Department of Retirement Systems
Plan Choice Guide

Choose your retirement plan

For new employees hired before June 30, 2020

You have 90 days to choose between two retirement plans

Plan 2 or Plan 3? Use this guide and online tools to evaluate the best fit for you

Carefully consider your options; your plan choice is permanent

Confirm your plan choice with the forms inside

drs.wa.gov/choice

DRS
WASHINGTON STATE
Department of Retirement Systems

Welcome to public service

Congratulations on your employment in public service! It is our pleasure to welcome you as a customer of the Washington State Department of Retirement Systems (DRS).

As a new member of the retirement system for public employees (PERS), school employees (SERS) or teachers (TRS), you have a choice to make that will set the course for your future retirement benefits.

This publication will guide you through the basics of making that choice. Additional resources are available at ***drs.wa.gov/choice***.

At DRS, our mission is to provide information, expertise, tools and services to help you prepare for and experience a successful retirement. We look forward to serving your retirement needs.

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Plan choice retirement systems

PERS
Public Employees' Retirement System

SERS
School Employees' Retirement System

TRS
Teachers' Retirement System

Want to know what *vesting* is? How about *early retirement*? See "Retirement terms to know" on page 12.

90 days to choose your plan

You have 90 days to choose between two plans offered in PERS, SERS and TRS—Plan 2 or Plan 3. Carefully consider your options. Your plan choice is permanent. If you don't choose a plan within 90 days of becoming a public employee, you will automatically be placed in Plan 3, and you cannot later decide to become a member of Plan 2.

We understand you are busy in your new job with many decisions and responsibilities. Even so, we encourage you to take time to think about your retirement goals, compare features and make benefit projections. Then, select the plan that best fits your circumstances.

What to consider before choosing a plan

There are a number of things to consider when choosing between Plan 2 and Plan 3. Both plans offer a path to a successful retirement, but each one is designed to meet different needs. Here are some things to ask yourself as you weigh your options:

What is my future career path? Do you envision a lifetime career with an employer in the state retirement systems, or will you eventually be working in the private sector or in another state? These questions are important as you consider whether benefits will go with you to a new job.

How soon do I want to retire? The two plans have different requirements for how long you have to work to be eligible for a benefit and how soon you can retire or access your funds. Consider these provisions as you think about how much time you have until your planned retirement date.

Do I want to be involved in investments for my plan? What is your risk tolerance? Are you comfortable making and managing investment selections, or would you prefer having those decisions made by investment professionals?

What options do I want for my contribution rate? Plan 2 and Plan 3 have different approaches to your retirement contributions. Think about whether you want to select how much comes out of your paycheck or if you want that amount to be determined and adjusted based on what is needed to fund your plan.

Use the Plan Choice Calculator

A standard practice for estimating retirement income needs is to base it on 80% of your income five to 10 years before you retire. As you evaluate Plans 2 and 3, use the ***Plan Choice Calculator*** (*drs.wa.gov/choice*) to compare retirement income projections with this standard, or with your own goal. The tool will generate projections based on plan selection and other variables, including your salary, when you plan to stop working and when you plan to start collecting retirement benefits.

What happens if you don't choose a plan?

Even though your employer will begin deducting Plan 2 contributions from your pay, you will default to Plan 3 after 90 days of employment if you do not formalize your choice. If you default, your contributions will be invested in the Retirement Strategy Fund that assumes you'll retire at age 65.

Which plan is best for you? More resources are available to help you decide.

Find calculators, videos and plan handbooks at *drs.wa.gov/choice*

It's also important to consider other sources of retirement income as you calculate a projected monthly retirement benefit. Do you qualify for Social Security benefits? Do you have savings in other retirement plans from past employers? Do you have an IRA? These should be considered as you decide whether to join Plan 2 or Plan 3.

Supplemental savings programs

If you discover in your projections that you'll need more income in retirement, consider joining a supplemental savings program offered by or through your employer. The Washington State Deferred Compensation Program is such a program, giving you an opportunity to invest additional money for your retirement while lowering your taxable income while you work. Administered by DRS, the Deferred Compensation Program is offered through many public employers in the state. Signup is easy and you can start by contributing as little as $30 per month. Visit ***drs.wa.gov/dcp*** to learn more.

Friends and coworkers might offer advice, but everyone's circumstances are unique.

Official resources like this guide can offer you unbiased information to make the plan choice right for you. The following pages dig a bit deeper into each plan.

