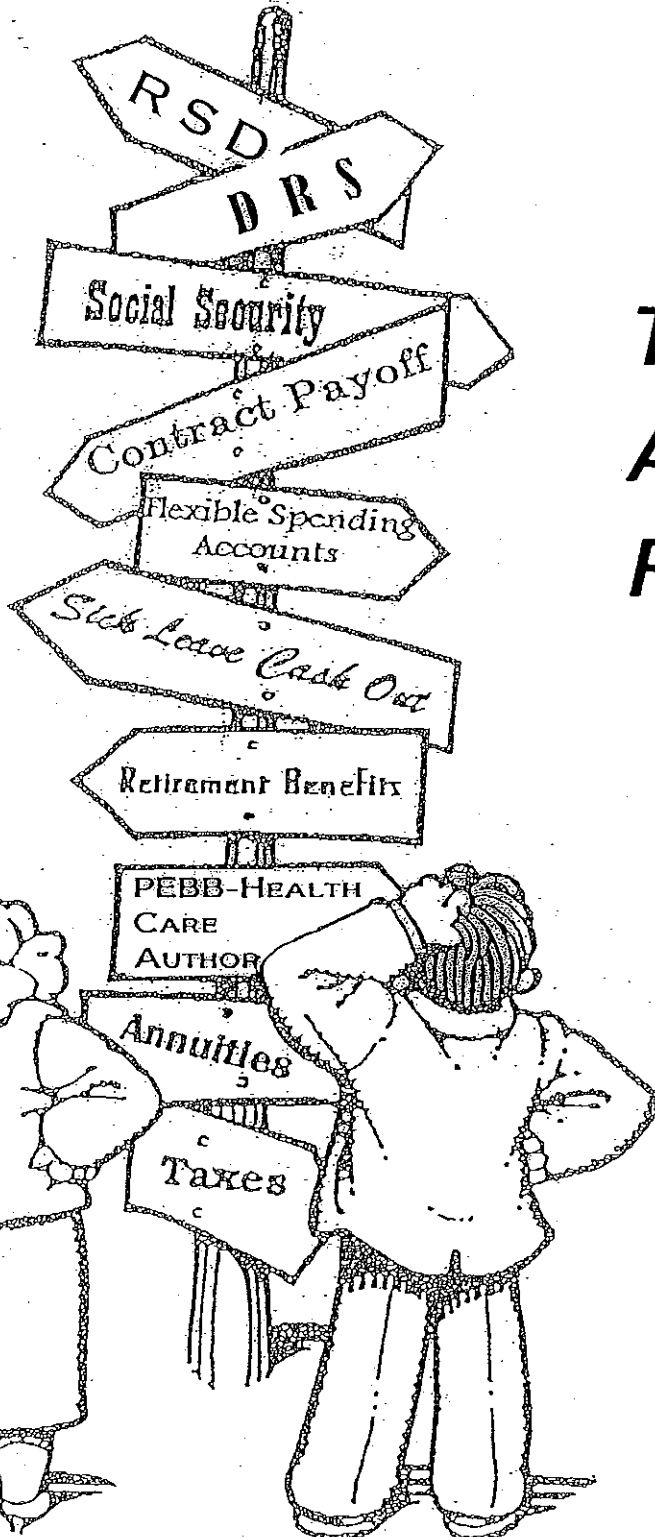


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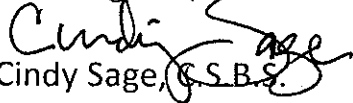
Thinking About Retirement?

Introduction

Congratulations on your *milestone* decision to retire!

This information is provided to help you with the retirement process. You will find eligibility information; checklists, enrollment forms and lots of general information that should help make the process a little easier. If you have questions, I am happy to assist.

Best Regards,


Cindy Sage, C.S.B.S.

Payroll & Benefits Coordinator
Riverview School District
sagec@riverivew.wednet.edu
(425) 844-4513

You are encouraged to contact the sources of this information for any changes or updates.

Riverview School District # 407 Retirement Check List

_____ 1. Contact the Department of Retirement Systems (DRS) to obtain an estimate or projection of your retirement benefits, determine your retirement date and request a retirement packet. **800-547-6657** *Many potential retirees find it useful to actually visit DRS in person to speak with a retirement analyst. Contact DRS at the telephone number over to make arrangements.*

_____ 2. Submit a letter of retirement to the Human Resources Department.
425-844-4506

_____ 3. Complete and submit the following forms in your DRS retirement packet.

- **Health Care Authority Information Packet – PEBB:**
 - Detach and return the post card to the Health Care Authority to request a health care information packet. **The post card is included in your retirement packet from DRS.**
 - Your application or deferment must be filed within 60 days following the date your benefits with the district end, even if you choose to defer coverage.
 - You have a one-time opportunity to choose health coverage through the state Health Care Authority (HCA). It is important that you fill the application out correctly and submit it within the state time limit. Upon retirement, if you plan on choosing COBRA coverage or decide to go onto your spouse's health plan, you MUST let the HCA know this on the application. If you do not complete the application and return it within the stated time limits, you will forfeit all rights to join the plan at a later time.

- Deferment to your spouse's plan can only be made if he/she is actively employed (not retired).
- COBRA is the continuation of your health plan on a self-pay basis through your current employer. COBRA is available to you for 18 months only.
- **Retirement Application:** mail to DRS no more than 990 days before , but no less than 30 days before your retirement date. This form must no contain any erasures or alternations. Mail to: Department of Retirement Systems, PO Box 48380, Olympia, WA 98504.
- **Evidence of Birth:** A photocopy of your birth certificate is required. Selection of Survivor Options requires a photocopy of your beneficiary's birth certificate. Your DRS retirement packet will include a list of other documents that are accepted as proof of age.
- **W-4P (Optional):** Your monthly pension is taxable income and the IRS Form W-4P will help your calculate the appropriate withholding. If this form is not submitted, DRS is required by law to withhold at a rate based on married status with 3 withholding allowances.
- **Direct Deposit Form (Optional):** Complete this form if you want your pension benefits to be directly deposited to your bank account. Your bank must also complete a portion of this form.
- **TRS Plan 1 Application to transfer contributions:** If applicable, the receiving financial group[or bank musts complete a portion of this form.

If you qualify for Social Security, be sure to contact the Social Security Administration three months prior to your eligibility to claim Social Security benefits. 800-772-1213

If you anticipate receiving a large sum from the district, due to a contract payoff, vacation pay or other taxed compensation on your final check, you may want to change your withholding allowances (IRS Form W-4) and/or your Salary Reduction Agreement. For more information, contact the Payroll Office, (425) 844-4513.



Retirement Planning Checklist

The earlier you begin retirement planning, the more successful your retirement will be. If you are within two years of retirement, this list of steps will help you set your final retirement plans in place.

2 years before retirement

- Sign up for a retirement seminar, if you have not attended one in the last five years. If you are a LEOFF Plan 1 or WSPRS Plan 1 member, retirement workshops are available by request. For retirement planning assistance, please contact a Retirement Services Analyst.
- Create an online estimate or call a Retirement Services Analyst for a written estimate and to discuss retirement planning.
- Plan 1 members of PERS and TRS learn more about the Optional COLA.
- Start contributing to the Deferred Compensation Program (DCP).
- Use online account access to check the accuracy of your service credit. If you find information you think is incorrect, send us an e-mail or contact us by phone or mail. We will work with you to research the problem and make a correction, if necessary.
- Plan to pay off optional bills/restorations.
- Evaluate the option to purchase service credit when you retire.
- Consider the "catch-up" options for DCP and/or other employer-sponsored programs. To learn more, contact a DCP Customer Service Representative at 888-327-5596, select option 2.
- Review options for health care coverage after retirement.
- Find out if your employer participates in a health reimbursement arrangement (HRA) offered by the Voluntary Employees' Beneficiary Association (VEBA).

1 year before retirement

- Sign up for a retirement seminar, if you have not attended one in the last five years. If you are a LEOFF Plan 1 or WSPRS Plan 1 member, retirement workshops are available by request. For retirement planning assistance, please contact a Retirement Services Analyst.
- Use online account access to check the accuracy of your service credit. If you find information you think is incorrect, send us an e-mail or contact us by phone or mail. We will work with you to research the problem and make a correction, if necessary.
- Call a Retirement Services Analyst for a written estimate and retirement packet.
- Review options for health care coverage after retirement.
- Consider seeking professional financial planning advice, if you have not already done so.
- Plan to pay off optional bills/restorations.
- Contact the Social Security Administration to determine your eligibility date and request an estimate of benefits, if applicable. The toll-free number is 800-772-1213 or TTY 800-325-0778.



Retirement Planning Checklist cont.

6 months before retirement

- Call DRS for a retirement packet, if you haven't already done so.
- Work with your financial planner, if you have one, to finalize your retirement choices.
- If you're retiring from the Teachers' Retirement System, submit your retirement application and other forms.
- Use online account access to check the accuracy of your service credit. If you find information you think is incorrect, send us an e-mail or contact us by phone or mail. We will work with you to research the problem and make a correction, if necessary.
- Ask your employer about continued health coverage. If you are covered by the Public Employees Benefits Board (PEBB) program, or will be after you retire, contact PEBB Benefit Services at 800-200-1004.
- Contact the Social Security Administration about applying for your Social Security retirement benefit and Medicare. (If eligible for Medicare, you and/or your covered dependents must enroll in Medicare Parts A and B to enroll in PEBB plans when you retire.) The toll-free number is 800-772-1213 or TTY 800-325-0778.

