

# LEOFF Plan 1 Handbook

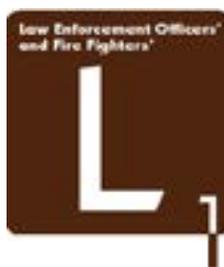
Law Enforcement Officers' and Fire Fighters'  
Retirement System

November 2020

WASHINGTON STATE

Department of Retirement Systems





## Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) — Plan 1

### **Welcome to LEOFF**

- 2 LEOFF Plan 1 summary
- 3 How to contact the Department of Retirement Systems
- 3 Privacy of your information
- 4 How your plan works
- 6 Planning for retirement

### **Milestones/ life changes**

- 7 Becoming vested
- 7 Leaving public service
- 7 Returning to public service
- 7 Marriage or divorce
- 8 Medical benefit
- 8 If the unexpected happens

### **Approaching retirement**

- 10 Retirement planning checkup
- 11 Service retirement
- 11 Estimating your benefit
- 12 Annuity options

### **Ready to retire**

- 12 Applying for retirement online
- 12 Applying for retirement on paper
- 12 Survivor benefits
- 12 Health insurance coverage
- 13 Federal benefit limit
- 13 Federal tax on your monthly benefit
- 13 Legal actions
- 13 Petitions and appeals
- 14 When and how your benefit will be paid

### **Once you retire**

- 14 Cost-of-Living Adjustment (COLA)
- 14 Working after retirement
- 14 Benefit overpayments or underpayments
- 14 Changing a benefit option or survivor after you retire

- 15 Glossary of terms
- 16 Index

# Welcome to the Law Enforcement Officers' and Fire Fighters' Retirement System



## LEOFF Plan 1 summary

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### **LEOFF Plan 1 is a defined benefit plan.**

When you meet plan requirements and retire, you are guaranteed a monthly benefit for the rest of your life.

### **Your monthly benefit will be based on your earned service credit and compensation while a member of LEOFF Plan 1.**

One of these formulas will be used to calculate your monthly benefit:

- Between five and 10 years of service credit:  $1\% \times \text{service credit years} \times \text{Final Average Salary} = \text{monthly benefit}$
- Between 10 and 19 years, 11 months of service credit:  $1.5\% \times \text{service credit years} \times \text{Final Average Salary} = \text{monthly benefit}$
- 20 or more years of service credit:  $2\% \times \text{service credit years} \times \text{Final Average Salary} = \text{monthly benefit}$

### **You, your employer and the state each contribute a percentage of your salary or wages to help fund the plan.**

The Washington State Investment Board adopts contribution rates and periodically adjusts them to reflect the overall cost of the plan.

### **You are vested in the plan when you have five years of service credit.**

Once you are **vested**, you have earned the right to a future monthly benefit. If you leave your job and withdraw your contributions, however, you give up your right to a benefit.

### **You are eligible to retire at age 50 if you have at least five years of service credit.**

Some members are required to retire at age 60. If your employer tells you this provision applies to you, contact DRS right away for more information.

### **If the unexpected happens — disability or death before retirement — a benefit might be available.**

If you become totally incapacitated and leave your job as a result, you might be eligible for a disability retirement benefit.

If you die before you retire, your spouse, registered **domestic partner** or minor child, if applicable, could be eligible to receive a benefit based on your years of **service credit**.

### **Log in to or sign up for online access to your retirement account.**

Track your contributions and service credit. Read the latest newsletter. Update your **beneficiary** information or email address. Use your individual data to estimate your monthly benefit. And when you're ready, apply for retirement. You can get started at [drs.wa.gov/oa](https://drs.wa.gov/oa).

## How to contact the Department of Retirement Systems

The Washington State Department of Retirement Systems (DRS) administers the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) and the Deferred Compensation Program (DCP).

### To contact DRS

<p><b>Call</b> </p> <p>360.664.7000 800.547.6657 TTY 711</p>	<p><b>Write</b> </p> <p>Department of Retirement Systems PO Box 48380 Olympia, WA 98504</p>	<p><b>Email</b> </p> <p>General inquiries: <a href="mailto:drs.contact@drs.wa.gov">drs.contact@drs.wa.gov</a></p> <p>Send a secure message through your online account: <a href="https://drs.wa.gov/aaa">drs.wa.gov/aaa</a></p>
<p><b>Visit</b> </p> <p>6835 Capitol Blvd. SE Tumwater, WA 98501</p> <p>See the DRS website for directions.</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="https://drs.wa.gov">drs.wa.gov</a></p> <p>You can also send email through the Contact Us page on the DRS website.</p>

### To contact DCP

<p><b>Call</b> </p> <p>888.327.5596 TTY 711 Fax 844.449.2551</p>	<p>Contact the DRS record keeper, Voya Financial for assistance with your investment account. You can also log into your investment account and chat live with an associate.</p> <p>Visit <a href="https://drs.wa.gov/rk">drs.wa.gov/rk</a> for more information.</p>
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#### Privacy of your information

We are committed to protecting the privacy of your personal account information, including your Social Security number, which we use to track your account and submit required reports to the IRS. We will not disclose your information to anyone unless we are required to do so by law.