Key features	
Plan 2	**Plan 3**
A one-part plan with a guaranteed income	**A two-part plan** One part with a guaranteed income and one part with investment options
No personal investments	**Investments you choose or have selected for you**
One predetermined contribution rate that will vary over time	**Choose from six income contribution rates**
Earliest you can retire (with reduced benefit) 20 service credit years at age 55	**Earliest you can retire** (with reduced benefit) 10 service credit years at age 55
Health insurance in retirement If you receive PEBB coverage, you must begin receiving your retirement benefit as soon as you leave employment, or you will forfeit your coverage	**Health insurance in retirement** If you receive PEBB coverage, you can delay receiving your retirement benefit and still be eligible for coverage

For more plan comparisons, see page 10.

Insight into Plan 2

Plan 2 has one part—a 2% defined benefit. You and your employer contribute to your plan. Your benefit does not depend on the amount of the contributions.

A 2% defined benefit plan

Once you meet age and service requirements and you've applied for retirement, you will receive a guaranteed monthly benefit for your lifetime. Your benefit is based on your years of service credit and the pay you've earned.

The 2% defined benefit formula used to calculate your retirement is:

2% x service credit years x Average Final Compensation = monthly benefit

How it works: If you worked full time every month for 15 years and your average monthly pay for your highest consecutive five years was $4,000, your monthly benefit would be $1,200.

2% x 15 SCY x $4,000 AFC = $1,200 monthly benefit

Contribution rates

Plan 2 is funded by mandatory contributions you and your employer make. The Washington State Investment Board (WSIB) invests those contributions. Member contributions are deducted from your pay and you can see your contributions on your pay statement. Contribution rates change over time, based on funding needs of the plan.

Member Contribution Rates (through 6/30/2021)	
Public Employees' Plan 2	7.90%
School Employees' Plan 2	8.25%[1]
Teachers' Plan 2	7.77%[1]

[1]Effective 9/1/2019

Note: Legislative changes can result in supplemental rate adjustments. Find up-to-date contribution rate information on the ***DRS website***.

Retirement—age and service credit requirements

- **Retirement with a full benefit—age 65 with at least five years of service credit.** If you have at least 5 years of service credit and you're age 65, you can retire with a full benefit.
- **Early retirement with a reduced benefit—age 55 with 20 or more years of service credit.** Your monthly benefit will be reduced for each year (prorated monthly) before you turn age 65 to reflect that you will receive a monthly benefit over a longer period of time. The amount of your reduction depends on your age. The earlier you retire, the larger the reduction.
- **There is less of a benefit reduction for early retirement if you have 30 or more years or service credit.** Your benefit will be reduced by 5% for each year (prorated monthly) before you turn age 65. Again, the earlier you retire, the larger the reduction.

Leaving employment before you're eligible to retire

Your plan is designed to provide you with a source of income throughout your retirement. For this reason, you may not borrow from or against your contributions at any time.

It is possible to withdraw your contributions and the interest they've earned at any time after you leave all public service. However, if you do, you give up your right to a future retirement benefit. You may not withdraw your employer's contributions under any circumstances.

When you leave employment without starting to receive a retirement benefit, you can leave your money in the plan where it will continue to earn interest. If you have at least five years of service credit, you are vested in the plan. After becoming vested, you're eligible for the 2% defined benefit provisions of Plan 2 once you meet the age and service credit requirements.

If you withdraw your contributions and later return to public service, there are certain options for recovering your withdrawn service credit by making a one-time purchase. See ***Plan 2 Recovery of Withdrawn or Optional Service Credit*** on the DRS website.

What is WSIB?

WSIB, or the Washington State Investment Board, is responsible for developing member investment options and managing retirement savings investment programs.

Insight into Plan 3

Plan 3 has two parts—a defined benefit and a defined contribution. Your employer contributes to your defined benefit. You contribute to the defined contribution. You choose your investment program and contribution rate for the defined contribution part of your plan. Once chosen, your defined contribution rate is permanent unless you change employers.

A 1% defined benefit …

Once you meet age and service requirements and you've applied for retirement, you will receive a guaranteed monthly benefit for your lifetime. Your benefit is based on your years of service credit and the pay you've earned.

The 1% defined benefit formula used to calculate your retirement is:

1% x service credit years x Average Final Compensation = monthly benefit

How it works: If you worked full time every month for 15 years and your average monthly pay for your highest consecutive five years was $4,000, your defined benefit would be $600.

