



# Public Employees' Retirement System (PERS) Plan 1 Benefit Estimate Worksheet

As a member of PERS Plan 1, you can use this worksheet to estimate the benefit you will receive at retirement. To assist you in completing the worksheet, the right-hand column shows a sample of information that you would enter. Please keep in mind that this is an estimate only and is based on projected salary and service credit. Your actual benefit at retirement may differ. (See page 4 for general information about your retirement plan.)

| PERS Plan 1 Benefit Estimate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | You | Sample                                                                                                                                                                                                  |
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| <b>Step 1: Determine the age at which you plan to retire.</b><br>1. Your age at retirement:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |     | 60                                                                                                                                                                                                      |
| <b>Step 2: Determine your total service credit at retirement.</b><br>2a. Your current balance of service credit years:<br>2b. The number of years until your retirement:<br>2c. Your projected service credit years at retirement (2a + 2b):                                                                                                                                                                                                                                                                                                                                                                                        |     | $\begin{array}{r} 29 \\ + 5 \\ \hline 34 \end{array}$                                                                                                                                                   |
| <b>Step 3: Estimate your Average Final Compensation (AFC).</b><br>See page 4 for an explanation of AFC. If your retirement date is many years in the future, your future AFC may differ from its current level. You may wish to estimate your future salary, then figure an AFC based on those figures.<br><br>3. Your estimated AFC:                                                                                                                                                                                                                                                                                               |     | \$40,000 per year                                                                                                                                                                                       |
| <b>Step 4: Compute your Option 1 (Single Life) benefit.</b><br>The Option 1 (Single Life) benefit provides you with the highest monthly benefit. However, payments stop upon your death and do not continue to a survivor. The formula for your Option 1 monthly benefit is: $2\% \times \text{Service Credit Years} \times \text{AFC} \div 12$ ; to a maximum of 60%.<br><br>4. Your Option 1 benefit amount:<br><br>Please see Alternate Formulas on page 3.                                                                                                                                                                      |     | $\begin{array}{l} 2\% \times 34 = .68 \\ \times \$40,000 \div 12 = \\ \$2,266.67 \text{ per mo.} \\ \\ .60 \times \$40,000 \div 12 = \\ \$2,000 \text{ per mo.} \\ \text{(capped at 60\%)} \end{array}$ |
| <b>Complete the next step only if you will provide for a survivor.</b><br>There are three survivor options available. Under each of these options, your Option 1 benefit is reduced in order to provide a continuing payment to a survivor after your death. If you choose one of the survivor options and your designated survivor dies before you, your benefit will be adjusted to the higher Option 1 payment level. Be sure to notify DRS to initiate this adjustment. The administrative factors used in these examples are for illustrative purposes only. See the Administrative Factors page for the most current numbers. |     |                                                                                                                                                                                                         |

| PERS Plan 1 Benefit Estimate Worksheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | You | Sample                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Step 5. Adjust your benefit for a survivor option.</b><br/>Determine the age difference between you (the member) and your survivor (rounded to the nearest year). Then find the survivor option factors that apply to your age difference. The administrative factors used in these examples are for illustrative purposes only. See the Administrative Factors page for the most current numbers.</p> <p>5a. The age difference between you and your survivor:</p>                                                                                                                                                                                                                                               |     | <p>Your age is 60; your survivor's age is 61.<br/>You are 1 year younger</p>                                                                                                |
| <p>Option 2 (Joint and 100% Survivor) – When you die your survivor receives a benefit equal to 100% of your benefit.</p> <p>5b. Your Option 2 benefit amount:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     | <p><math>\\$2,000 \times 0.892 =</math><br/><math>\\$1,784</math> per mo.<br/>(survivor gets \$1,784)</p>                                                                   |
| <p>Option 3 (Joint and 50% Survivor) – When you die your survivor receives a benefit equal to 50% of your benefit</p> <p>5c. Your Option 3 benefit amount:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     | <p><math>\\$2,000 \times 0.943 =</math><br/><math>\\$1,886</math> per mo.<br/>(survivor gets \$943)</p>                                                                     |
| <p>Option 4 (Joint and 66.67% Survivor) – When you die your survivor receives a benefit equal to 66.67% of your benefit.</p> <p>5d. Your Option 4 benefit amount:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     | <p><math>\\$2,000 \times 0.925 =</math><br/><math>\\$1,850</math> per mo.<br/>(survivor gets \$1,233.40)</p>                                                                |
| <p><b>Step 6: Calculate the Optional Cost-of-Living Adjustment (COLA).</b><br/>You can elect to receive an Optional COLA of up to 3 percent per year based on the annual increase in the Consumer Price Index. If you choose the Optional COLA, your benefit will be reduced by the factor associated with your age at retirement (the administrative factors used in these examples are for illustrative purposes only. See the Administrative Factors page for the most current numbers):<br/>Factor x Option 2 benefit amount = monthly benefit</p> <p>6. Your Option 2 benefit amount with the Optional COLA:</p>                                                                                                   |     | <p>Retiring at age 60 with Option 2:<br/>.7668 x \$1,784 =<br/><math>\\$1,367.67</math> per mo.</p>                                                                         |
| <p><b>Complete the next step only if you are an inactive member and will retire before the normal retirement at age 65.</b><br/>If you leave active service but do not retire, and you later retire and begin collecting a benefit before age 65, your benefit will be reduced for each year you are under 65. When you retire early, your benefit is reduced to reflect that you will receive it over a longer period of time. The amount of the impact depends on your service credit, the date you retire, your age and the early retirement factor used. The administrative factors used in these examples are for illustrative purposes only. See the Administrative Factors page for the most current numbers</p> |     |                                                                                                                                                                             |
| <p><b>Step 7: Adjust your benefit for inactive service early retirement.</b><br/>If your age at retirement is less than 65, multiply the benefit amount as determined in Step 4 or Step 5 by the factor for your age.</p> <p>7. Your adjusted benefit amount:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     | <p>Assume you retire as an inactive member at age 63 and your Option 1 benefit is \$2,000:<br/><math>\\$2,000 \times .814 =</math><br/><math>\\$1,628.00</math> per mo.</p> |