30-60 days before retirement

- Make sure your optional bills are fully paid.
- Send your retirement application and other forms to DRS.
- If you're eligible for PEBB health care coverage, send your PEBB retiree coverage election form, a copy of your Medicare I.D. card showing enrollment in Medicare Parts A and B (if entitled), and the first month's health coverage premium (if not using pension deduction) to the Health Care Authority.
- If your employer participates in the Deferred Compensation Program (DCP), consider calling DCP at 888-327-5596 (select option 2) to discuss deferring your annual leave cash out.

At retirement

- Verify that the retirement information on your benefit letter is correct.
- Contact DRS if you do not receive your payment by the last working day of the month in which you retire, or a couple of days after.
- Make sure the deductions on your remittance advice are correct. For questions about PEBB health plan premium deductions, call PEBB Benefit Services at 800-200-1004. For non-PEBB insurance, IRS, or other deductions, call DRS.

Retiree Payroll Information

“When will I receive my final paycheck from the district and what will it include?”

TRS Plan 1 June Retiree:

Your final paycheck will be issued in August. It will include vacation pay (if applicable), pay for any additional hours worked, sick leave cash-out and your final contract and TRI pay. *(exceptions will be managed on an individual basis)*

TRS Plan 2 & 3 June Retiree:

Your final paycheck will be issued in August. It will include vacation pay (if applicable), pay for any additional hours worked, sick leave cash-out and your final contract and TRI pay. *(exceptions will be managed on an individual basis)*

TRS 260-day Retiree:

Your final paycheck will include your final month of contract pay, vacation pay, pay for additional hours worked and your sick leave cash-out. Timing of your final day will determine whether your final check is issued at the end of the month in which you retire or whether it will be issued in the month following your last day of work. *(exceptions will be managed on an individual basis)*

PER/SERS Retiree:

Your final paycheck will include your contract/assignment pay-off, pay for any additional hours worked, and your sick leave and vacation cash outs. Timing of your final day will determine whether your final check is issued at the end of the month in which you retire or whether it will be issued in the month following your last day of work. *(exceptions will be managed on an individual basis)*

Considerations for everyone to think about:

- Consider whether you will want to submit a revised IRS Form W-4 for your final paycheck. You may download a new W-4 form from the district website (www.riverview/wednet.edu; Staff Resources / Employee Benefits – scroll to the bottom of the page).
- Annuities and Deferred Compensation contributions will end with your final paycheck. Contact your specific vendor to learn about what happens next with your investment monies.

Consult with your tax or financial advisor regarding W-4 and/or annuity deduction changes. The District cannot advise you on specific changes.

How are contractual benefits deductions calculated and processed?

- Union dues – as defined by contract
- Insurance – medical, dental, vision and Long Term Disability – group coverage through the District ends September 30th.

How are other payroll deduction calculated and processed?

- United Way: You can cancel or have the remaining contribution balance deducted from your final paycheck by submitting a written request to the Payroll Office.
- Credit Union: You can cancel or change your deduction by contacting the Credit Union and the Payroll Office.
- Optional Insurances: (ie employee paid short term disability or voluntary life insurances) Either or both can be cancelled by submitting a written request to the payroll office. If interested in continuation of the policies, inquire about portability of either plan.

Sick Leave Cash Out

When will I receive my sick leave cash out?

You will either receive the cash out less taxes in your final paycheck OR the cash out amount will be deposited into a tax exempt VEBA Trust account as determined by your bargaining group. *(exceptions will be managed on an individual basis)*

Important Note: Each year, members age 50 and over of each bargaining group vote whether or not to participate in VEBA . Upon bargaining group acceptance, all retirees must participate or pay a penalty to opt out.

Qualifications for Sick Leave Cash Out:

There are different qualifications per retirement plan.

- The employee must be at least age 55 when separated from service and:
 - If TRS/PERS Plan 1 – must have officially applied for retirement benefits
 - If TRS/SERS Plan 2 – must have at least 15 years of service credit
 - If TRS/SERS Plan 3 – must have at least 10 years of service credit
- The Payroll Office will contact DRS for retirement confirmation and will not cash out any sick leave until such confirmation has been received.

How is Sick Leave Cash Out Calculated?

Maximum number of days = 180 days (1,440 hours)

Convert to monetary compensation at the rate of 25% x HOURLY RATE

There is no minimum sick leave balance required.

Reference: WAC 392-136-020 Conversion of sick leave at retirement

Sick Leave Cash Out To Do:

- If your bargaining group has voted to participate in VEBA, you must complete a VEBA enrollment form (available from the Payroll Office). Submit to payroll by June 10th.
- Additionally, you must obtain and submit (By June 10th) the district's Sick Leave Cash Out form (available from the Payroll Office)
- Ensure that you have submitted your final absence(s) via either Substitute Online or paper leave form to the Payroll office no later than the final day of the school year.



How Career Transitions Affect your Health Care Coverage and your Retirement Accounts

If you leave or change jobs, you will have choices to make about your health care coverage, retirement and Deferred Compensation Program (DCP) accounts. The information below can help you make informed decisions.

Health care questions and answers:

1) What is the deadline to submit your application to the Public Employees Benefits Board (PEBB) for retiree/Plan 3 health care coverage?

You have 60 days to submit an application to enroll in or defer PEBB coverage after your employer paid or continuous COBRA coverage ends. If you do not submit an application, you lose your rights to enroll in the PEBB retiree health coverage program. Returning to work may allow you to re-establish eligibility.

2) How do I know if I am eligible for PEBB retiree/Plan 3 health care coverage?

To confirm your eligibility and/or to request an insurance packet, call 800-200-1004 or 360-725-0440 in the Olympia area. For more information, go to www.pebb.hca.wa.gov

Retirement questions and answers:

3) What happens to my retirement account if I leave my job?

You have three options. You can:

- Retire (if you are eligible) and begin receiving your benefit; or
- Leave your money in your account until you are eligible to retire; or
- Withdraw your account balance.

The choice is yours. Your own unique circumstances should guide your decision. Factors to consider include:

- How close you are to retirement;
- If you plan to return to a position covered by the same retirement plan; and
- What other sources of income or savings are available to you.

4) When am I eligible to retire and collect a monthly benefit payment?

If you are 55 or older you may be eligible. Plan 1 members with 30 or more service credit years can retire at any age. You can review the requirements for your retirement system (PERS, TRS, etc.) and plan (1, 2 or 3) on the DRS website (www.drs.wa.gov). Our member page provides handbooks and brochures for each plan with details about when you can retire and any reductions or restrictions that may apply.

5) Why would I want to leave money in my retirement account?

Plan 1 and Plan 2 members

After you meet age and length of service requirements, you will be entitled to monthly benefit payments for your lifetime. The money in your account will continue to earn interest until you retire or withdraw at a later date.

Plan 3 members

If you leave money in your defined contribution account, it will continue to be based on the performance of your investments while you maintain control of your investment choices.

6) What happens if I withdraw the money in my retirement account?

In Plan 1 and 2, withdrawing your money means you are no longer eligible to receive a retirement benefit. If you're a Plan 3 member, you can withdraw money from your defined contribution account and still receive a monthly benefit when you are eligible to retire.

7) What happens to my retirement account if or when I return to work in a public service position?

If your new position is covered by one of the state's retirement plans, the choices you made when you left employment will determine the answer:

- If you retired – you may be able to stop your benefit and return to membership or work limited hours without affecting your benefit. Contact us to discuss your options.
- If you left money in your retirement account – you will begin contributing to your retirement account again.
- If you were in Plan 1 or 2 and withdrew your money – you will begin contributing to your retirement account again and you may repay the money you withdrew, plus interest, to restore your service credit. Increasing service credit could increase your benefit when you retire. Plan 3 members don't lose service credit when they withdraw their defined contribution account.

8) What are the options for my DCP account?

If you retire or leave your public sector job – you can leave your money in your DCP account or choose to receive some or all of your account balance.

If you continue public employment – you can continue, increase, reduce or stop your contributions. In some limited circumstances, the Internal Revenue Service allows for hardship withdrawals while you are still employed. Contact DCP at 800-547-6657 if you want to know more about your options.

9) Where can I get help if I have additional questions?

Online: The DRS website (www.drs.wa.gov) is an excellent resource for information on your retirement and DCP accounts. Access your account information 24/7, use our online calculators and review publications about your plan, system and DCP account.

By phone: Reach us at 360-664-7000 (Olympia area) or 800-547-6657 (toll free).

In person: To discuss your account in person, please visit us at our Tumwater office.

Regardless of the choices you make about your retirement account, please be sure to keep your address and beneficiary information current.

Leaving School District/ Educational Service District Employment Health Insurance Options

As a school district or educational service district employee, you may be eligible for PEBB retiree health insurance. Please review these materials to familiarize yourself with procedures to enroll now or protect this benefit for your future enrollment.

PEBB provides a quality, comprehensive insurance package for school district and educational service district retirees. Your school district or educational service district employer has been contributing to a fund that subsidizes the premiums for PEBB retiree insurance so PEBB may be a good value for you.

There are three general eligibility requirements to receive PEBB retiree health insurance:

- You must enroll or defer coverage no later than 60 days after your employer-paid or COBRA coverage ends. If you do not submit an application to enroll in or defer coverage within the 60 day window, you lose all rights to enroll in the PEBB Program in the future. To regain eligibility you would have to return to work in a PEBB benefits eligible position.
- You must be vested in a Washington state-sponsored retirement plan.
- You must receive a monthly retirement plan payment or a lump sum payment (if Department of Retirement Systems (DRS) determines the monthly payment is below the minimum payment that can be paid), with one exception. Plan 3 members do not have to receive a retirement plan payment but must meet the age and length of service requirements.