1% x 15 SCY x $4,000 AFC = $600 monthly benefit

The 1% defined benefit part of Plan 3 is funded by mandatory contributions made by your employer and invested by the Washington State Investment Board (WSIB). The defined benefit is guaranteed and is not dependent on investment performance.

… and a defined contribution for investments you select

Under the defined contribution part of Plan 3, a portion of your pay is directed to investments that you select from a range of offerings managed

by the Washington State Investment Board. The next sections discuss your contribution rate options and the investment programs that are available to you.

Choosing your defined contribution rate

You choose how much to contribute from one of these six rate options:

Contribution rate options

A 5% all ages

B 5% up to age 35
6% ages 35 through 44
7.5% age 45 and older

C 6% up to age 35
7.5% ages 35 through 44
8.5% age 45 and older

D 7% all ages

E 10% all ages

F 15% all ages

If you don't choose a contribution rate, it will default to option A (5% for all ages).

Once your rate is set, you can change it only when you change employers. Changing means working for a different employer, not another division or unit at your current workplace.

Ideally, you want to choose your contribution rate based on three considerations: retirement income needs, years until retirement and current budget.

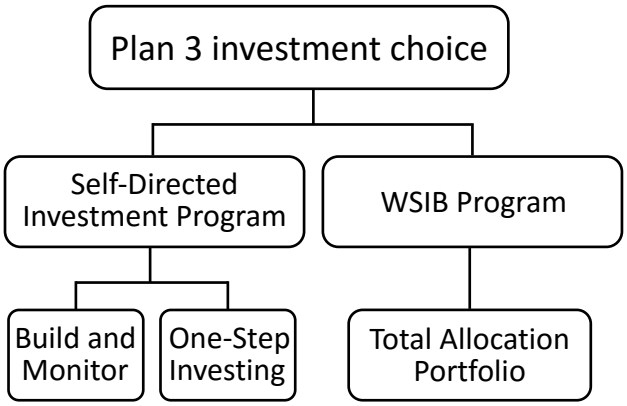
To come up with a target retirement income, it's standard practice to base it on about 80% of what you believe your income will be five to 10 years before you retire.

Online tools and calculators can help you determine the impact and benefits of different contribution rates. These tools include a Take-Home Pay Estimator and a Disbursement Calculator (for estimating what an ending account balance will pay monthly during retirement). For tools and resources, visit the ***education section*** (*drs.wa.gov/education*).

Choosing your investments

The defined contribution part of Plan 3 offers you the choice between two investment programs:

- Self-Directed
- Washington State Investment Board (WSIB)



1) The Self-Directed Investment Program

If you choose the Self-Directed Investment Program, you can take two different approaches. One is the Build and Monitor approach, and the other is One-Step Investing.

Build and Monitor: you select, monitor and adjust your investments. With Build and Monitor, you select your own mix of individual funds and decide how much to invest in each one. Choose from a menu of professionally managed funds listed in the chart below. The risk and return profiles of the funds range from high to low. You are responsible for monitoring your investments and making changes as you see fit for your circumstances.

Build and Monitor Funds
Emerging Market Equity Index
U.S. Small Cap Value Equity Index
Global Equity Index
U.S. Large Cap Equity Index
Socially Responsible Balanced
Washington State Bond
Short Term Investment Fund

One-Step Investing: your investments are automatically adjusted for you. The One-Step Investing approach is made up of Retirement Strategy Funds, also known as "target date" funds. Each one is diversified and automatically rebalances, adjusting your asset mix as you move toward a target date for retirement that meets your needs and lifestyle.

Plan 3 investments

With Plan 3, you are not locked into the investment choices you make now. If you later decide to change your investment program or fund selections you can contact the Plan 3 record keeper (*drs.wa.gov/plan3*).

There are 12 Retirement Strategy Funds, each identified by a target retirement year, spaced in five-year increments (2050, 2055, 2060 for example). To select the Retirement Strategy Fund that's right for you, take the year you were born and add it to the age you expect to retire or withdraw your funds. The sum is your target date.

How it works: 1993 (birth year) + 65 (retirement age) = 2058 (2060 is the closest target date)

Once you have a target date, pick the fund with the year closest to your target. In the previous example, the selection would be the 2060 fund.

2) The WSIB Investment Program

If you have your contributions directed to the Washington State Investment Board Program, WSIB will invest them in its Total Allocation Portfolio (TAP). A monthly valued fund, the TAP is a diversified mix of U.S. and international stocks, bonds, private equity and real estate investments.