## General Information

This page provides a summary of some of the general provisions of your retirement plan. For details, please refer to your Member Handbook.

### Retirement Eligibility

| You are eligible for | At                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Active service       | <ul style="list-style-type: none"><li>• Any age with 30 years of service credit</li><li>• Age 55 or older with 25 years of service credit</li><li>• Age 60 with five or more years of service credit</li></ul>                                                                                                                                                                                                        |
| Inactive service     | <ul style="list-style-type: none"><li>• Age 65 and have accrued five service credit years</li><li>• Age 60 with five or more years of service credit (your benefit will be reduced, for each year you are under age 65)</li><li>• Age 60 or older if you separated from service on or after January 1, 2002, were at least age 50 at separation, and have at least 20 years of service credit at separation</li></ul> |

### Alternate Formulas

#### 1 Percent Formula

Some members hired before April 1973 may be eligible for an alternate calculation. Contact DRS for details.

#### Maximum Benefit

Your benefit may not exceed 60 percent of your Average Final Compensation (AFC). Some elected officials are exempted from this maximum.

#### Minimum Benefit

If your Option 1 benefit amount is less than the following calculation, you qualify for a minimum benefit of \$40.75 per month (as of 2009) for each year of service credit. The minimum benefit increases annually each July. The formula is:

$$\$40.75 \times \text{Service Credit Years} = \text{minimum benefit}$$

$$\text{For example: } \$40.75 \times 34 = \$1,385.50 \text{ per month}$$

### Refund of Post 30Year Contributions

When you have 30 service credit years, you can make a one-time election to participate in the Post 30-year Program. If you choose to participate, the contributions you make after the date of your election will earn 7.5 percent interest and the balance will be refunded to you at the time of retirement. The AFC used to calculate your monthly retirement benefit will be based on earnings made before the date of election. When you approach 30 years of service credit you will be notified if you're eligible for this program. You have six months from the month you reach 30 years to make the election.

## How Service Credit is Accumulated

| You earn                  | For each month in which you are compensated                                    |
|---------------------------|--------------------------------------------------------------------------------|
| 1 month of service credit | For 70 or more hours worked                                                    |
| ¼ month of service credit | Beginning September 1, 1991, if you are compensated less than 70 hours a month |

## Service Credit for School Employees Employed on or After September 1, 1991

| You earn                    | If you are employed in an eligible position and work                                                                                                                    |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12 months of service credit | At least nine months of the school year and have at least 630 hours of compensated employment between September 1 and August 31                                         |
|                             | Beginning in September, receive pay in at least nine months of the school year, and have at least 630 hours of compensated employment between September 1 and August 31 |

You are a school employee if you are employed by a school district, educational service district, the State School for the Blind, the State School for the Deaf, or an institution of higher learning. These rules are not retroactive. Before September 1, 1991, other rules were in effect.

### Additional Service Credit

You may be eligible to receive additional service credit for either a six-month probationary period served between October 1, 1947, and June 30, 1965, or for time served in the military. See the Military Service Credit page on this Web site or contact DRS for more information.

### Purchasing Additional Service Credit

Purchasing additional service credit is a way to increase your monthly retirement benefit for the rest of your life and, if you choose a survivor option, the increase will continue to be paid to a survivor after your death. The additional service credit can only be purchased when you have already qualified for retirement. For more information, see the Purchasing Additional Service Credit page on this website.

### Dual Membership

You may be able to combine your PERS service credit with credit earned in other Washington State retirement systems to qualify for either a service or disability retirement. For more information, see the Dual Membership page on this website.

### Average Final Compensation (AFC)

Your AFC is the monthly average of your salary for the highest consecutive 24 service credit months before your retirement, termination or death. If you cash out leave (annual, sick, etc.), you may be eligible to use all or part of the cash out value in your AFC calculation. However, if your 24 consecutive highest-paid service credit months do not include the date in which you cash out leave, that leave cannot be used in your AFC calculation.