#### Handbook summary

This handbook is not a complete description of your retirement benefit under Plan 1 of the Law Enforcement Officers' and Fire Fighters' Retirement System. State retirement laws govern your benefit. If any conflicts exist between the information shown in this handbook and what is contained in current law, the law governs.

#### Glossary

Terms highlighted in **bold** print appear in the glossary of terms on page 15.

## How your plan works

### Overview

LEOFF Plan 1 is a 401(a) **defined benefit** plan. When you retire, you will receive a monthly benefit for the rest of your life that is based on your earned service credit and your **Final Average Salary (FAS)**. Even though the contributions you make help to fund the plan overall, they don't factor into the monthly benefit you receive.

### Membership in LEOFF Plan 1

You are eligible for LEOFF Plan 1 membership if you were hired before Oct. 1, 1977, as a full-time, fully compensated commissioned law enforcement officer or fire fighter.

**Law enforcement officers:** A law enforcement officer is someone who works for a LEOFF employer and is fully commissioned and empowered to enforce the laws of the state of Washington. These positions include:

- County and deputy sheriffs
- Police chiefs
- City police officers (if appointed to offices, positions or ranks that a city charter provision or ordinance specifically designates)
- Town marshals and deputy marshals
- Directors of public safety and public safety officers (if employed by cities or towns whose populations are smaller than 10,000)

The following positions are excluded from LEOFF membership:

- Noncommissioned people in positions that are primarily clerical or secretarial
- Deputy sheriffs who have not passed a civil service exam
- Directors of public safety or public safety officers in cities or towns whose populations are smaller than 10,000, if they were receiving a LEOFF retirement allowance on July 25, 1993

**Fire fighters:** A fire fighter is someone who has the legal authority and primary responsibility to direct or perform fire protection activities (that is, preventing, controlling

and extinguishing fires). Secondary fire protection activities might include incidental functions, such as housekeeping, equipment maintenance, grounds maintenance, fire safety inspections, lecturing, performing community fire drills, and inspecting homes and schools for fire hazards. Supervisory fire fighter personnel meet the criteria of a fire fighter.

The following positions are excluded from LEOFF membership:

- Fire fighters who have not completed a civil service exam (if the employer requires it)
- Volunteer or resident volunteer fire fighters

If you were first hired as a law enforcement officer or fire fighter after Aug. 1, 1971, you were required to meet minimum medical and health standards to join the retirement plan.

If you separate from LEOFF-covered service, you'll be required to meet these standards again to be eligible for Plan 1 membership. You'll also be required to meet certain age requirements as well. If you are found to be ineligible, you will need to become a member of LEOFF Plan 2 instead. Some exceptions do apply. Contact DRS to find out more.

Membership in LEOFF might be optional for some elected or appointed officials. Please contact DRS if you are elected or appointed to the Legislature or another state elective office.

### Previous membership in another Washington state public service retirement system

Membership in another of Washington's public service retirement systems (including the city retirement systems of Seattle, Tacoma and Spokane) can affect your:

- Eligibility for LEOFF Plan 1 membership
- Eligibility to retire
- Benefit calculation

If you have ever been a member in another of Washington's retirement plans, it is important that you contact us to confirm your eligibility and discuss your retirement options.

### Contributing to the plan

You could be required to contribute a percentage of your salary or wages to your retirement plan. However, LEOFF Plan 1 hasn't had a contribution rate for more than 15 years. This includes overtime and tax-deferred wages, but it doesn't include severance pay or cash payments for unused sick or vacation leave.

If you have questions about the compensation your employer reports for you, please contact your employer.

The state's and your employer's contributions are also based on a percentage of your salary or wages. They aren't matching funds, and you cannot withdraw them if you leave public service.

When you retire, the monthly benefit you receive will have been funded over time by your contributions, the state's contributions, your employer's contributions and investment earnings. The [Washington State Investment Board](#) adopts contribution rates and periodically adjusts them to reflect the overall cost of the plan. The Legislature has the final decision on contribution rates.

### Earning service credit

**Service credit** is based on the number of hours you work, which your employer reports to DRS. When you retire, your service credit is a part of your monthly benefit calculation.