Depending on your situation, you may be able to enroll in PEBB retiree health insurance now or take action to protect your eligibility for future enrollment. Five scenarios are described below. Find the one that fits your situation and read about your options:

- A. If you are retiring and meet the DRS criteria for retirement, go to [section A](#).
- B. If you are separating employment and do not meet the criteria for retirement according to DRS, go to [section B](#).
- C. If you are enrolling in COBRA through your employer or used COBRA as a "bridge" to retirement, go to [section C](#).
- D. If you are retiring, separating employment, or leaving employment due to disability retirement, go to [section D](#).
- E. If you are a Plan 3 member separating from employment and you meet age and years of service requirements for the retirement plan, go to [section E](#).

A. Retiring *(Meet DRS retirement eligibility)*

1. Enrolling in PEBB retiree insurance
 - a. 6 months prior to retirement
 - Contact DRS at 1-800-547-6657 or go to www.drs.wa.gov to request an estimate of your benefit, and if you have not already done so, register for a retirement seminar.
 - b. 3 months prior to your 65th birthday or terminating employment at age 65 or older
 - Contact the Social Security Administration to enroll in Medicare Parts A and B if you or any family members you wish to cover under PEBB coverage are entitled to Medicare due to either age (65) or disability.
 - c. 3 months prior to retirement
 - Request a retiree packet for health insurance information from Health Care Authority. Call 1-800-200-1004 or 360-725-9800 in the Olympia area. HCA will send you a complete retiree insurance packet (including applications).
 - d. 30-60 days prior to retirement
 - Submit your retirement application to DRS.
 - If you're eligible for PEBB health care coverage and wish to enroll, send your Retiree Coverage Election Form, a photo copy of your Medicare ID card showing enrollment in Medicare Parts A and B (if entitled), and the first month's health coverage premium (if not using pension deduction) to the Health Care Authority at the address provided in section 8 of the election form.
 - Submit the Retiree Coverage Election Form to HCA no later than 60 days after employer-paid insurance or COBRA coverage ends.
2. Deferring PEBB retiree insurance
 - a. 30-60 days prior to retirement
 - Request a retiree packet for health insurance from Health Care Authority. Call 1-800-200-1004 or 360-725-9800 in the Olympia area. They will send you a complete retiree insurance packet (including applications).
 - If you're eligible for PEBB health care coverage and wish to defer your PEBB retiree coverage, you must be;
 - Enrolled in your own or your spouse or state-registered/qualified domestic partner's comprehensive employer-paid coverage (does not include employer's retiree coverage with the exception of a federal retirement plan); or
 - Enrolled in your district COBRA coverage; or
 - Enrolled in Medicare Parts A and B and a Medicaid program that provides creditable coverage. *(Dependents not eligible for creditable coverage under a Medicaid program may be enrolled in a PEBB health plan if they meet PEBB eligibility criteria.);* or
 - Enrolled in a federal retiree program, for example, TRICARE.
 - Make 2 copies of your completed Retiree Coverage Election Form requesting deferral, submit one copy to HCA, and keep a copy for your files. The form should be submitted to HCA no later than 60 days after your employer-paid insurance coverage ends.

B. Employment Ending without Retirement (e.g. resignation, layoff)

If you do not meet the DRS criteria for retirement when your employment ends or you choose not to retire, you may have the option to use COBRA coverage as a "bridge" to retirement. To use COBRA as a "bridge" to retirement, you must enroll in COBRA coverage and be eligible to retire when your COBRA coverage ends. If you are not eligible to retire according to the DRS requirements when your COBRA coverage ends, you are not eligible for PEBB retiree coverage.

If you are eligible to retire when your COBRA coverage ends and plan to apply for PEBB retiree coverage, go to Section C.

If you are a member of a Plan 3 retirement system separating employment and have met the age and length of service requirements for your plan, but are not retiring with DRS, go to Section E.

C. COBRA (Consolidated Omnibus Budget Reconciliation Act of 1986)

COBRA is a continuation of health coverage for individuals and families, at the individual's own expense, when the individual terminates employment.

1. Enroll in COBRA through your employer.
2. When COBRA coverage ends, enroll in or defer PEBB retiree coverage.

If you wish to apply for PEBB retiree coverage when your COBRA coverage ends, at the time of application you must meet the requirements of your retirement plan to be eligible to enroll or defer PEBB retiree coverage. If you are unsure of the eligibility requirements for PEBB retiree coverage, please contact PEBB Customer Service at 1-800-200-1004.

 - a. 6 months prior to COBRA coverage ending
 - Contact the DRS at 1-800-547-6657 or go to www.drs.wa.gov to request a retirement estimate.
 - b. 3 months prior to your 65th birthday or terminating employment at age 65 or older
 - Contact the Social Security Administration to enroll in Medicare Parts A and B if you or any family members you wish to cover under PEBB coverage are entitled to Medicare due to either age (65) or disability.
 - c. 3 months prior to COBRA coverage ending
 - Request a retiree packet for health insurance from Health Care Authority. Call 1-800-200-1004 or 360-725-9800 in the Olympia area. HCA will send you a complete retiree insurance packet (including applications and all the information you need).
 - d. 30-60 days before your COBRA coverage ends
 - Submit your retirement application and other forms to DRS.
 - If you're eligible for PEBB health care coverage and want to enroll, send your Retiree Coverage Election Form, proof of continuous COBRA coverage, a copy of your Medicare ID card showing enrollment in Medicare Parts A and B (if entitled), and the first month's health coverage premium (if not using pension deduction) to the Health Care Authority.
 - Submit the Retiree Coverage Election Form to HCA no later than 60 days after COBRA coverage ends.
3. Deferring PEBB retiree insurance
 - a. 30-60 days prior to COBRA coverage ending

- If you're eligible for PEBB retiree health care coverage after COBRA coverage ends and wish to defer your PEBB retiree coverage, you must be:
 - Enrolled in your own or your spouse or state-registered/qualified domestic partner's comprehensive employer-paid coverage (does not include employer's retiree coverage with the exception of a federal retirement plan); or
 - Enrolled in Medicare Parts A and B and a Medicaid program that provides creditable coverage. (*Dependents not eligible for creditable coverage under a Medicaid program may be enrolled in a PEBB health plan if they meet PEBB eligibility criteria.*); or
 - Enrolled in a federal retiree program, for example, TRICARE.
- Make 2 copies of your completed Retiree Coverage Election Form requesting deferral, submit one copy to HCA, and keep a copy for your files. The form must be submitted no later than 60 days after COBRA coverage ends.

D. Disability Retirement (*Meet PEBB eligibility and procedural requirements*)

- Request a disability estimate from DRS. Call 1-800-547-6657 or 360-664-7000 in the Olympia area to discuss eligibility.
 - Contact the Social Security Administration to enroll in Medicare Parts A and B if you or any family members you wish to cover are entitled to Medicare due to either age (65) or disability.
1. Enrolling in PEBB retiree coverage:
 - Once you are approved by DRS for Disability Retirement, request a retiree packet for health insurance from the Health Care Authority. Call 1-800-200-1004 or 360-725-9800 in the Olympia area. HCA will send you a complete retiree insurance packet (including applications).
 - If you're eligible for PEBB retiree health care coverage and want to enroll, send your Retiree Coverage Election Form, a photo copy of your Medicare ID card showing enrollment in Medicare Parts A and B (if entitled), and the first month's health coverage premium (if not using pension deduction) to the Health Care Authority no later than 60 days after the date on the approval letter from DRS.
 2. Deferring PEBB retiree insurance
 - a. Once you apply and are approved by DRS for Disability Retirement, if you're eligible for PEBB retiree health care coverage and wish to defer your PEBB retiree coverage, you must be:
 - Enrolled in your own or your spouse or state-registered/qualified domestic partner's employer-paid coverage (does not include employer's retiree coverage with the exception of a federal retirement plan); or
 - Enrolled in your district COBRA coverage; or
 - Enrolled in Medicare Parts A and B and a Medicaid program that provides creditable coverage. (*Dependents not eligible for creditable coverage under a Medicaid program may be enrolled in a PEBB health plan if they meet PEBB eligibility criteria.*); or
 - Enrolled in a federal retiree program, for example, TRICARE.
 - Make 2 copies of your completed Retiree Coverage Election Form requesting deferral, submit one copy to HCA, and keep a copy for your files. The form must be submitted to HCA no later than 60 days after the date on your approval letter from DRS.

E. Separating Employment *(Plan 3 members not retiring, but meet DRS requirements)*

1. Enrolling in PEBB retiree insurance
 - a. 3 months prior to separating employment
 - Request a retiree packet for health insurance information from Health Care Authority. Call 1-800-200-1004 or 360-725-9800 in the Olympia area. HCA will send you a complete retiree insurance packet (including applications).
 - b. 3 months prior to your 65th birthday or terminating employment at age 65 or older
 - Contact the Social Security Administration to enroll in Medicare Parts A and B if you or any family members you wish to cover under PEBB coverage are entitled to Medicare due to either age (65) or disability.
 - c. 30-60 days prior to retirement or separating employment
 - If you're eligible for PEBB retiree health care coverage and want to enroll, send your Retiree Coverage Election Form, a photo copy of your Medicare ID card showing enrollment in Medicare Parts A and B (if entitled), and the first month's health coverage premium (if not using pension deduction) to the Health Care Authority at the address provided in section 8 of the election form.
 - Submit the Retiree Coverage Election Form to HCA no later than 60 days after employer-paid insurance coverage ends.
2. Deferring PEBB retiree insurance
 - a. 30-60 days prior to separating employment
 - Request a retiree packet for health insurance from Health Care Authority. Call 1-800-200-1004 or 360-725-9800 in the Olympia area. HCA will send you a complete retiree insurance packet (including applications).
 - If you're eligible for PEBB retiree health care coverage and wish to defer your PEBB retiree coverage, you must be:
 - Enrolled in your own or your spouse or state-registered/qualified domestic partner's employer-paid coverage (does not include employer's retiree coverage with the exception of a federal retirement plan); or
 - Enrolled in your district COBRA coverage; or
 - Enrolled in Medicare Parts A and B and a Medicaid program that provides creditable coverage. *(Dependents not eligible for creditable coverage under a Medicaid program may be enrolled in a PEBB health plan if they meet PEBB eligibility criteria.);* or
 - Enrolled in a federal retiree program, for example, TRICARE.
 - Make 2 copies of your completed Retiree Coverage Election Form requesting deferral, submit one copy to HCA, and keep a copy for your files. The form must be submitted to HCA no later than 60 days after employer-paid insurance ends.
3. When you are ready to retire *(receive your monthly retirement plan payment)*
 - a. 6 months prior to retirement
 - Contact the DRS at 1-800-547-6657 or go to www.drs.wa.gov to request a retirement estimate and if you have not already done so, register for a retirement seminar.
 - b. 30-60 days prior to retirement
 - Submit your retirement application to DRS.