Deciding on an investment program

WSIB Total Allocation Portfolio (TAP). The TAP is a fairly aggressive balanced fund that is intended for long term investing. The investment strategy is to create a portfolio mix designed to generate maximum return in the long term at a prudent level of risk. It includes some asset classes not available in the Self-Directed Investment Program, which increases the portfolio's diversification but causes it to be a monthly valued portfolio.

Self-Directed Investment Program. Within the Self-Directed Program, you can choose one of two approaches—Build and Monitor or One-Step Investing. To determine which one might be right for you, ask yourself these questions:

- Do I want to select my own mix of individual funds?
- Am I comfortable deciding how much to invest in each fund?
- Do I have the time to keep an eye on my investments and make changes as I get closer to retirement?

If the answer to any of these questions is yes, you might be interested in the Build and Monitor approach to investing. If the answer to any of these questions is no, you might be interested in the One-Step Investing approach.

If you choose from the seven investment funds as part of the Build and Monitor approach to investing, you will be responsible for monitoring your account balances and periodically rebalancing if necessary to maintain your investment objectives.

The One-Step Investing approach is designed for those who answered no to any of the questions above. If you are not interested in selecting, monitoring or making changes to your investments, the Retirement Strategy Fund might be right for you.

More information on both WSIB's TAP program and the Self-Directed Investment Program is available in the ***Investments*** section at *drs.wa.gov/plan3*.

If you do not make an investment program selection

If you do not select either investment program, your contributions will default into the Self-Directed Investment Program. In this case, all of your contributions will be invested in the Retirement Strategy Fund that assumes you'll retire at age 65.

Retirement—age and service credit requirements

- **Retirement with a full benefit—age 65.** If you have at least 10 years of service credit and you're age 65, you can retire with a full benefit. If you have at least five years of service credit, you can retire at age 65 with a full benefit if you earned at least one of your five years of service credit after age 44.

How it works: You're age 47 and have five years of service credit. You earned three years of service credit after the age of 44. You choose to leave public service and begin drawing from the defined contribution part of your plan. You plan to delay receiving your defined benefit until age 65.

Because you have earned at least one year of service credit after age 44, you can retire with a full benefit at age 65 even though you only have five years of service credit.

- **Early retirement with a reduced benefit—ages 55 to 64 with at least 10 years of service credit.** If you retire early, your monthly benefit is reduced to reflect that you will receive it for a longer period of time. The earlier you retire, the larger the reduction.
- **There is less of a benefit reduction for early retirement if you have 30 or more years of service credit.** Your benefit will be reduced by 5% for each year (prorated

monthly) before you turn age 65. Again, the earlier you retire, the larger the reduction.

Leaving employment before you're eligible to retire

The defined benefit part of your plan is designed to provide you with a source of income throughout your retirement. For this reason, you can't withdraw the contributions your employer makes to this part of your plan.

Plan 3 members, if you have at least 20 years of service credit when you leave employment and do not start receiving your defined benefit, it will increase by about 3% each year you delay receiving it, up to age 65.

In Plan 3, it is possible to withdraw your contributions and investment earnings from your defined contribution any time after you leave all public service. However, withdrawal could reduce an important source of your retirement income.

Plan 3 annuities

An annuity purchase is a way to convert your investments to a guaranteed lifetime income stream, providing the security of a set monthly payment that can cover part or all of your fixed expenses. However, flexibility is not a feature of annuities. If your fixed expenses increase, annuities do not allow you to adjust payment amounts to meet changing needs. With annuities, you are trading market risk and account growth for the guarantee that you will not outlive your account balance. For more information about annuities — including the TAP Annuity — see ***Plan 3 Withdrawals*** at *drs.wa.gov/plan3*.

To join Plan 2

1. Complete the ***Member Information Form*** on page 13 and turn it in to your employer. This will ensure your employer takes the correct contributions from your pay and reports you in the correct plan. After your employer forwards the form to DRS, you will receive a letter confirming your decision to join Plan 2.
2. Complete the ***Beneficiary Designation*** form on page 15 and return it to DRS.

To join Plan 3

1. Complete the ***Member Information Form*** on page 13. Be sure to select your contribution rate and investment choice in Section 4.*
2. Return the completed information form to your employer. This will ensure your employer takes the correct contributions from your pay and reports you in the correct plan. After your employer forwards the form to us, you will receive a letter confirming your decision to join Plan 3.
3. Complete the ***Beneficiary Designation*** form on page 15 and return it to DRS.