You receive one service credit month for each calendar month in which you are compensated for 70 or more hours of work. No more than one month of service credit can be earned each calendar month, even if more than one employer is reporting hours you work.

### Designating your beneficiary

The **beneficiary** information you give DRS tells us the person(s) you want to receive your remaining benefit, if any, after your death. You can submit or update your beneficiary information at any time before retirement in your [online retirement account](#). Sign up for or log in to your account. Then select **My Account > View/Edit** (beside **Beneficiary**).

You have the option of submitting a paper [Beneficiary Designation](#) form instead, if you prefer.

If you don't submit this information, any benefits due will be paid to your surviving spouse or minor child. If you don't have a surviving spouse or minor child, we will pay your estate.

Be sure to review your beneficiary designation periodically and update it in your online retirement account if you need to make a change. If you marry, divorce or have another significant change in your life, be sure to update your beneficiary designation because these life events might invalidate your previous choices.

State-registered **domestic partners**, according to RCW 26.60.010, have the same **survivor** and death benefits as married spouses. Contact the [Secretary of State's Office](#) if you have questions about domestic partnerships.

### When you will be vested

Once you have at least five years of **service credit** in LEOFF, you have a **vested** right to a retirement benefit.

If you leave LEOFF employment before you're eligible to retire, you can choose to either leave your contributions in the plan, where they will continue to earn interest, or you can withdraw your contributions.

If you decide to withdraw your contributions, you give up your right to a future LEOFF retirement benefit. See "Returning to public service" on page 7 to see more about re-establishing your benefit rights in certain circumstances.

### When you will be eligible to retire

You are eligible to retire at age 50 if you have at least five years of **service credit**. When you meet the age requirement, a monthly benefit is payable from the first day following your separation from service.



## How your monthly benefit will be calculated

Your benefit is determined by your **service credit** years and compensation. When you retire, one of these formulas will be used to calculate your benefit:

- Between five and 10 years of service credit:  $1\% \times \text{service credit years} \times \text{FAS} = \text{monthly benefit}$
- Between 10 and 19 years, 11 months of service credit:  $1.5\% \times \text{service credit years} \times \text{FAS} = \text{monthly benefit}$
- 20 or more years of service credit:  $2\% \times \text{service credit years} \times \text{FAS} = \text{monthly benefit}$

Your **Final Average Salary** (FAS) depends on your employment situation before you retire.

- If you held the same position or rank for at least 12 months preceding your retirement, your FAS is the basic salary for that position or rank at the time you retire. (If you previously held a higher ranking position for at least 12 months, contact us.)
- If you didn't hold the same position or rank for at least 12 months preceding your retirement, your FAS is the monthly average of your highest paid 24 consecutive months within your last 10 years of credited service.
- If you are a vested member who separated from employment before becoming eligible to retire, your FAS is your basic salary at the time you left service.
- If you're disabled, your basic monthly salary at the time you retired will be your FAS. Contact your local disability board for more information.

### Example

#### Using the formula

If you retire at age 53 with 20 years of service credit and a monthly Final Average Salary of \$8,000, your monthly benefit is \$3,200, calculated as follows:

$$2\% \times 20 \times \$8,000 = \$3,200$$

## Planning for retirement

Even though retirement might seem far away, planning for it now is one of the best things you can do for yourself and your family. Your monthly benefit will be an important part of your income in retirement, but it is just a portion of what you will need. How do you begin developing your personal plan for retirement? First, estimate how much money you will need. That can vary based on factors that include:

- The retirement lifestyle you'll want
- Your health
- Whether you'll carry debt into retirement
- Your life expectancy

Next, estimate how much money you will receive from all sources, such as Social Security, personal savings and other employer pension plans. When you compare this number with what you think you will need, you can adjust your savings plan accordingly.

Many tools can help you with your planning. Here are some on the [DRS website](#):

- [Live webinars](#) are available to attend online. Topics include Plan 2, Plan 3, plan choice, the Deferred Compensation Program (DCP), distributions from Plan 3, investment basics and Social Security basics.
- Seminars are available to watch when it's convenient for you on the [DRS Retirement Seminars](#) webpage. Relevant topics include DCP, Social Security and health care options, and the Voluntary Employees' Beneficiary Association (VEBA).
- The benefit estimator within your [online account](#) can calculate your monthly benefit based on a variety of scenarios (for example, different retirement dates) using your actual account data. If you haven't already registered for this service, it takes just a few minutes to do so.
- The [Deferred Compensation Program](#) (DCP) is a special type of savings program that helps you invest for the retirement lifestyle you want to achieve. Unlike traditional savings accounts, DCP is

tax-deferred. That means it lowers your taxable income while you are working and it delays payments of income on your investments until you withdraw your funds. Contributions are automatically deducted from your paycheck, so saving is easy. You can start with as little as \$30 per month. You can also let your contributions grow with percentage deductions.