Introductory Overview

What is the VEBA Plan?

A health reimbursement arrangement
for public employees in Washington



veba.org

What is a health reimbursement arrangement?

A health reimbursement arrangement (HRA) is an account-based health plan that reimburses out-of-pocket health care costs incurred by you and your family. All contributions from your employer, investment earnings, and withdrawals (claims) are tax-free!

The VEBA Plan is offered by a non-profit trust¹ and has been adopted by nearly every school district, educational service district, and community and technical college in Washington. Visit veba.org for more information, including a list of participating employers.

Why should I have an HRA?

You should have an HRA to cover your family's out-of-pocket medical, dental, and vision costs with tax-free money.

Like most public employees, you're probably struggling to cope with increasing healthcare costs. Active employees face increasing deductibles, copays, and prescription drug costs. Employees eligible to retire are often forced to keep working because they can't afford to pay their retiree medical premiums.

The VEBA Plan helps you offset increasing healthcare costs now and during retirement. For example, if you're still working, you can use the VEBA Plan to cover your current out-of-pocket healthcare costs. Or, you can save the VEBA Plan contributions you earn today and use the money during retirement when you may need it most. Thousands of public retirees use the VEBA Plan every month to reimburse their retiree medical premiums.

You work hard and deserve the most value from your benefits package. The VEBA Plan can help.

Plan Benefits

You . . .

...pay no tax on contributions, earnings, and withdrawals (claims)

...can use your account anytime—after becoming claims eligible

...choose your investments

Your . . .

...spouse and dependents² are covered—even if you die

...unused account balance carries over from year to year—no annual “use-it-or-lose-it” requirement

¹ VEBA Trust was formed in 1984 and is a voluntary employees' beneficiary association (VEBA) authorized under Internal Revenue Code § 501(c)(9). VEBA Trust is managed by a board of trustees appointed by the plan sponsors: Association of Washington School Principals (AWSP), Washington Association of School Administrators (WASA), and Washington Association of School Business Officials (WASBO).

² Effective September 1, 2010, your young adult children's expenses incurred through the end of the calendar year in which they turn age 26 are eligible for reimbursement.

How do I benefit from the VEBA Plan?

The VEBA Plan saves you money. You pay zero tax on contributions, earnings, and withdrawals (claims). In other words, the money goes in tax-free, is invested tax-free, and comes out tax-free. You may save up to \$300 or more in taxes for every \$1,000 contributed by your employer (tax savings are approximate and vary by individual).

Tax-free Contributions

You and your employer pay zero tax on VEBA Plan contributions. Contributions to tax-deferred programs, such as your IRA, 457, 401(k), or 403(b) plans, are subject to FICA tax, and federal income tax is merely postponed until you make withdrawals.

Below are several of the most common VEBA Plan contribution sources³. In most cases, your employer contributes funds which would otherwise be paid to you as taxable income (e.g. salary, wages, sick leave, etc.). When your employee group elects to exchange taxable income for tax-free VEBA Plan contributions, you get to enjoy significant tax savings — even better than your tax-deferred investments!

School districts; community & technical colleges

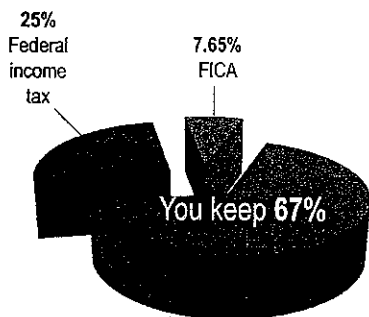
1. Mandatory employee contributions (no individual elections)
2. Retirement sick leave cash out⁴
3. Vacation, personal, and other leave cash outs
4. Part or all of a future pay raise or COLA

School districts only

1. Annual sick leave cash out⁴
2. Separation from service sick leave cash out⁴
3. Unused monthly benefit dollars (after pooling)

Save tax. Keep more.

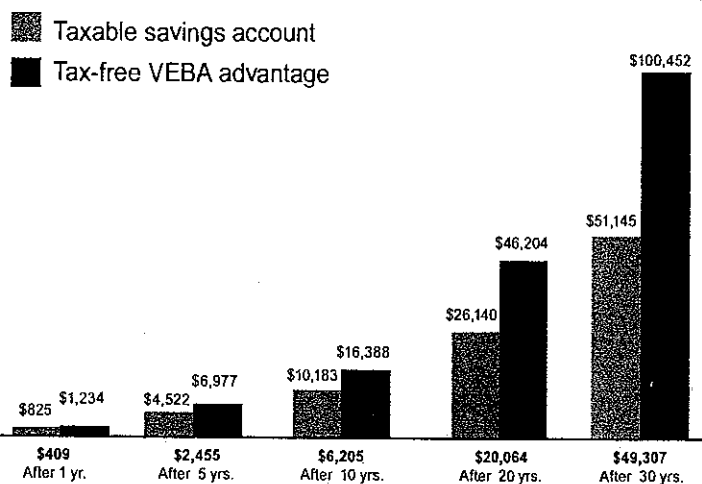
Without VEBA:



With VEBA:



Growth of \$100 per month @ 5.00% net of fees



VEBA estimated tax savings examples⁵

Monthly:
\$33 on each \$100 contribution
You keep \$100 vs. \$67!

Leave cash out:
\$3,300 on \$10,000 contribution
You keep \$10,000 vs. \$6,700!

Enrollment

After your employee group adopts the VEBA Plan and you become eligible to participate, you must submit a completed and signed Enrollment Form. All employee group members defined as eligible must participate per IRS rules.

You will become a participant under the plan on either: (1) the date specified by your employer on your Enrollment Form, or (2) the latter date upon which the third-party administrator has received both your signed Enrollment Form and your first contribution.

³ If you need to confirm how mandatory employee contributions (or other contributions) to VEBA may affect your pension benefit, contact your employer or Washington State Department of Retirement Systems.

⁴ When becoming eligible for sick leave cash out contributions, failure to complete the required Enrollment Form will result in a forfeiture of some or all of your accumulated sick leave days. Please check with your employer or VEBA Service Group, LLC for details.

⁵ Tax savings examples (1) are for illustrative purposes only and vary based on your personal tax situation; and (2) assume 25% federal income tax savings on contributions and earnings and 7.65% FICA tax savings on contributions. You should consult a professional advisor regarding your personal tax situation.

Amount today's average Washington public retiree and spouse will spend on health care during retirement:

\$300,000⁺

Tax-free Investments

Invest your account by choosing either one of two options. You can change your investment selection anytime up to once per calendar month. Fund management fees vary by fund(s) selected. Fund fact sheets and prospectuses are available at veba.org.

Option A: Do-it-yourself

Build your own portfolio using funds from among six individual asset classes.

- Stable Value
- Total Return Bond
- Large Cap Equity
- Mid Cap Equity
- Small Cap Equity
- International Equity

Option B: Choose a pre-mix

Select any one of four professionally designed pre-mixed asset allocation portfolios. Each pre-mixed portfolio's risk level gives strong consideration to your projected time horizon (i.e. the length of time until you expect to begin filing claims).

- Immediate Use (0-1 years)
- Short-term Use (2-3 years)
- Medium-term Use (4-5 years)
- Long-term Use (6+ years)

Tax-free Withdrawals (claims)

It's easy to file a claim

After becoming eligible to file claims, simply submit a properly completed and signed Claim Form along with proof of expense. Standard claims processing takes up to **five business days** from the date of receipt, plus **two business days** to execute the necessary investment fund trade(s). If you are not enrolled in direct deposit, remember to allow additional time to receive your paper check in the mail.

Use a Systematic Premium Reimbursement Form to request automatic reimbursement of recurring qualified insurance premiums.

Direct deposit is fast and secure

Sign up for direct deposit (recommended). It's a faster and more secure way to receive your reimbursements. Funds availability is subject to your banking institution's policies and procedures.

Online Services

myVEBA Plan online

After logging in to your account, you will be able to quickly and easily:

- View your account balance and transaction history
- Track claims in progress
- View claims history
- Submit a change of address
- Update your investment selection(s)
- Update your covered spouse and dependent information
- And more!

e-Communication

Get important information quickly and securely by signing up for e-communication (recommended). Instead of waiting to receive private information in the mail, e-communication provides e-mail notification to you as soon as your participant activity statements and explanations of benefits (EOBs) are available for online viewing.

Survivor Benefit

If you pass away, remaining funds in your account may continue to be used by your surviving spouse and qualified dependent(s) to reimburse eligible healthcare expenses and premiums. Surviving spouses and qualified dependents enjoy the same tax advantages as participants.

If you have no eligible survivors, the executor of your estate will be given an opportunity to file claims for any unreimbursed expenses you incurred prior to your death. Any remaining funds will then be forfeited and redistributed pro rata among the remaining participants from the employer that made your contribution(s). IRS Revenue Ruling 2006-36 does not permit the payment of benefits to non-dependent heirs.

