Public Employees’ Retirement System (PERS) members who earn 30 years of service credit in PERS Plan 1 can have their post-30-year contributions put in a separate, refundable account. Such accounts earn 7.5% interest annually (compounded quarterly).

If you participate:
• Your post-30-year contributions and interest will be refunded to you when you retire
• Your future monthly benefit will be based on your highest 24 consecutive months of compensation before you joined the program
• Leave cashed out at retirement will still be included in your Average Final Compensation (AFC)

To participate, do I need to take action by a certain time?
Yes. You have six months from the time you earn 30 service credit years to choose whether to opt in to the program. The Department of Retirement Systems (DRS) will notify you a few months before you reach 30 years of service credit in PERS Plan 1. If you don’t join the program within six months of reaching 30 service credit years, you lose the option to do so.

Your AFC is based on your highest paid 24 consecutive months of service. That means when you enter the program is vital.

Example
When to join
Mateo is interested in joining the Post-30-Year Program. His salary is the highest he’s made so far in public service. But he’s been earning it for only 21 months. So he wants to earn that salary for at least three more months to secure it as his AFC.

Mateo has been notified that he has six months from the time he reaches 30 service credit years to join the program. Mateo waits three months to opt in to the program and secures his highest AFC for his monthly benefit as well as a future refund of his post-30-year contributions.
How does working more than 30 years affect my benefit?

If you work more than 30 service credit years as a PERS Plan 1 member, two factors will affect your monthly benefit:

1. Your salary
2. Whether you opt in to the Post-30-Year Program

Your AFC factors into your benefit payment. AFC is based on your salary for the highest paid 24 consecutive months of service.

If you join the program, your salary after joining won’t impact your future monthly benefit. That means if you work at a higher pay rate for two more years, that higher rate won’t apply to your monthly benefit. A lower pay rate wouldn’t apply either.

If I opt in, when will my contributions start going into a new account?

If you opt in, your post-30-year contributions — still set at 6% of your salary or wages — will be sent to a refundable account beginning the first of the month after we process your Notice of Election for Post-30-Year Program form.

For example, if we process your form in May, beginning June 1 your contributions will be sent to your new account.

If you send in your participation form before reaching 30 years of service credit, your contributions will begin going into your new account the first of the month after you reach 30 years.

Definitions

**Average Final Compensation**

Known as AFC, this dollar figure is the average of your 24 consecutive highest paid service credit months. AFC is used to calculate your monthly benefit in retirement.

**Contributions**

The money that is deducted from your salary or wages to help fund your retirement plan. You contribute 6%, a rate set by law.

**Individual Retirement Account**

Known as an IRA, this can be composed of individual retirement accounts or annuities. An IRA can be classified as traditional or Roth.

**Transfer or roll over**

A way to send your funds to an IRA or another eligible retirement plan that accepts rollovers.
Post-30-Year Program by the numbers

How much difference can this choice make?
That depends on your circumstances, including your wages and how long you intend to work past 30 service credit years. Consider Athena’s example.

Example
Athena reaches 30 years of service credit in January 2018. She is age 54. Athena decides to retire in February 2020 with 32 years of service credit. Here’s her salary spanning the four final years:
- 29th year: $53,000
- 30th year: $54,000
- 31st year: $55,000 (projected)
- 32nd year: $56,000 (projected)

Choosing to not join
Athena doesn’t join the program. Here’s how her monthly benefit will be calculated:
- Highest consecutive two years of salary: $55,000 and $56,000
- AFC: ($55,000 + $56,000) / 24 months = $4,625
- Monthly benefit: 2% x 30 years x $4,625
  = 0.02 x 30 x 4,625
  = $2,775

Choosing to join
Athena joins the program. Here’s how her monthly benefit will be calculated:
- Highest consecutive two years of salary before joining the program: $53,000 and $54,000
- AFC: ($53,000 + $54,000) / 24 = $4,458
- Monthly benefit: 2% x 30 years x $4,458
  = 0.02 x 30 x 4,458
  = $2,675
- Refund of contributions (6% of salary) and interest (7.5%): $6,420 in contributions and $482 in interest
  = $6,902

Fast facts
Online access
You can review your contribution details in your online retirement account. Sign up or log in at www.drs.wa.gov/oaa.

Monthly benefit formula
2% x service credit years (up to 30) x AFC = monthly benefit

Maximum benefit limit
Your benefit can be no higher than 60% of your AFC.
Should I opt in to the program?

That depends on your circumstances.

If your salary won’t increase after reaching 30 years of service, it might be to your advantage to opt in to the program.

If you aren’t sure how much your future earnings will be, you might want to discuss the program with a financial advisor before making a choice.

We can provide estimates to help inform your decision. Contact DRS to request benefit estimates based on your current account information, estimated salary and leave cash out from now until your planned retirement date.

We can also give you estimates with and without the Post-30-Year Program as well as estimates based on different dates for joining the program.

If I join, when will I receive my post-30-year funds?

If you opt in to the program, you will receive your post-30-year contributions and interest when you retire from PERS Plan 1. You can’t defer receiving the funds. However, you can roll over the funds into an Individual Retirement Account (IRA) or qualified retirement plan that accepts 401(a) plan rollovers.

If you are younger than 59½ when you retire from PERS Plan 1 and you don’t roll over your post-30-year funds, the Internal Revenue Service (IRS) might apply an additional 10% tax on your refund.


DRS team members aren’t able to give tax advice.

To contact DRS

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<tr>
<th>Call</th>
<th>Email</th>
<th>Website</th>
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<tr>
<td>360.664.7000</td>
<td>General inquiries: <a href="mailto:recept@drs.wa.gov">recept@drs.wa.gov</a></td>
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<tr>
<td>800.547.6657</td>
<td>Send a secure message through your online account: drs.wa.gov/oaa</td>
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<tr>
<td>PO Box 48380</td>
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This document is a summary. It is not a complete description of the Post-30-Year Program. 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.