Be sure to revisit your plan periodically and adjust for any changes in your professional and personal life.

## Milestones/life changes

### Becoming vested

When you have at least five years of **service credit** in LEOFF Plan 1, you have a **vested** right to a retirement benefit. This is a significant milestone in your public service career.

### Leaving public service

If you leave LEOFF employment, you can choose to either leave your contributions in the plan until you're eligible to retire or withdraw them. The IRS requires that you begin taking payment of your monthly benefit no later than age 72, unless you are still employed.

Leaving LEOFF-covered employment is the only circumstance in which you can withdraw your contributions. Doing so cancels any rights and benefit you have accrued in LEOFF. You can restore your contributions and re-establish your benefit only in certain circumstances (see the next section).

There are tax implications to withdrawing your contributions, so you might want to contact the IRS or a tax advisor before making a decision. The [Withdrawal of Retirement](#)

[Contributions](#) publication offers more detailed information.

Be sure to keep us up to date on any name or address changes. Also keep your **beneficiary** designation current, because a divorce, marriage or other change might invalidate it.

### Returning to public service

If you leave your position, withdraw your contributions and later return to LEOFF work (meeting the medical and health standards, if necessary), you might be able to restore your previous **service credit**. To do so, you must repay the total amount of the contributions you withdrew plus interest within five years of returning to work or before you retire, whichever comes first. Contact us to find out that amount.

It might still be possible to purchase service credit after the deadline has passed. However, the cost in that case is considerably higher. Find out more by reading [Plan 1 Recovery of Withdrawn or Optional Service Credit](#).

### Marriage or divorce

Marrying, divorcing or separating can affect your monthly benefit.

#### **Court-ordered property division**

A court-ordered property division could affect your benefit. As long as the order complies with applicable laws, we will pay a monthly benefit to your ex-spouse according to the division. The publication [How Can a Property Division Affect My Retirement Account?](#) contains detailed information.

#### **Updating your beneficiary**

The **beneficiary** information you give DRS tells us the person(s) you want to receive your remaining benefit, if any, after your death. You can submit or update your beneficiary information at any time before retirement in your [online retirement account](#). Sign up for



or log in to your account. Then select **My Account** > **View/Edit** (beside **Beneficiary**). You have the option of submitting a paper [Beneficiary Designation](#) form instead, if you prefer.

If you marry or divorce before you retire, you need to update your beneficiary information, even if your beneficiary remains the same. It's very important to keep it up to date.

## Medical benefit

### Local disability board

Your local disability board administers the medical services provisions of the retirement plan. The disability board decides whether medical services are necessary, determines "reasonable" cost and has authority to designate the provider of the services.

The disability board can deny a medical benefit if it finds that the medical services are unnecessary or if it determines your illness or disability was brought on by dissipation or abuse.

### Payments for medical services

If you are an active member, retired or on disability leave, your employer must pay for your necessary medical services. Any payments you receive or are eligible to receive through Worker's Compensation, Medicare, insurance your or another employer provides, or other pension plan medical payments will reduce the amount your employer must pay.

The amount of service credit you have doesn't affect your eligibility for a medical benefit if one of the following is true:

- You are on disability leave or have taken a disability retirement.
- Your service retirement date with LEOFF is the day following your separation from LEOFF employment.

If you end your employment before turning 50 and have fewer than 20 years of service credit, you won't be eligible for a medical benefit.

### Medical examinations

The disability board has the authority to have a doctor it selects examine you to find out the nature and extent of your illness or disability. If you refuse to be examined, you could lose your right to a medical benefit.

For more information on your medical benefit, contact your local disability board or your employer.

## If the unexpected happens

### Temporary leave from your job

You might need to take a temporary leave from your job because of:

- Military service
- Suspension
- A temporary disability

If so, you might be able to obtain **service credit** for work time missed while you were on leave.

### Service credit for military service

If you left your position for uniformed military service, you might be eligible to receive service credit for that period. To qualify, you must return to work with a LEOFF employer sometime after receiving an honorable discharge. No payments are required for this credit.

See [Military Service Credit](#) for more information.

### Suspension

If you are on leave for fewer than 30 days, you will receive service credit for the time of your suspension.

### Disability before retirement

If you become disabled, regardless of your age or years of earned service credit, you can apply to your local disability board for disability retirement. Your application must be filed within one year of separating from service. It is your responsibility to prove that you are disabled.

