

# LEOFF/WSPRS Annuity Purchase Window (for retirees) Frequently Asked Questions



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## Who can purchase an annuity during the window?

- Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan 2 retirees who retired before June 1, 2014.
- Washington State Patrol Retirement System (WSPRS) retirees who retired before July 24, 2015.
- LEOFF Plan 1 retirees who retired before June 9, 2016.

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## When can I purchase an annuity?

Between Jan. 1, 2017 and June 1, 2017

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## Why would I want to purchase an annuity?

Purchasing an annuity increases your monthly benefit for the rest of your life. An "annuity" is an investment from which you receive fixed payments for your lifetime. If you purchase one, you will continue to receive the annuity portion of your monthly benefit even if you return to work or return to membership. If you are eligible for an annual Cost-of-Living Adjustment (COLA) on your monthly benefit, you will receive the same COLA percentage on your purchased annuity.

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## What type of funds can I use to purchase an annuity?

The annuity must be purchased by rolling over funds from an eligible retirement plan. An eligible retirement plan is a tax qualified plan, like a deferred compensation plan or retirement plan, offered through employment with a city, county, state or federal government agency.

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## Are there limits to the annuity amount I can purchase?

- Minimum: \$25,000
- Maximum: There is no maximum.

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## How do I get an estimate of my annuity benefit?

An online calculator will be available in January to help you estimate the increase in your monthly benefit. To access the calculator, log in to [your retirement account](#).

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## How do I purchase an annuity?

[Contact the Department of Retirement Systems](#) and we will send you a bill for the annuity amount you wish to purchase. You must pay within 90 days after the date of the bill.

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## Can I still use my DCP funds if I transferred them to another program or IRA?

Yes. As long as the program or entity holding the funds:

- can verify that the funds were originally part of an eligible or qualified governmental plan; AND
- allows a transfer.

Note: DRS cannot accept a rollover from a Roth IRA.

## How is the annuity paid?

You will receive one payment each month from DRS. The payment will include the combined value of your monthly benefit and the purchased annuity amount.

Your annuity is determined by an actuarial factor based on the date your request for the annuity bill is received at DRS.

## When will the increase in my monthly benefit take place?

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Your annuity becomes effective the day after DRS receives your payment in full. This example describes how your annuity could increase your monthly benefit by \$450:

If DRS receives your full payment for the annuity on April 15, you will receive an annuity payment of \$225 with your monthly benefit on the last day of April. Every month from that point forward, you will receive \$450 each month from the annuity.

## Can I designate a survivor?

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Your survivor must be the same survivor with the same survivor option that you chose for your retirement benefit. For LEOFF Plan 1 members who retired under the automatic option, or WSPRS

Plan 1 members who chose Option A, your annuity will not have a designated survivor. It will be treated as a single life annuity, and the payments will cease upon your death.

## Will I receive a Cost-of-Living Adjustment (COLA)?

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Yes. You will receive a COLA up to three percent annually.

## What happens to my annuity upon my death?

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Your annuity will be passed along to your survivor if you selected a survivor option. There is an exception for LEOFF Plan 1 retirees who retired under the automatic survivor option, and retirees of WSPRS Plan 1 who selected Option A. In these cases, the annuity will be paid for the retiree's lifetime only.

If you did not select a survivor option, or if you are a LEOFF Plan 1 member who retired under the automatic survivor option or a WSPRS Plan 1 member who selected Option A, at the time of your death any remaining portion of the original amount you paid for your annuity, less any payments you have received, will be paid to your designated beneficiary or your estate.

## What if I return to work or membership?

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Your annuity continues.

## Who provides the annuity?

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The Washington State Investment Board.

## Where can I learn more?

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[Contact DRS](#) for more information.

## To contact DRS

<p><b>Call</b></p> <p>Phone 360.664.7000 800.547.6657</p> <p>TTY 711</p> 	<p><b>Write</b></p> <p>Department of Retirement Systems PO Box 48380 Olympia, WA 98504-8380</p> 	<p><b>Email</b></p> <p><a href="mailto:recep@drs.wa.gov">recep@drs.wa.gov</a></p> <p>It might be possible for other people to read messages sent over the Internet. If you contact us by email, please include only the last four digits of your Social Security number.</p> 
<p><b>Visit</b></p> <p>6835 Capitol Blvd. Tumwater, WA 98501</p> <p><i>Directions</i> are available on the DRS website.</p> 	<p><b>Hours</b></p> <p>Monday - Friday 8 am to 5 pm Pacific Time</p> 	<p><b>Website</b></p> <p><a href="http://www.drs.wa.gov">www.drs.wa.gov</a></p> <p>You can also send us email through the DRS website. Visit the <i>Contact Us</i> page.</p> 

This document is a summary. It is not a complete description. State retirement laws govern your benefit. If a conflict exists between the information in this document and what is contained in current law, the law governs.