$1,400 x .85 (ERF) = $1,190

10 years of service in PSERS

2% x 10 years = .20
.20 x $3,500 (AFC) = $700

Combined amounts $1,190 + $700 = $1,890

If Sally had not joined PSERS and stayed in PERS she could retire at age 60 with 30 years of service credit. Her reduced benefit due to early retirement would be as follows:

2% x 30 years = .60
.60 x $3,500 = $2,100
$2,100 x .85 (ERF) = $1,785

30 Years Combined Service (10 PERS/20 PSERS) – Retirement at age 60

Sally is a dual member of PERS Plan 2 and PSERS Plan 2. She has 30 years combined service credit and will retire at age 60 under PSERS eligibility rules. Her average final compensation (AFC) is $3,500 per month. She would have an early retirement factor (ERF) from PERS because she is retiring before the PERS normal retirement age of 65. The following example illustrates what her monthly benefit would be from each system.

The benefit formula for each system is:
2% x years of service x AFC x ERF (if applicable) = monthly benefit.

10 years of service in PERS / Early Retirement

2% x 10 years = .20
.20 x $3,500 (AFC) = $700
$700 x .85 (ERF) = $595

20 years of service in PSERS

2% x 20 years = .40
.40 x $3,500 (AFC) = $1,400

Combined amounts $595 + $1,400 = $1,995

If Sally had not joined PSERS and stayed in PERS she could retire at age 60 with 30 years of service credit. Her reduced benefit due to early retirement would be as follows:

2% x 30 years = .60
.60 x $3,500 = $2,100
$2,100 x .85 (ERF) = $1,785
Public Safety Employees’ Retirement System (PSERS)
Dual Member Retirement Examples

20 Years Combined Service (5 PERS/15 PSERS) – Retirement at age 53

Joe is a dual member of PERS Plan 2 and PSERS Plan 2. He is 53 years of age, has 20 years combined service credit and qualifies for early retirement under PSERS eligibility rules. His average final compensation (AFC) is $3,500 per month. He would have an early retirement factor (ERF) from each system because he is retiring before the PERS normal retirement age of 65 and the PSERS normal retirement age of 60. The following example illustrates what his monthly benefit would be from each system.

The benefit formula for each system is:

\[ 2\% \times \text{years of service} \times \text{AFC} \times \text{ERF (if applicable)} = \text{monthly benefit.} \]

**5 years of service in PERS / Early Retirement**

\[
\begin{align*}
2\% \times 5 \text{ years} &= .10 \\
.10 \times $3,500 \text{ (AFC)} &= $350 \\
$350 \times .31 \text{ (ERF)} &= $108
\end{align*}
\]

**15 years of service in PSERS**

\[
\begin{align*}
2\% \times 15 \text{ years} &= .30 \\
.30 \times $3,500 \text{ (AFC)} &= $1,050 \\
$1,050 \times .79 \text{ (ERF)} &= $829
\end{align*}
\]

**Combined Amounts $108 + $829 = $937**

If Joe had not joined PSERS and stayed in PERS he would not be eligible for early retirement until age 55. If he continued working until age 55, he would have 22 years of service, and his reduced benefit would be as follows:

\[
\begin{align*}
2\% \times 22 \text{ years} &= .44 \\
.44 \times $3,500 \text{ (AFC)} &= $1,540 \\
$1,540 \times .37 \text{ (ERF)} &= $569
\end{align*}
\]

20 Years Combined Service (15 PERS/5 PSERS) – Early retirement at age 53

Joe is a dual member of PERS Plan 2 and PSERS Plan 2. He is 53 years of age, has 20 years combined service credit and qualifies for early retirement under PSERS eligibility rules. His average final compensation (AFC) is $3,500 per month. He would have an early retirement factor (ERF) from each system because he is retiring before the PERS normal retirement age of 65 and the PSERS normal retirement age of 60. The following example illustrates what his monthly benefit would be from each system.

The benefit formula for each system is:

\[ 2\% \times \text{years of service} \times \text{AFC} \times \text{ERF} = \text{monthly benefit.} \]

**15 years of service in PERS / Early Retirement**

\[
\begin{align*}
2\% \times 15 \text{ years} &= .30 \\
.30 \times $3,500 \text{ (AFC)} &= $1,050 \\
$1,050 \times .31 \text{ (ERF)} &= $325
\end{align*}
\]

**5 years of service in PSERS**

\[
\begin{align*}
2\% \times 5 \text{ years} &= .10 \\
.10 \times $3,500 \text{ (AFC)} &= $350 \\
$350 \times .79 \text{ (ERF)} &= $276
\end{align*}
\]

**Combined Amounts $325 + $276 = $601**

If Joe had not joined PSERS and stayed in PERS he would not be eligible for early retirement until age 55. If he continued working until age 55, he would have 22 years of service, and his reduced benefit would be as follows:

\[
\begin{align*}
2\% \times 22 \text{ years} &= .44 \\
.44 \times $3,500 \text{ (AFC)} &= $1,540 \\
$1,540 \times .37 \text{ (ERF)} &= $569
\end{align*}
\]
Fred is a dual member of PERS Plan 2 and PSERS Plan 2. He is 65 years of age, has 30 years combined service credit and qualifies for retirement under PSERS and PERS eligibility rules. His average final compensation (AFC) is $3,500 per month. The following example illustrates what his monthly benefit would be from each system.

The benefit formula for each system is:

\[ 2\% \times \text{years of service} \times \text{AFC} = \text{monthly benefit} \]

<table>
<thead>
<tr>
<th>25 years of service in PERS</th>
<th>5 years of service in PSERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2% \times 25 \text{ years} = .50</td>
<td>2% \times 5 \text{ years} = .10</td>
</tr>
<tr>
<td>.50 \times $3,500 (AFC) = $1,750</td>
<td>.10 \times $3,500 (AFC) = $350</td>
</tr>
</tbody>
</table>

**Combined Amounts $1,750 + $350 = $2,100**

If Fred had not joined PSERS and stayed in PERS, he would retire at age 65 with 30 years of service. His benefit would be as follows:

\[ 2\% \times 30 \text{ years} = .60 \]
\[ .60 \times $3,500 (AFC) = $2,100 \]