If the disability board finds that you are physically or mentally disabled from performing your duties with average efficiency, you are entitled to the following:

- An allowance equal to your full monthly salary, payable for up to six months
- All other active LEOFF Plan 1 employee benefits

If during your disability leave the disability board determines that you are no longer disabled, the board will cancel your disability leave and order you to be returned to duty.

### Disability retirement

During the fifth or sixth month of your disability leave, one or more physicians the disability board chooses will examine you. After reviewing the results of that exam, the disability board will determine whether you're still disabled. If you are, it could grant you a disability retirement benefit — subject to DRS approval.

If approved, your base monthly disability benefit will equal 50% of your **Final Average Salary** (FAS). Furthermore, you will receive an additional 5% of FAS for each of your eligible children, up to a combined 60% of FAS.

An eligible child is unmarried, younger than 18 and one of the following before you retired:

- Your natural child
- Your adopted child
- Your legal ward
- Your stepchild  
(If your relationship with the child's parent ends because of divorce or death, the stepchild is no longer eligible under LEOFF law.)

A child's eligibility can continue up to age 20 and 11 months if the child meets the following criteria:

- Unmarried
- Attending a school that is approved or accredited by the state in which it is located

A disabled child might remain eligible regardless of age.

Monthly disability benefits are payable from the date after your disability leave expires until your recovery from the disability or until your death. Monthly disability benefits are subject to federal income tax unless the disability was incurred in the line of duty. Contact DRS for more information.

### Disability appeal rights

If the disability board denies your application for disability benefits or cancels your disability retirement benefit, you may appeal the board's decision to DRS. You must file the appeal within 30 days of the disability board stating its decision.

DRS doesn't have the authority to accept appeals from disability board decisions about medical services or the duty or nonduty status of a disability retirement.

If DRS reverses the disability board's decision to grant you a disability retirement benefit, DRS will send you a copy of the *Order of Reversal* and will advise you of your appeal rights. If you have any questions about your appeal rights, contact DRS.

For more information about your disability benefits, read [LEOFF Plan 1 Disability Benefits](#) and [LEOFF Plan 1 Local Disability Board Guidelines](#).

### Death before retirement

If you die while you are an active employee or while on authorized disability leave, your eligible spouse or registered domestic partner will receive a benefit equal to 50% of your FAS (see "survivor eligibility" on page 12).

If your surviving spouse or partner dies while receiving the benefit or you don't have a surviving spouse or partner, your eligible minor children will receive the benefit (see "eligible child" on page 9).

If you have one child, your child will receive a monthly benefit equal to 30% of your FAS. For each additional child, the benefit will increase by 10% of your FAS, up to a maximum of 60%. The benefit will be equally divided among the



eligible minor children. Payments will be made to the children's guardian(s) until each reaches age 18. If a child remains eligible once age 18 (see "eligible child" on page 9), benefit payments will be made directly to the child.

If you have created a trust for your children, benefits can be paid to the trust instead.

### **Death as a result of an injury or occupational disease sustained during employment**

If the [Department of Labor & Industries \(L&I\)](#) determines that your death was the result of injuries sustained during the course of employment or an occupational disease or infection that arose from your employment, your **beneficiary** will be entitled to a one-time, duty-related death benefit.

Your surviving spouse or registered domestic partner and dependent children could also be eligible for health care and education benefits. For more information, contact DRS.

In addition, your surviving spouse, partner or, if none, the guardian of your minor children will be eligible to choose one of the following:

- A lump-sum payment of 150% of your contributions
- A monthly benefit equal to 10% of your FAS plus 2% of your FAS for each year of service beyond five years (which isn't reduced for a survivor option and isn't taxable)

## **Approaching retirement**

### **Retirement planning checkup**

Consider taking time to check in on your retirement planning. Have you analyzed how much you will need and how much you will have in retirement? Has anything in your plan changed? Have you joined the state's [Deferred](#)

[Compensation Program \(DCP\)](#) or another supplemental savings program?

Things to consider:

- Identify your retirement lifestyle goals. Will you want to travel the world or stay close to home? Different lifestyle choices can mean different financial goals.
- Take care of your health. The cost of medical care can be one of the largest expenses you incur in retirement. Getting regular checkups now and maintaining a healthy lifestyle can have an impact on what those costs will be when you retire.
- Pay down debt. Debt lessens the money you have available to save. Paying off debt while you're still generating a paycheck will affect how much you have to save and give you greater flexibility in retirement.
- Sign up for DCP or another similar savings vehicle. (It's never too late to get started.) If you're already saving with DCP or another plan, consider increasing your contribution amount. Making even a small increase can make a big difference over the long run. Use the [calculator](#) on the DCP website to see the impact different contribution amounts could have. Here's an important tip: If you're age 50 or older, the IRS allows a higher contribution limit, which enables you to save even more in your DCP account if you choose.