To learn more or to schedule a group presentation, contact the **VEBA Service Group, LLC** office near you.

Spokane: 1-800-888-8322 | **Sumner:** 1-800-422-4023 | **Tri-Cities:** 1-855-735-7713 | **Vancouver:** 1-877-695-3945

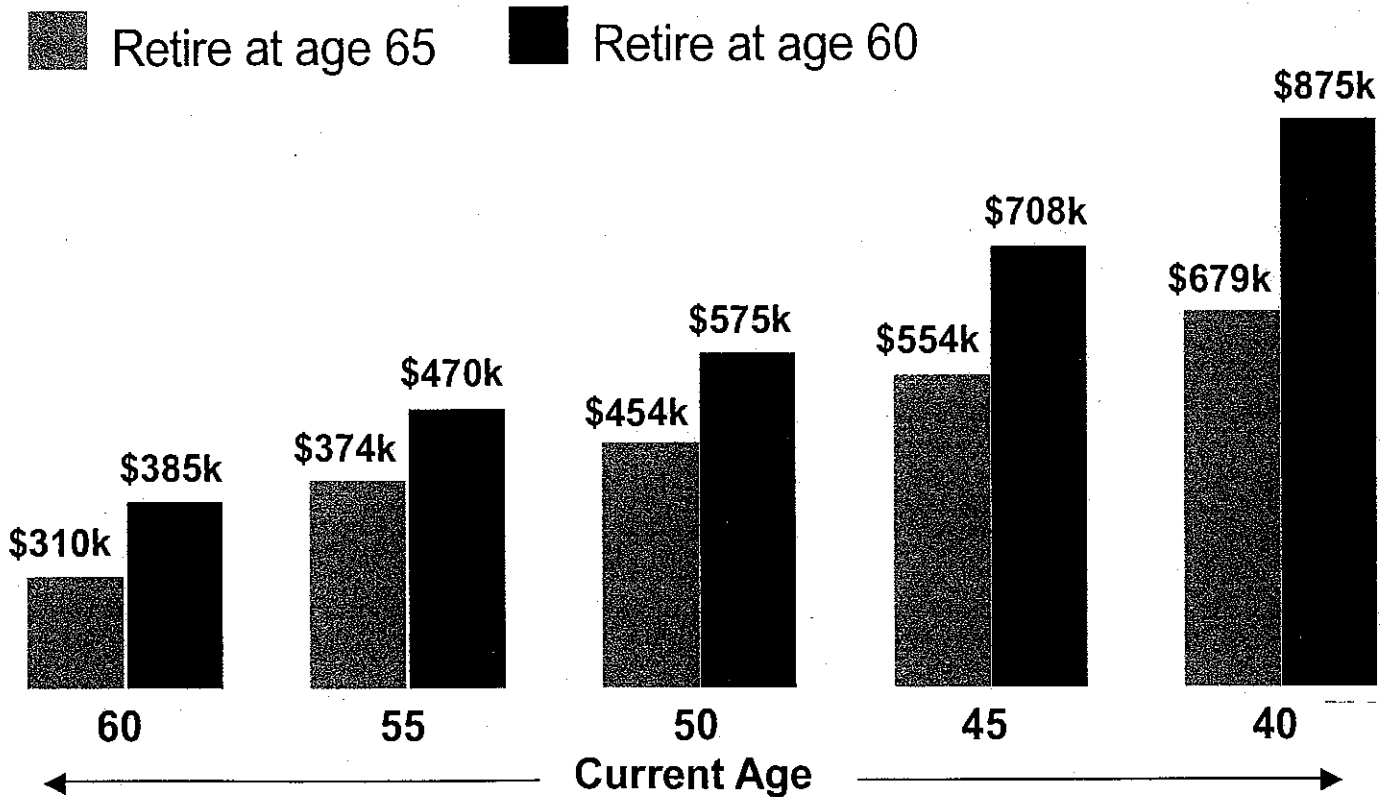
How much will you spend on health care during retirement?

Find your current age on the chart below.

The average 60-year-old public employee and spouse retiring today may spend well over \$300,000 of their own money on healthcare expenses and insurance premiums during retirement! Fortunately, the VEBA Plan can help.



PEBB retiree and spouse health insurance premiums average over \$1,000 per month prior to Medicare. After enrolling in Parts A and B of Medicare, this amount may decrease to about \$350 per month.



The above 2011 projections are based on current average PEBB-sponsored retiree medical and dental premium amounts for public retirees in Washington, current standard Medicare Part B premiums, and current average Medicare Part D premiums for subscribers in Washington. Following are the basic assumptions: (1) employee and spouse retire at age 60 or 65 and live to age 84; (2) both parties enroll in PEBB-sponsored retiree medical (\$1,025/month for both parties) and dental (\$85/month for both parties); (3) at age 65, both parties enroll in Part A (no cost), Part B (\$96.40/month per person), and Part D (\$60.70/month per person); (4) reduced PEBB retiree medical premium at age 65 for both parties (\$351/month current average); (5) \$500 per year miscellaneous out-of-pocket costs (deductibles, co-pays, etc.); (6) Five percent annual increase in retiree medical and dental premiums; and (7) Two percent annual increase in Medicare Part B and Part D premiums.

Fees

Plan expenses include claims processing, printing, postage, legal fees, consulting, local servicing, auditing, etc. Effective October 1, 2011, these costs are paid by a \$1.50/month per participant fee, plus an annualized fee of approximately 1.50%.

The annualized fee is paid by a reduction to investment earnings or, if there are no earnings, charged as a deduction to participant accounts.

Third-party Administrator (TPA)

The third-party administrator, Meritain Health, provides customer service, claims processing, and participant account administration. Meritain Health has more than 30 years of experience and employs a specially-trained service team to assist you.

VEBA Plan Third-party Administrator

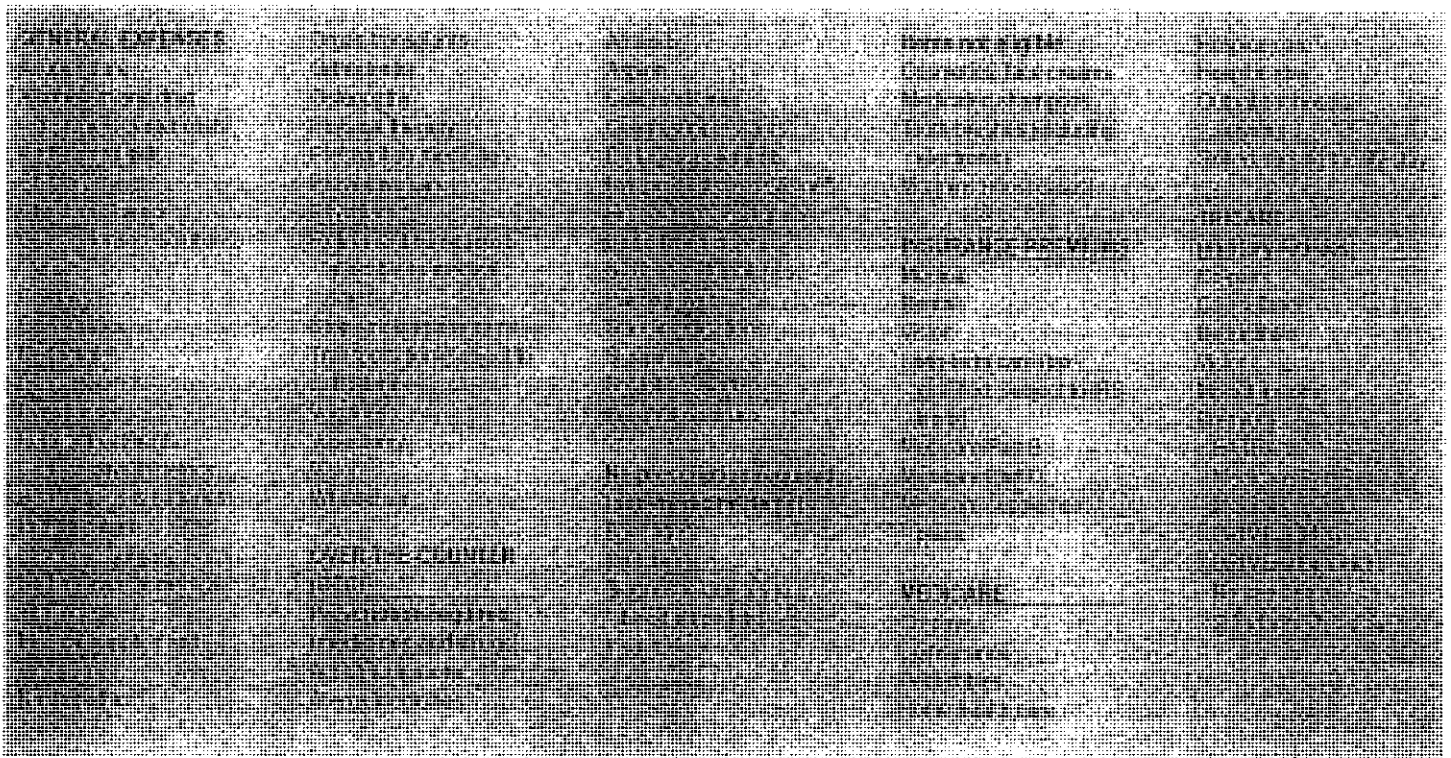
Meritain Health | PO Box 27810 | Minneapolis, MN 55427

Phone: 1-888-828-4953 | Fax: (763) 582-3471

E-mail: myVEBAPlan@meritain.com

Qualified Expenses & Premiums

Internal Revenue Code § 213(d) defines qualified expenses and premiums, in part, as "medical care" amounts paid for insurance or "for the diagnosis, cure, mitigation, treatment, or prevention of disease..." Expenses solely for cosmetic reasons generally are not eligible (e.g. face lifts, hair transplants, hair removal, etc.). Below is a partial list of basic qualified expenses and premiums. If you have questions, contact the third-party administrator, Meritain Health, at myVEBAPlan@meritain.com or 1-888-828-4953.