* If you select the Self-Directed Investment Program, you must choose your investments. You can do this by signing up for or logging in to your account on the DRS website. You can also call the record keeper at 888-327-5596 for assistance. You will receive a confirmation letter when the transaction has been completed.

Plan comparison

Plan 2	Plan 3	
Defined Benefit	**Defined Benefit**	**Defined Contribution**
Plan structure		
The benefit in Plan 2 is based on the length of time you've worked, your pay and your age at retirement. You will receive a benefit for the rest of your life. The payments are guaranteed by the state of Washington. Both you and your employer contribute to your plan.	This part of the benefit in Plan 3 is based on the length of time you've worked, your pay and your age at retirement. You will receive a benefit for the rest of your life. The payments are guaranteed by the state of Washington. Your employer contributes this part of your plan.	This part of the benefit is based on what you contribute to the plan and how the investments you select perform.
Benefit calculation		
2% x service credit years x Average Final Compensation = monthly benefit	1% x service credit years x Average Final Compensation = monthly benefit	Determined by your contributions, investment performance and withdrawal choices.
Contribution rates		
Public Employees 7.90% School Employees 8.25%[1] Teachers 7.77%[1] [1]Effective 9/1/2019 Note: Legislative changes can result in supplemental rate adjustments. Find up-to-date contribution rate information on the ***DRS website***.	Your employer contributes this part of your benefit; you do not.	You select your rate. You cannot change your rate unless you change employers. Option A 5% all ages Option B 5% up to age 35 6% ages 35-44 7.5% ages 45 and older Option C 6% up to age 35 7.5% ages 35-44 8.5% ages 45 and older Option D 7% all ages Option E 10% all ages Option F 15% all ages
The role of investments		
Your contributions are invested by the Washington State Investment Board (WSIB). Your benefit is guaranteed and is not dependent on investment performance.	Your employer contributes this part of your benefit. Those contributions are invested by the WSIB. Your benefit is guaranteed and is not dependent on investment performance.	You choose how your contributions will be invested from a range of options provided by the WSIB. The amount of your benefit depends on the amount you contribute and the performance of your investments.
Vesting		
You earn the right to a monthly benefit in retirement when you have 5 years of service credit.	You earn the right to a monthly benefit in retirement after 10 years of service credit in most cases, or after 5 years of service credit with at least 12 months earned after age 44.	Vesting does not apply to this part of your benefit. You may withdraw the account balance if you leave employment or you may leave it in until you reach retirement.

Plan 2	Plan 3	
Defined Benefit	**Defined Benefit**	**Defined Contribution**
Eligibility for normal retirement		
Age 65 or older with **at least 5 service credit years.**	Age 65 or older with **at least 10 service credit years,** or Age 65 or older with at least 5 service credit years if at least 12 of those months were earned after age 44.	There is no specific age requirement for this part of your benefit. You may access your money at any time after you leave employment.
Eligibility for early retirement with a reduced benefit		
Age 55 or older with **at least 20 service credit years.** There is less of a reduction to your benefit if you have at least 30 service credit years. If you are age 55 with 30 years of service credit, your benefit reduction is 5% for each year (prorated monthly) before you turn age 65.	Age 55 or older with **at least 10 service credit years.** There is less of a reduction to your benefit if you have at least 30 service credit years. If you are age 55 with 30 years of service credit, your benefit reduction is 5% for each year (prorated monthly) before you turn age 65.	There is no age requirement for this part of your benefit. You may withdraw your money at any time after you leave employment.
Leaving employment before you're eligible to retire		
Your money can remain in the plan or you can withdraw your contributions and the interest they've earned. However, if you withdraw, you give up your right to a future retirement benefit.	You don't contribute to the defined benefit part of your plan. Your employer makes those contributions, and you cannot withdraw them.	Your money can remain in the plan, or you can access your contributions and investment earnings. A variety of distribution options are available.
Cost-of-Living Adjustments (COLAs)		
On July 1 of every year after your first full year of retirement, your monthly benefit will be adjusted by the percentage change in the Consumer Price Index, up to a maximum of 3% per year.	On July 1 of every year after your first full year of retirement, your monthly benefit will be adjusted by the percentage change in the Consumer Price Index, up to a maximum of 3% per year.	There are no Cost-of-Living Adjustments for the defined contribution part of your benefit. If you choose to purchase an annuity using your defined contribution funds, some annuity options include a COLA.
Health care coverage in retirement (PEBB) **Note: Employees receiving health insurance through the Public Employees Benefits Board (PEBB) or the School Employees Benefits Board (SEBB) are eligible to receive health care coverage in retirement from PEBB. Not all DRS employers participate in PEBB/SEBB – contact your employer to verify your health insurance provider. Additional information about PEBB coverage for qualifying retirees is available at** *hca.wa.gov/employee-retiree-benefits***.**		
To qualify, you must elect coverage within 60 days of termination and begin receiving your retirement benefit as soon as you leave employment. If you delay receiving your retirement benefit, you will not be eligible for health care coverage under PEBB.	To qualify, you must elect coverage within 60 days of termination. As long as you meet the age and service requirements of the plan (age 55 or older with 10 or more years of service credit), you can delay receiving your retirement benefit and still be eligible for PEBB coverage.	Leaving your contributions in the plan or starting to draw them does not impact your eligibility for health care coverage under PEBB.