These questions are key as you approach retirement:

- How much income will you need in retirement?
- What will your monthly benefit be?
- Will you want to increase your benefit by purchasing additional **service credit**?
- What other income will you have available to you in retirement?

This section can help you find the answers. If you haven't already signed up for an [online account](#), consider doing so. With this account, you can calculate your benefit using different scenarios and your individual account information.

## Service retirement

You are eligible to retire at age 50 if you have at least five years of **service credit**. Your monthly benefit will be based on your earned service credit and compensation while a member of LEOFF Plan 1.

One of these formulas will be used to calculate your monthly benefit:

- Between five and 10 years of service credit:  $1\% \times \text{service credit years} \times \text{Final Average Salary} = \text{monthly benefit}$
- Between 10 and 19 years, 11 months of service credit:  $1.5\% \times \text{service credit years} \times \text{Final Average Salary} = \text{monthly benefit}$
- 20 or more years of service credit:  $2\% \times \text{service credit years} \times \text{Final Average Salary} = \text{monthly benefit}$

Your **Final Average Salary** (FAS) depends on your employment situation before you retire.

- If you held the same position or rank for at least 12 months preceding your retirement, your FAS is the basic salary for that position or rank at the time you retire. (If you previously held a higher ranking position for at least 12 months, contact us.)
- If you didn't hold the same position or rank for at least 12 months preceding your retirement, your FAS is the monthly average of your highest paid 24 consecutive months within your last 10 years of credited service.
- If you are a vested member who separated from employment before becoming eligible to retire, your FAS is your basic salary at the time you left service.

### Example

#### Service retirement

If you retire at age 50 with 20 years of service credit and a monthly Final Average Salary of \$6,700, your monthly benefit is \$1,880 each month, calculated as follows:

$$2\% \times 20 \times \$6,700 = \$2,680$$

#### Credit for law enforcement or fire fighter service before March 1, 1970

If you were working as a law enforcement officer or fire fighter before March 1, 1970, and were making contributions to another DRS-covered retirement system, you retain your benefits under the prior pension system even though your membership was transferred to LEOFF.

When you retire for service or disability, your benefit will be calculated in two ways:

- As a member of LEOFF Plan 1
- As a member of the prior pension system as though you hadn't transferred

If your benefit from the prior pension system would be greater than your benefit from LEOFF, you will receive your LEOFF benefit from LEOFF and the difference from either your former employer or the Public Employees' Retirement System (PERS).

## Estimating your benefit

If you are within five years of retirement, we encourage you to review your [online account](#) and use the online benefit estimator to determine how much your benefit might be. You can use this estimator at any point in your career.

If you expect to retire within the next year, contact us through your [online account](#) or call to request a written estimate of your benefit.



## Annuity options

An annuity is a guaranteed income plan you purchase. When retiring, LEOFF Plan 1 members have two [available annuities](#).

**LEOFF Plan annuity:** With this annuity, the retirement benefit increase you receive is based on the dollar amount you choose to purchase. While there is no maximum amount, a minimum purchase of \$25,000 is required. The funds to purchase this annuity must come from an eligible governmental plan, such as your DCP savings. Estimate the monthly retirement income increase through the "Purchase an Annuity" calculator in your [online account](#).

**Service credit annuity:** This annuity allows you to add up to 60 months to your service in the final pension calculation. Purchased service credit does not actually increase the number of years you've worked and won't help you qualify for retirement, but it can make a big impact when it comes to your pension benefit! Estimate the monthly retirement income increase as well as the annuity cost through the "Purchasing Service" calculator in your [online account](#).

So how do you fund these annuities? Many members use their DCP savings account. For more information about these annuities, see [DRS annuities](#).

## Ready to retire

### Applying for retirement online

To apply online, go to your [online account](#) and either sign up for or log in to your account.

The online retirement application will display only what you need based on your retirement **system**, plan and retirement eligibility rules.

Follow the step-by-step instructions and electronically submit the application to us when you're ready.

### Applying for retirement on paper

Request a retirement application from us. Turn in the completed application with all required signatures and documentation.

If you're purchasing **service credit**, complete and turn in your *Request to Purchase Retirement Service Credit* form with your application.

### Survivor benefits

After your death, your eligible surviving spouse will continue to receive the amount you were receiving at the time of your death. The amount of your spouse's benefit could increase by 5% of your FAS for each eligible child, to a maximum of 60% of your FAS (see "eligible child" on page 9).