Please note the following:

1. Qualified expenses and premiums you submit for reimbursement must be incurred after you become a claims-eligible participant.
2. If you are a participant in a Section 125 healthcare flexible spending account (FSA), you must exhaust your FSA benefits before submitting eligible claims.
3. Qualified insurance premiums are reimbursable beginning with the month in which you become a claims-eligible participant.
4. **IRS regulations provide that insurance premiums paid by an employer or deducted pre-tax through a Section 125 plan are not eligible for reimbursement.** When requesting reimbursement of premiums deducted from your paycheck, you should include a letter from your employer that confirms a pre-tax option for the deduction of such premiums is not available.
5. Systematic reimbursement of recurring qualified insurance premiums may be set up online after logging in to your account or by submitting a **Systematic Premium Reimbursement Form**.



A health reimbursement arrangement
for public employees in Washington



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[K-12 School District](#)

[Community or Technical College](#)

[Higher Education](#)

[General State Agency](#)



[myVEBA Plan online login](#)

[Online employer portal login](#)

Frequently asked questions (FAQ)

[General information](#)

[Participant benefits; common funding sources](#)

[Using your account](#)

[Investment Options](#)

- [Claim form](#)
- [Qualified expenses and premiums](#)
- [Eligible dependents](#)
- [Investment performance](#)
- [Who Pays First, VEBA or Medicare?](#)
- [New! How to File a Claim video created by students from Cheney High School](#)

**Sign up for
DIRECT DEPOSIT!**

You'll get your money back faster and it's more secure. Login to myVEBA Plan online to enroll.

search...

General information

1. What is the VEBA Plan?

The VEBA Plan is a health reimbursement arrangement (HRA) offered by VEBA Trust. Formed in 1984, VEBA Trust is a non-profit, tax-exempt health and welfare benefit trust. VEBA Trust currently provides benefits to nearly 40,000 public employees and retirees in Washington. Participating employers include 280+ school districts; 30 community and technical colleges; and 80+ state agencies and higher education institutions. For more information, go to [About VEBA Trust](#).

2. What does "VEBA" stand for?

"VEBA" stands for voluntary employees' beneficiary association. VEBAs are a type of trust instrument used to hold plan assets for the purpose of providing employee benefits. VEBAs are authorized by Internal Revenue Code § 501(c)(9). VEBA Trust offers a health reimbursement arrangement commonly known as the VEBA Plan.

3. What is an HRA?

A health reimbursement arrangement (HRA) is an account-based health plan. You can use your HRA funds to cover qualified healthcare expenses and premiums for you and your family. Employer contributions, earnings, and withdrawals (claims) are exempt from taxes.

4. Why are HRAs sometimes called VEBAs?

Many governmental employers in Washington are familiar with the term "VEBA" and understand it to mean a benefit plan that reimburses healthcare expenses and premiums. These medical reimbursement programs are actually defined by the IRS as HRAs, but are commonly referred to as "VEBA" plans.

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Participant benefits; common funding sources

5. How do I benefit from the VEBA Plan?

The VEBA Plan saves you money. You pay zero tax on contributions from your employer, earnings, and withdrawals (claims). In other words, the money goes in tax-free, is invested tax-free, and comes out tax-free. You may save up to \$300 or more

in taxes for every \$1,000 contributed by your employer (tax savings are approximate and vary by individual).

6. How do I get money in my account?

In most cases, your employer contributes funds which would otherwise have been paid to you as taxable income. The most common funding source is unused sick leave cash out funds at retirement.

Depending on your employer, other funding sources may be available, such as: sick leave cash out annually and/or at separation from service; vacation, personal, other leave cash outs; mandatory employee contributions (no individual elections permitted); and part or all of a future pay raise or cost-of-living allowance (COLA).

You should check with your employer to confirm available funding source(s) and eligibility requirements. Contact [VEBA Service Group, LLC](#) to learn more about what funding sources may be adopted by your employee group.

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Sponsored since 1984 by the Association of Washington School Principals (AWSPP), Washington Association of School Administrators (WASA), and Washington Association of School Business Officials (WASBO).

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Using your account

7. When can I start filing claims?

You may file claims at anytime for expenses you incur after becoming a participant. Go to [How to file a claim](#) and [Tips to expedite your claim](#) for more details.

8. Are my spouse and qualified dependent(s) eligible for benefits?

Yes. Go to [Definition of Dependent](#) for more details.

9. What types of expenses are eligible for reimbursement?

Common qualified expenses include deductibles, co-pays, coinsurance, and prescription drugs. Go to [Qualified Expenses & Premiums](#) for more details.

Who pays first, VEBA or Medicare?

If you, your spouse, or a dependent are on Medicare, you will be required to use up your VEBA account before Medicare will provide future benefits unless (1) you're separated from the employer that made, or is making, contributions to your VEBA account; (2) your VEBA account balance has always been and stays under \$1,000; or (3) you've elected limited VEBA plan coverage. **If you're separated**, contact Meritain Health at 1-888-828-4953 with your separation date to avoid problems receiving Medicare benefits. **If you're still working** and you elect limited VEBA plan coverage, Medicare will provide benefits without requiring that you use up your VEBA account first. To learn more, read the handout entitled, "[Who Pays First, VEBA or Medicare?](#)"

10. Can I use my account to reimburse retiree insurance premiums?

Yes. Medical, dental, vision, tax-qualified long-term care ([subject to IRS limits](#)), Medicare Part B, Medicare Part D, and Medicare supplement plan premiums are eligible for reimbursement. Go to [Qualified Expenses & Premiums](#) for more details.

NOTE: Premiums paid by an employer or deducted pre-tax through a Section 125 cafeteria plan are not eligible for reimbursement.

11. Can I have my insurance premiums reimbursed automatically?

Yes. [Systematic reimbursement](#) of your monthly insurance premiums is available.

12. How long does it take to process a claim?

Standard claims processing takes up to five business days from Meritain Health's date of receipt, plus two business days to execute the necessary investment fund trade(s). If you are not enrolled in direct deposit, remember to allow additional time to

receive your paper check in the mail from Meritain Health's service center in Minneapolis.

The two-day investment trade process for approved claims is necessary in order for Meritain Health to transfer your requested funds from your account to VEBA Trust's claims payment account. Your direct deposit (if enrolled) or paper check will be issued after the investment trade(s) are executed.

13. Is direct deposit available?

Yes. Direct deposit is available and recommended. You'll get your money back faster and it's more secure than regular mail.

14. Do I have to use up my account right away?

No. Your unused account balance carries over from year to year. There is no annual "use-it-or-lose-it" requirement.

15. What happens to my account if I change employers, go on a leave of absence, or retire?

You may still continue to use your account if you change employers, go on a leave of absence, retire, etc. Access to your account is not affected by your employment status.

16. What happens to my account if I die?

If you pass away, remaining funds in your account may continue to be used by your surviving spouse and qualified dependent(s) to reimburse qualified healthcare expenses and insurance premiums. If you have no eligible survivors, the executor of your estate will be given an opportunity to file claims for any unreimbursed expenses you incurred prior to your death. Any remaining funds will then be forfeited and redistributed pro rata among the remaining participants from the employer that made your contribution(s).

NOTE: IRS Revenue Ruling 2006-36 does not permit the payment of benefits to non-dependent heirs in the event a deceased participant has no surviving spouse or dependent(s).

17. How often will I get a statement?

Electronic statements are posted quarterly and are available after logging in to myVEBA Plan online. When you sign up for e-communication (recommended), notification will be e-mailed to you each time a new statement is available online. If you are not signed up for e-communication, paper statements are mailed twice a year in January and July.

18. What are the fees?

Administrative and operating expenses are paid by a \$1.50/month per participant fee, plus an annualized fee of approximately 1.50%. The annualized fee is paid by a reduction to investment earnings or, if there are no earnings, charged as a deduction to participant accounts. Plan expenses include claims processing, printing, postage, legal fees, consulting, local servicing, auditing, etc.

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Investment options

19. How many investment options do I have?

You may invest your account using either one of two investment options. With Option A: Do-it-yourself, you can build your own portfolio using funds from six individual asset classes. Or, you can select any one of four professionally designed pre-mixed asset allocation portfolios available under Option B: Choose a pre-mix. Read the Investment Fund Information brochure for more information. Investment performance is contained in the Investment Fund Overview (updated quarterly).

20. How often can I change my investment selection(s)?

You may change your investment selection(s) up to once each calendar month.

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SOCIAL SECURITY

And

MEDICARE

Social Security

The Official Website of the U.S. Social Security Administration

Apply Online For Retirement Benefits

Boldly Go Online To Retire - It's So Easy!

Social Security offers an online retirement application that you can complete in as little as 15 minutes. It's so easy. Better yet, you can apply from the comfort of your home or office at a time most convenient for you. There's no need to drive to a local Social Security office or wait for an appointment with a Social Security representative.

In most cases, once your application is submitted electronically, you're done. There are no forms to sign and usually no documentation is required. Social Security will process your application and contact you if any further information is needed.

[Apply For Retirement](#)

Not ready to retire yet?

It's never too early to start planning. Use the Retirement Estimator to obtain immediate and personalized estimates of your future retirement benefit.

Questions About Our Online Application...

Who can use it?

You can file online if you:

- are at least 61 years and 9 months old;
- are not currently receiving benefits on your own Social Security record;
- have not already applied for retirement benefits; and
- want your benefits to start no more than 4 months in the future.