Retirement terms to know

Asset mix: An investment portfolio that is invested in any combination of the three major classes of assets: (1) cash and equivalents, (2) fixed income instruments (bonds), and (3) equity instruments (common stocks or ordinary shares).

Average Final Compensation (AFC): The monthly average of your 60 highest paid consecutive service credit months.

Cost-of-Living Adjustment (COLA): In Plan 2 and in the defined benefit part of Plan 3, on July 1 of every year following your first full year of retirement, your monthly benefit is adjusted by the percentage change in the Consumer Price Index, to a maximum of 3% per year. This percentage change can increase or decrease your benefit.

Defined benefit: A predetermined retirement benefit, also called a pension plan.

- Plan 2 defined benefit: 2% x your SCY x your AFC. Both you and your employer make contributions to your defined benefit.
- Plan 3 defined benefit: 1% x your SCY x your AFC. Your employer makes contributions to the defined benefit part of your plan.

Defined contribution: For Plan 3 members, an amount based on your contributions and the performance of the investments you choose. Investment returns (both gains and losses) are applied to your account.

Early retirement: In most cases, if you retire before you turn age 65, your monthly benefit is reduced to reflect the fact that you will receive it over a longer period of time. The amount of the reduction depends on how much younger than age 65 you are when you retire and the amount of service credit you have.

Full retirement: For all members, a retirement benefit that is not reduced because you retired from public service at age 65.

Interest or interest rate: An amount that your contributions earn.

Normal retirement: The age you're entitled to receive a full retirement benefit.

Pension: Your retirement benefit.

Portfolio: A collection of investments.

Return: A measure of how your investments perform. Returns consist of interest, dividends, and gains or losses in the value of the principal. Your investment returns can be positive or negative.

Risk: The probability that an investment will lose value or fail to gain in value.

Service credit years (SCY): We calculate your service credit years by dividing your total service credit months by 12. Twelve months equals one year of service credit. For more information about service credit earned for your system (PERS, SERS or TRS), see your member handbook.

Vested: The point at which you have earned a defined benefit.

- Plan 2 members are vested after earning five years of service credit.
- In Plan 3, you are vested after earning 10 years of service credit in most cases or after five years of service credit, depending on your age and when your service credit was earned. However, you have no vesting requirements for the defined contribution part of your benefit and may take distributions at any time after you leave public employment.

Plan handbooks

Every Plan 2 and Plan 3 system (PERS, SERS, TRS) has a member handbook. Find your handbook under ***Members*** at *drs.wa.gov*.

Clear Form

Member Information Form

This form is for new and returning employees hired into retirement-eligible positions for PERS, SERS or TRS. Submit this form to your employer within 90 days of your hire date.

Give completed form to your employer.

Need help? Contact DRS.
800.547.6657 or 360.664.7000
TTY: 711 • *www.drs.wa.gov*

Member Status and System

Member status

☐ **New Member**
Choosing Plan 2: Complete Sections 1, 2 and 3
Choosing Plan 3: Complete Sections 1, 2, 3 and 4

☐ **Returning Plan 1 or Plan 2 Member**
Complete Section 1 only

☐ **Returning Plan 3 Member**
Complete Sections 1, 3 and 4

System

☐ **TRS**
Teachers' Retirement System

☐ **SERS**
School Employees' Retirement System

☐ **PERS**
Public Employees' Retirement System

Section 1: Personal Information

Name (last, first, middle)			Social Security Number
Mailing Address	City	State	ZIP
Birthdate (mm/dd/yyyy)	Gender (optional) ☐ Male ☐ Female	Phone Number	
Email Address			

Section 2: Retirement Plan Selection (new members)

Choose your plan. Your decision is permanent. Note: you will be assigned to Plan 3 if your employer has not received your plan selection within 90 calendar days of your date of hire.