#### Survivor eligibility

To be eligible for a survivor benefit, your spouse or partner must have been married to you or in a registered domestic partnership with you:

- At the time of your death in service
- For at least one year before your service or disability retirement
- For at least one year before you separated from service with at least 20 years of service credit

Other circumstances could exist that would cause a spouse or registered domestic partner to become eligible for a survivor benefit.

### Health insurance coverage

Ask your employer if you will be eligible for health insurance coverage.

## Federal benefit limit

When you retire, your benefit could be limited if it exceeds the federally allowed amount. It can be adjusted annually for inflation (see the current IRS limits). Members hired before Jan. 1, 1990, have different limits. When we process your benefit estimate, we will notify you if your benefit exceeds the limit.

Few retirement **system** members should be impacted by this limit. If you think it could impact you, call us for additional information.

## Federal tax on your monthly benefit

Most, if not all, of your benefit will be subject to federal income tax. The only exception will be any portion that was taxed before it was contributed. When you retire, we will let you know if any portion of your contributions has already been taxed.

Since most public employers deduct contributions before taxes, it's likely your entire retirement benefit will be taxable.

At retirement, you must complete and submit a federal [W-4P form](#) to let us know how much of your benefit should be withheld for taxes.

If you don't, IRS rules require withholding as if you are married and claiming three exemptions. You can adjust your withholding amount at any time during retirement by completing a new [W-4P form](#).

For each tax year you receive a retirement benefit, we will provide you with a 1099-R form to use in preparing your tax return (see the [1099-R guide](#)). These forms are usually mailed at the end of January for the previous year. The information is also available through your [online account](#).

It is your responsibility to declare the proper amount of taxable income on your tax return.

## Legal actions

In general, your monthly benefit is not subject to assignment or attachment. However, it could be subject to court and administrative orders issued under federal law or for spousal maintenance and child support. You can find more information in the publication [Can Legal Action Affect My Retirement Account?](#)

## Petitions and appeals

If your appeal is about a disability, see "disability appeal rights" on page 9. In all other cases, appeals begin as petitions. You may challenge a DRS administrator's decision by filing a petition within 120 days of receiving the decision. A DRS Petitions Examiner will review your petition.

To file a petition, complete and submit a detailed statement that includes:

- The relief you are requesting
- The facts relating to your petition, including any relevant documents and/or sworn statements that support your request for relief
- The legal basis for your petition, including any relevant legal provisions and/or precedents
- The name and address of your legal counsel, if you choose to be represented
- Your name, address, Social Security number and signature

The Petitions Examiner will ask for relevant information from the involved parties. Usually, this means you, DRS and possibly your employer. After review, the Petitions Examiner will enter a written decision and send that decision to you by certified mail.

If you aren't satisfied with the petition decision, you can file an appeal within 60 days of receiving the decision. Included with your petition decision will be information describing how to file an appeal. An appeal will be heard by either the DRS Presiding Officer or an administrative law judge.



## When and how your benefit will be paid

After you retire, your retirement benefit will be paid at the end of each month and directly deposited in your financial institution account. You must enter your banking information in your [online retirement account](#) or complete the [Direct Deposit Authorization](#) form as part of your retirement application.

If you need to change your financial institution once you've started your retirement, just update your information in your online account or send us a new authorization form. In rare cases, if you are unable to receive payment by direct deposit, payment will be mailed at the end of each month.

## Once you retire

### Cost-of-Living Adjustment (COLA)

On April 1 of every year following your first full year of retirement, your monthly benefit will be adjusted, as determined by the [Consumer Price Index](#).

### Working after retirement

If you return to public service in Washington state after you retire, your benefit could be affected, depending on the position you accept and the number of hours you work. In some circumstances, you might be required to become a member under another retirement **system**.

If you think you might be returning to work after retirement, call us to see if your benefit will be affected. Consider reviewing the [Thinking About Working After Retirement?](#) webpage.

## Benefit overpayments or underpayments

If you ever receive an overpayment of your monthly benefit, you are required to repay it. If we discover your benefit has been underpaid, we will correct the error and award you a retroactive payment, if applicable.

## Changing a benefit option or survivor after you retire

Once you retire, you may change your benefit option or **survivor** in the following circumstances only:

- If you marry or remarry after retirement and remain married for at least one year, you might be able to change your benefit option and provide a survivor benefit for your new spouse. To qualify for this opportunity, you must request the change during your second year of marriage. Contact us for estimates on how this will affect your monthly benefit.
- If you re-enter LEOFF membership and earn 12 months of uninterrupted service credit, you can provide for a new spouse or registered domestic partner when you retire again.