Note: We cannot process your application if you file for benefits more than four months in advance.

Important

If you are within 4 months of age 65, your retirement application will include Medicare benefits. If you do not want to start receiving retirement benefits yet, you can use this application just to sign up for Medicare.

However, if you have a Health Savings Account (HSA) and/or health insurance based on employment, you may want to ask your personnel office or insurance company how signing up for Medicare will affect you.

How do I use it?

Select the [Apply for Retirement](#) button above.

You'll go through a series of screens that will ask you questions about yourself, your family and your work.

If you get stuck on a question, you can skip it and go back later. When you get to the end of the application, we'll let you know if there are any questions you still need to answer.

Once you've answered all of the questions, just click on "Sign Now" to send your application to Social Security.

Note

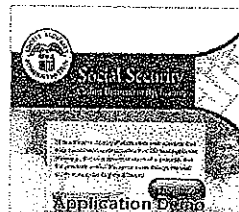
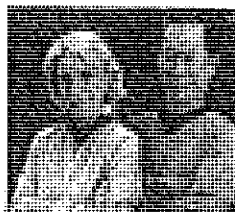
You may also have to mail or bring in some documents that we need to process your application.

Publications

[Retire Online: It's So Easy!](#)

[How To Apply Online For Retirement Benefits](#)

Videos



How does it make it easier to apply for benefits?

Our online application has number of features:

- **A Retirement Estimator** - gives you a personal estimate of how much your benefits will be at different ages and "stop work" dates.
- **Avoid trips to your Social Security office.** That saves you time and money.
- **Answer questions on your schedule** - you can start and stop the application without fear of losing any of the information you entered.
- **Chance to correct mistakes** - before you finish the application you'll be given a chance to go back and make corrections.
- **[More Info] links** - when you have trouble answering a question help is just a click away..
- **No need to mail in your application** - when you're finished, just click "Sign Now" to send your application to Social Security.

Note

You'll get a receipt for your online application that you can print and keep for your records. We'll also give you a confirmation number. Use that number to check the status of your application after you've applied.

How long can I stay on each page?

For security reasons, there are time limits for viewing each page. You will receive a warning after 25 minutes without doing anything, and you will be able to extend your time on the page. After the third warning, you must move to another page or your time will run out and your work on that page will be lost.

Note

If you turned JavaScript off in your browser, you will not receive these warnings. After you spend 30 minutes on a page, you must move to another page or you will be logged out.

What happens after I apply?

Once we receive your application, we'll review it. After the review, we will contact you if we need more information or if we need to see your documents. We'll also let you know if...

- you may be able to receive benefits on another person's record, such as your spouse.
- other family members may be able to receive benefits on your work record.

When we have all of the necessary information and documents, we'll process your application and send you a letter about our decision in the mail.

Note

If you applied online for just Medicare, you can still apply online for retirement benefits later on.

Last reviewed or modified 12/16/2011

Social Security

The Official Website of the U.S. Social Security Administration

Apply Online For Retirement Benefits

Social Security offers an online retirement application that you can complete in as little as 15 minutes. It's so easy. Better yet, you can apply from the comfort of your home or office at a time most convenient for you. There's no need to drive to a local Social Security office or wait for an appointment with a Social Security representative.



[More...](#)

[Apply For Retirement](#)

[Check Application Status](#)

Learn About Retirement Benefits

Retirement publications

[Use our retirement planner](#)

[Estimate your Social Security retirement benefits](#)

[Estimate other potential benefits](#)

[Find your full retirement age](#)

[Benefits for your spouse](#)

[Benefits for you as a spouse](#)

If You Already Receive Retirement Benefits...

Online Services	Important Information
	Get a replacement Medicare card
	Get or change a password (Not available for SSI)
	Check your Social Security information or benefits See the contact, direct deposit, Medicare and payment information we have on file for you. (Password required)
	Request a proof of income letter Get a letter that verifies your Social Security benefit information. (Includes Medicare and SSI)
	Get a Form 1099/1042S -- Social Security Benefit Statement (Available February 1, 2012) Replace the lost, damaged, or missing tax summary of your Social Security benefits for 2011. (Not available for SSI)
	Change your address or telephone number (Not available for SSI)
	Change or sign up for direct deposit (Password required)
	Block electronic and automated telephone access to your personal information
	Select or change the way you receive information from Social Security if you are blind or visually impaired

Last reviewed or modified 02/24/2012

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Search by Topic: Search by Title or Number:

Title	Number	Date	Audio
What You Need To Know When You Get Retirement Or Survivors Benefits	05-10077	01/12	
When To Start Receiving Retirement Benefits	05-10147	01/11	
Windfall Elimination Provision	05-10045	01/12	
Your Retirement Benefit: How It Is Figured (If You Were Born In A 1950)	05-10070	01/12	
Your Retirement Benefit: How It Is Figured (If You Were Born In B 1949)	05-10070	01/11	
Your Retirement Benefit: How It Is Figured (If You Were Born In C 1948)	05-10070	01/10	
Your Retirement Benefit: How It Is Figured (If You Were Born In D 1947)	05-10070	01/09	
Your Retirement Benefit: How It Is Figured (If You Were Born In E 1946)	05-10070	01/08	
Your Retirement Benefit: How It Is Figured (If You Were Born In F 1945)	05-10070	01/07	
Your Retirement Benefit: How It Is Figured (If You Were Born In G 1944)	05-10070	01/06	
Your Retirement Benefit: How It Is Figured (If You Were Born In H 1943)	05-10070	01/05	
Your Retirement Benefit: How It Is Figured (If You Were Born In I 1942)	05-10070	10/04	
Your Retirement Benefit: How It Is Figured (If You Were Born In J 1941)	05-10070	01/03	
Showing 16 - 28 of 28 items		First Previous Next Last	

Last reviewed or modified 02/29/2012

Social Security Online
Benefits Planner

Retirement Planner



Other things to consider

(Español)

Retirement Planner
Home
Estimate Your
Retirement Benefits
Benefit Calculators
Eligibility Issues
Near Retirement?
Apply for Benefits
Online
Frequently Asked
Retirement Questions
Other Resources

What is the best age to start your benefits?

The answer is that there is no one "best age" for everyone and, ultimately, it is your choice. You should make an informed decision about when to apply for benefits based on your individual and family circumstances.

Your monthly benefit amount can differ substantially based on the age when you start receiving benefits. If you decide to start benefits:

- before your full retirement age, your benefit will be smaller but you will receive it for a longer period of time.
- at your full retirement age or later, you will receive a larger monthly benefit for a shorter period of time.

The amount you receive when you first get benefits sets the base for the amount you will receive for the rest of your life.

There are also some other things you may want to consider when you make that decision:

Note: Click on a question below or the red arrow next to it for the answer.

[Expand All](#) | [Collapse All](#)

- ▶ Are you still working?
- ▶ Do you come from a long-lived family?
- ▶ How is your health?
- ▶ Will you still have health insurance?
- ▶ Are you eligible for benefits on someone else's record?
- ▶ Do you have other income to support you if you decide to delay taking your benefits?
- ▶ Will other family members qualify for benefits with you on your record?

Accidents or unexpected changes in your circumstances can't be ruled out, of course, so your final decision may be based on your "best guess" about your future.

Additional information about how to select your retirement date can be found in "*When To Start Receiving Retirement Benefits*" and "*Retirement Benefits*."

When to contact us

Our representatives can help you explore your options. Give us a call at our toll-free telephone number (1-800-772-1213) (TTY 1-800-325-0778) about three months before the date you think you want your benefits to start.

Medicare

Remember, **Medicare usually starts when you reach age 65.**

If you decide to delay starting your benefits, be sure to contact Social Security about 3 months before you turn age 65 to check about applying for Medicare.

Even if you have health insurance through an employer or former employer, you should still check to see whether you need to sign up for Medicare. Some health insurance plans change automatically at age 65.

If you need to sign up for Medicare but you do not, your Medicare coverage may be delayed and cost more.

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Last reviewed or modified Friday Dec 16, 2011

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What Is Medicare? ★ ★ ★

Medicare is health insurance for the following:

- People 65 or older
- People under 65 with certain disabilities
- People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant)

The Different Parts of Medicare

The different parts of Medicare help cover specific services:

Medicare Part A (Hospital Insurance)

- Helps cover inpatient care in hospitals, skilled nursing facilities, hospice, and home health care.
- Most people don't have to pay a premium for Medicare Part A because they or a spouse paid Medicare taxes while working in the United States. If you don't automatically get premium-free Part A, you may still be able to enroll, and pay a premium.

Medicare Part B (Medical Insurance)

- Helps cover doctors' and other health care providers' services, outpatient care, durable medical equipment, and home health care.
- Helps cover some preventive services.
- Most people pay up to the standard monthly Medicare Part B premium.

Note: You may want to get coverage that fills gaps in Original Medicare coverage. You can choose to buy a Medicare Supplement Insurance (Medigap) policy from a private company.

Medicare Part C (also known as Medicare Advantage)

- Offers health plan options run by Medicare-approved private insurance companies. Medicare Advantage Plans are a way to get the benefits and services covered under Part A and Part B. Most Medicare Advantage Plans cover Medicare prescription drug coverage (Part D).
- Some Medicare Advantage Plans may include extra benefits for an extra cost.

Medicare Part D (Medicare Prescription Drug Coverage)

- Helps cover the cost of prescription drugs
- May help lower your prescription drug costs and help protect against higher costs
- Run by Medicare-approved private insurance companies
- Costs and benefits vary by plan

Note: Help is available. If you have limited income and resources, you may qualify for help paying your Medicare health care and/or prescription drug coverage costs. For more information, visit www.socialsecurity.gov, call Social Security at 1-800-772-1213, or apply for help at your State Medical Assistance (Medicaid) office.