☐ Plan 2

☐ Plan 3 — Also complete Section 4 on the back

Section 3: Signature Required (new and returning members)

Sign and date this form on the day you submit it to your employer.

New member: I have chosen the retirement plan marked in Section 2. I understand that my retirement plan selection is permanent. If I selected Plan 3, I have also completed Section 4 on the back of this form.

Returning Plan 3 member: I have completed Section 4 on the back of this form. I also understand that returning Plan 3 members who do not select a contribution rate within 90 days will be assigned the current default rate of 5%.

Signature	Date

Your Social Security number is needed so DRS can report to the IRS any funds paid to you. DRS will not disclose your Social Security number unless required to do so by law. See IRC sections 6041(a) and 6109.

Section 4: Plan 3 Contribution Rate and Investment Program Selection

Choose an income contribution rate. If you do not choose an option, your default will be Option A. Once established by selection or default, you may change your rate option only with a change of employer or through the purchase of optional service credit from work as a substitute teacher.

	Age	Member Contribution Rate
☐ Option A	All ages	5.0%
☐ Option B	Up to age 35 Ages 35 to 44 Ages 45 and older	5.0% 6.0% 7.5%
☐ Option C	Up to age 35 Ages 35 to 44 Ages 45 and older	6.0% 7.5% 8.5%
☐ Option D	All ages	7.0%
☐ Option E	All ages	10.0%
☐ Option F	All ages	15.0%

Choose an investment program. If you do not choose an investment program, you will be defaulted into the Self-Directed Investment Program and all of your contributions will be invested in the Retirement Strategy Fund that assumes you'll retire at age 65. You can change your investment program at any time.

☐ **Washington State Investment Board (WSIB) Investment Program**

☐ **Self-Directed Investment Program**
You must choose how your contributions will be invested. You may do so by phone at 888-327-5596 or online at *drs.wa.gov/login.* If you do not choose your investment allocations, your contributions will be invested in the Retirement Strategy Fund that assumes you'll retire at age 65.

For more information about these investment programs, contact the DRS record keeper Empower Retirement at 888-327-5596.

Return the completed form to your employer.

Section 5: To Be Completed by Employer

Employer Name and Mailing Address	☐☐☐☐☐☐ Reporting Group Employers: Mail the original of this form to DRS only if Section 2 was required. Department of Retirement Systems; PO Box 48380; Olympia, WA 98504-8380

Clear Form

WASHINGTON STATE Department of Retirement Systems

Beneficiary Designation

This form allows members, retirees, survivors, legal-order payees and those separated from service to name or update their benefit recipients.

Send completed form to:
Department of Retirement Systems
PO Box 48380 • Olympia, WA 98504-8380

www.drs.wa.gov • 800.547.6657
360.664.7000 • TTY: 711

Important Information

As a new employee, it is important that you choose your beneficiaries when you select a retirement plan. Select and update your beneficiaries online or complete and mail this form to DRS.
Accessing your online account: Once your Member Information Form has been processed, create an account at *drs.wa.gov/oaa* to view and update your beneficiaries online.

Personal Information

Name (Last, First, Middle)			Social Security Number	
Mailing Address	City		State	ZIP
Date of Birth (mm/dd/yyyy)	Phone Number		Alternate Phone Number	
Email Address				

My Status (Check All That Apply)

- ☐ Member (active or inactive): I am a DRS member who contributes (active) or has contributed to (inactive) a DRS retirement system and/or participates in DCP.
- ☐ Retiree: I am a DRS member who contributed to a retirement system and is now collecting a retirement benefit.
- ☐ Survivor: I am receiving a benefit from a deceased DRS member's or retiree's account.
- ☐ Legal-Order Payee: I have been awarded a portion of a DRS retirement benefit.

Are you receiving money from someone else's account?