# Glossary of terms

**Beneficiary:** The person(s), estate, organization or trust you have designated to receive any benefit payable upon your death. Your beneficiary must have a federal tax identification number or a Social Security number.

**Cost-of-Living Adjustment (COLA):** On July 1 of every year following your first full year of retirement, your monthly benefit will be adjusted to reflect the percentage change in the Consumer Price Index — to a maximum of 3% per year.

**Defined benefit:** A retirement plan in which your benefit is based on a formula rather than an account balance. The formula provides a monthly benefit based on your years of service and your Final Average Salary.

**Domestic partner:** In a registered domestic partnership, both individuals have met the state's legal requirements and registered their partnership with the Secretary of State's Office or another jurisdiction. Contact the Secretary of State's Office if you have questions about the requirements. Registered domestic partners have the same survivor and death benefits as married spouses. However, differences could occur in how taxes are handled at the federal level.

**Final Average Salary (FAS):** Your Final Average Salary is used in determining your monthly benefit. The FAS is determined as follows:

- If you held the same position or rank for at least 12 months preceding your retirement, your FAS is the basic salary for that position or rank at the time you retire. (If you previously held a higher ranking position for at least 12 months, contact us.)
- If you didn't hold the same position or rank for at least 12 months preceding your retirement, your FAS is the monthly average of your highest paid 24 consecutive months within your last 10 years of credited service.
- If you are a vested member who separated from employment before becoming eligible to retire, your FAS is your basic salary at the time you left service.

**Membership status:** The status of your retirement membership. This can be:

- Active, which means you are currently employed in a position covered by one of the state retirement systems
- Inactive, which means you no longer are actively contributing to the state retirement system and have not withdrawn your contributions after leaving employment (which might leave you eligible to receive a benefit once you reach retirement age)
- Withdrawn, which means you were employed in a position covered by one of the state retirement systems and you withdrew your contributions after leaving employment

**Service credit:** The credit you receive each month for working in a position covered by one of the state retirement systems. Service credit is used to determine your eligibility for retirement and your benefit amount.

**Survivor:** If applicable, your spouse or registered domestic partner at the time of your death. That person will receive benefit payments after your death.

**System/plan:** The retirement system and plan in which you are a member.

**Vested:** You have earned the right to receive a retirement benefit once you reach an eligible age.



# Index

## A

Applying for retirement, 12  
Approaching retirement, 10  
Authorized leave of absence, 8

## B

Becoming vested, 7  
Beneficiary, 5, 7, 15  
Benefit calculation, 4, 11

## C

Changing a benefit option or survivor after you retire, 14  
Compensation, 2, 6  
Contribution rate, 2, 5  
Contributions, 2, 4, 5, 10  
Cost-of-Living Adjustment (COLA), 14, 15

## D

Death, 2, 5, 7, 9, 12, 12, 15  
Deferred Compensation Program (DCP), 3, 6, 10  
Defined benefit, 4, 15  
Designating your beneficiary, 5  
Disability, 2, 8, 9  
Divorce, 7  
Domestic partner, 5, 15

## E

Earning service credit, 5  
Eligible child, 9  
Eligible to retire, 2, 5, 7  
Estimating your benefit, 11

## F

Federal benefit limit, 13  
Federal tax, 13  
Final Average Salary, 2, 4, 6, 9, 11, 15  
Formula, 2, 6, 15

## G

Glossary of terms, 15

## H

Health insurance coverage, 12  
How to contact DRS, 3  
How your plan works, 4

## I

If the unexpected happens, 8

## L

Leaving public service, 7  
Legal actions, 13  
Life changes, 7

## M

Marriage, 7, 14  
Medical benefit, 8  
Milestones, 7  
Military service, 8

## O

Once you retire, 14  
Online account, 2, 6, 10, 11, 12, 13  
Overpayments, 14

## P

Petitions and appeals, 13  
Plan summary, 2  
Planning for retirement, 6, 12  
Privacy of your information, 3  
Property division, 7  
Purchasing additional service credit, 12  
Purchasing an annuity, 12

## R

Ready to retire, 12  
Retirement planning checkup, 10  
Returning to public service, 7

## S

Seminar, 2, 12  
Service credit, 2, 5, 7, 8, 10, 11, 12, 15  
Service retirement, 11  
Survivor, 5, 12, 14, 15  
Survivor benefits, 12  
Survivor eligibility, 12

## T

Temporary disability, 8

## U

Underpayments, 14  
Updating your plan for retirement, 12

## V

Vested, 2, 5, 7, 15

## W

When and how your benefit will be paid, 14  
Withdraw, 2, 5, 7  
Working after retirement, 14