☐ Yes (Provide Name and Social Security Number Below) ☐ No

Account Holder's Name (If Different from Above)	Social Security Number (If Different from Above)

Retirement System and/or Program

- ☐ Apply to All My Retirement Plans/Programs
- ☐ Public Employees' Retirement System (PERS)
- ☐ Teachers' Retirement System (TRS)
- ☐ School Employees' Retirement System (SERS)
- ☐ Deferred Compensation Program (DCP)
- ☐ Washington State Patrol Retirement System (WSPRS)
- ☐ Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
- ☐ Public Safety Employees' Retirement System (PSERS)
- ☐ Judicial Retirement System (JRS)
- ☐ Judicial Retirement Account (JRA)

Please complete the other side of this form as well.

Your Social Security number is needed so DRS can report to the IRS any funds paid to you. DRS will not disclose your Social Security number unless required to do so by law. See IRC sections 6041(a) and 6109.

Instructions

You must name at least one primary beneficiary. Do not name yourself. If you pick more than one primary beneficiary or more than one contingent beneficiary, the total percentage(s) for each category must add up to 100%. Use whole numbers (for example, 50% and 50% or 66% and 34%).

If you have more than four beneficiaries, attach a separate sheet with the same information as below; then sign and date it. Alternatively, you can update your beneficiary information online.

If you die in the line of duty, your beneficiary(ies) could be entitled to a one-time, duty-related death benefit. The same people you name below on this form will automatically be added as your beneficiary(ies) for this benefit. If you want to name different people or put in different percentages, you can make those changes in your online account at *www.drs.wa.gov/oaa*.

Important Definitions

Primary beneficiary: A person or entity (for example, an estate, trust, charitable organization, etc.) you choose to receive your money. After your death, we will pay all primary beneficiaries either equally or in the percentages you chose. If you are married and name someone other than your spouse as your beneficiary, retirement system laws may require DRS to pay your spouse. The total designation for your primary beneficiary selection(s) must equal 100%.

Contingent beneficiary: A person or entity you choose to receive your money if both you and all your primary beneficiaries die. The total designation for your contingent beneficiary selection(s) must equal 100%.

Beneficiary Designation

☒ Primary ____ %	Name (Last, First) or Full Name of Entity		Mailing Address		
Relationship	Social Security Number	Date of Birth	City	State	ZIP
☐ Primary ____ % ☐ Contingent ____ %	Name (Last, First) or Full Name of Entity		Mailing Address		
Relationship	Social Security Number	Date of Birth	City	State	ZIP
☐ Primary ____ % ☐ Contingent ____ %	Name (Last, First) or Full Name of Entity		Mailing Address		
Relationship	Social Security Number	Date of Birth	City	State	ZIP
☐ Primary ____ % ☐ Contingent ____ %	Name (Last, First) or Full Name of Entity		Mailing Address		
Relationship	Social Security Number	Date of Birth	City	State	ZIP

Signature Required

Pay any funds related to my account to my primary beneficiary(ies) in the percentage(s) I chose or as required by law. If any beneficiaries precede me in death, share their percentages equally among the remaining primary beneficiaries. If no primary beneficiaries survive me, send any funds to my contingent beneficiaries. All the information I have entered is true and complete. These changes replace any previous beneficiary choices I have made.

Signature	Date

Plan 2

A one-part plan with a guaranteed lifetime benefit (pension).

You and your employer both fund the pension.

Plan 3

A two-part plan with a guaranteed lifetime benefit plus an investment program you select and contribute to.

Your employer funds the pension part; you fund the personal investment part.

To contact DRS

Call	Write	Email
360.664.7000 800.547.6657 TTY 711	Department of Retirement Systems PO Box 48380 Olympia, WA 98504	General inquiries: *drs.contact@drs.wa.gov* Send a secure message through your online account: *drs.wa.gov/oaa*
Visit	**Hours**	**Website**
6835 Capitol Blvd. SE Tumwater, WA 98501 See the DRS website for directions.	Monday - Friday 8 am to 5 pm Pacific Time	*drs.wa.gov* You can also send email through the Contact Us page on the DRS website.

This publication is intended as an educational tool. It is not intended to advise or recommend specific investment strategies. Members making this decision might want to seek professional financial assistance.

This publication provides an overview of some features of Plans 2 and 3 for the Public Employees' Retirement System (PERS), School Employees' Retirement System (SERS) and Teachers' Retirement System (TRS). It is not a legal document, nor is it a complete description of the law governing these plans. If there are any conflicts between what is written in this publication and what is contained in the law, the current law governs.

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