If you have questions about Medicare, visit www.medicare.gov, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Apply Online For Medicare—Even If You Are Not Ready To Retire

What is Medicare?


Medicare is a federal health insurance plan for people who are age 65 or older. People who are disabled or have permanent kidney failure can get Medicare at any age.

Medicare has four parts—A, B, C and D. Hospital insurance (Part A) is free for insured people and helps pay for inpatient hospital care and certain follow-up services. If you are eligible, you should apply for Part A a few months before you turn age 65, even if you are covered by other health insurance.

The other three parts of Medicare require premium payments, and you may pay different amounts, depending on when you apply:

- Medical Insurance (Part B) helps pay for doctors' services, outpatient hospital care and other medical services.
- Medicare Advantage plans (Part C) are available in many areas. People with Parts A and B can choose to receive all of their health care services through a provider organization under Part C.
- Prescription drug coverage (Part D) helps pay for medications doctors prescribe for medical treatment.

www.socialsecurity.gov



For more information, ask for *Medicare* (Publication No. 05-10043) or go online to www.socialsecurity.gov/pubs/10043.html.

Who should use the online Medicare application?

You should, if you:

- Are within four months of turning age 65 or older;
- Want to sign up for Medicare benefits and do not currently have any Medicare coverage; and
- Do not want to apply for monthly Social Security retirement benefits at this time.

NOTE: People who already are receiving Social Security retirement or disability benefits automatically will be enrolled in Medicare and do not need to complete the online application.

Why should I apply online for Medicare benefits?

Applying online for Medicare benefits offers several advantages:

- You can start your application immediately—you do not have to wait for an appointment;
- You can apply from the comfort of your home, or from any computer;

www.socialsecurity.gov

- You can avoid a trip to a Social Security office, saving you time and money; and
- You do not have to complete the application in one sitting. If you need a break, you can stop working on the application and restart it again without losing any of the information you entered.

How secure is my personal information?

We use the most secure technology on the Internet to keep your information private.

What do I have to do?

Follow these simple steps:

- Go online to www.socialsecurity.gov and select "Apply online for Medicare;"
- Go through a series of questions that will help you decide whether to apply for retirement and Medicare benefits or just Medicare;
- Use the "More Info" links if you need more information;
- Answer questions about current benefits you may be receiving, such as Medicaid or other health insurance; and
- Select "Submit Now" to send your application electronically to Social Security.

What happens next?

- You will see a receipt on the screen that you can print and keep for your records;
- You also will get an application number that you can use to check the status of your application;
- We will review your application and contact you if we need clarification about your answers or if we need to see any documents; and
- We will process your application and mail you a letter about our decision.

Availability

The online application is available to you seven days a week during the following hours (Eastern time):

Monday-Friday: 5 a.m. until 1 a.m.

Saturday: 5 a.m. until 11 p.m.

Sunday: 8 a.m. until 10 p.m.

Holidays: 5 a.m. until 11 p.m.

When you are ready to retire

You should make an informed decision about when to apply for benefits based on your individual and family circumstances. Social Security has a variety of tools to help you make that decision:

- Our Retirement Estimator at www.socialsecurity.gov/estimator allows you to get a real-time retirement benefit estimate and also lets you create additional "what if" retirement scenarios;

- Our *When To Start Receiving Retirement Benefits* fact sheet (Publication No. 05-10147) at www.socialsecurity.gov/pubs/10147.html provides information to help you understand how Social Security fits into your retirement decision, and
- Our Retirement Planner at www.socialsecurity.gov/retire provides detailed information about your Social Security retirement benefits under current law and points out things you may want to consider as you prepare to retire.

Contacting Social Security

For more information and to find copies of our publications, visit our website at www.socialsecurity.gov or call toll-free, 1-800-772-1213 (for the deaf or hard of hearing, call our TTY number, 1-800-325-0778). We treat all calls confidentially. We can answer specific questions from 7 a.m. to 7 p.m., Monday through Friday. We can provide information by automated phone service 24 hours a day.

We also want to make sure you receive accurate and courteous service. That is why we have a second Social Security representative monitor some telephone calls.



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Thinking About Working After Retirement? for members of the Teachers' Retirement System (TRS) Plan I

This publication describes possible impacts to your retirement benefit if you return to work for an employer covered by the Washington State Teachers' Retirement System (TRS). The Department of Retirement Systems (DRS) has prepared this brochure to help you find answers to many of the questions regarding returning to work after retirement.

When do I become a retiree?

You become a retiree when you:

- Meet the age and service requirements for retirement;
- File an application for retirement with DRS;
- Terminate all eligible or ineligible employment with a DRS-covered employer(s); and
- Sever all agreements for future TRS-covered employment.

Taking these actions will establish your effective retirement date – the first day of the month following the month in which you meet the conditions for retirement.

What if I return to work after I retire?

Keep in mind that you must be separated from employment for at least 30 days after your effective retirement date (see "Returning to work less than 30 days after your effective retirement date" on page 2) before you can return to work for a K-12 employer, state agency, or institution of higher education and continue to receive an unreduced retirement benefit. You must not have a written or verbal agreement for re-employment with the same employer before your retirement.

Once you have been retired for at least 30 days, additional rules apply based on the date you retired and where you return to work:

- If you return to work in for a **public educational institution** in Washington State (K-12, community colleges, universities) or in a higher education retirement plan (HERP)-eligible position (including as a substitute):
 - » You can work for 867 hours in a fiscal year (July 1 – June 30) without impacting your retirement benefit.
 - » HERPs are non-DRS retirement plans offered by institutions of higher education, such as, University of Washington Retirement Plan (UWRP), and Western Washington University Retirement Plan (WWURP). If you work for a higher education employer, please check with your employer to see if your position is HERP-eligible.
 - » Note: You may continue to work once you have exceeded 867 hours. However, if you do so, your retirement benefit will stop. It will resume following your last day of employment or at the beginning of the next fiscal year (July 1 – June 30), whichever comes first.



- If you return to work for a **state agency or political subdivision** (city, county, or other public employer):
 - » You have no retire/rehire limitations. Your retirement benefit will not be impacted by hours worked for a state agency or political subdivision.

What do I need to do if I return to work after retirement?

When you return to work, you must let your new employer know that you are a retiree from TRS. If your employer does not know you are retired, you may be reported as an active member – which may stop your benefit. It is your employer’s responsibility to report any return to work hours to DRS.

Returning to work less than 30 days after your effective retirement date

If you return to work for a K-12 employer, state agency, or institution of higher education less than 30 days after your effective retirement date, your benefit will be reduced by 5.5 percent for every seven hours worked in a month up to a maximum of 140 hours per month. If the reduction is more than your benefit, the excess is taken from the next month’s benefit payment. The reduction continues until you stop working for a full 30 days. This rule also applies to substituting.

Note: If you terminate employment and apply for retirement, but return to work for a K-12 employer, state agency, or institution of higher education before your effective retirement date, your retirement is nullified, you return to active membership, resume paying contributions and you must return all retiree benefit payments to DRS.

How will I know when I reach the hourly limits?

DRS will notify you in writing when you near your hourly limit for a fiscal year. When you exceed your hourly limit, DRS will notify your employer. You

may also track the number of hours you have worked within online account access.

Note: Your retirement benefit will stop once you exceed your hourly limit. It will resume following your last day of employment or at the beginning of the next fiscal year, whichever comes first.

What if I work as an independent contractor or in a public education position in another state?

Employment outside the state of Washington, or as an independent contractor, is not affected by retire/rehire rules.

Contract work with a Washington State educational institution

As a retiree, your employment status and rights differ from those of an active, tenured teacher. The duration of a return to work contract is limited to one year; however, a contract may be renewed each year at the discretion of your employer.

For more detailed information, contact the Office of the Superintendent of Public Instruction (OSPI) at 360 725-6000.

Can I return to active membership?

You are not required to return to TRS membership, but you may elect to do so if you are a TRS Plan 1 retiree and you are employed in a full-time TRS-covered position for a public school.

Your return to active TRS membership may impact your future retirement benefit. You must contact DRS for a benefit estimate before returning to membership.

If you retired with less than 15 years of service credit, you may become a contributing member of the Public Employees’, School Employees’, or the Law Enforcement Officers’, and Fire Fighters’ retirement systems. However, your TRS benefit may be suspended pending termination of your employment.

What if I am receiving a disability retirement?

If you retired because of a disability, your right to receive a benefit is subject to the same conditions as service retirees. However, DRS may require a disability retiree to have a medical examination at any time. If a medical examination shows that you have recovered from your disability, your disability retirement benefits will stop and you will be restored to TRS membership.

If I return to work, can I contribute to a deferred compensation plan?

Yes. Contributing to a deferred compensation plan has no impact on your retirement benefit. Only the hours that you work affect your monthly retirement benefit. If you have questions, contact the Deferred Compensation Program at 888-327-5596. For TTY, call 877-847-6041.

Does returning to work affect my health care?

Your health care coverage may be impacted if you return to work. For more information, contact the Health Care Authority (HCA) in the Olympia area at (360) 412-4200 or outside Olympia at 800-200-1004. You may also visit the HCA website at www.hca.wa.gov.

To learn more

When contacting DRS in writing, please include the following information:

- System and Plan
- The last 4 digits of your Social Security number
- Your mailing address
- Daytime telephone number

Contacting DRS

For answers to your re-employment questions, visit our website, or contact DRS at:

Department of Retirement Systems
 Teachers' Retirement System
 PO Box 48380
 Olympia, WA 98504-8380

Toll free: 800-547-6657

Local: 360-664-7000

TTY: 360-586-5450

Website: www.drs.wa.gov

Email: recep@drs.wa.gov

February 2012

Summary Description

The rules that govern working after retirement are contained in state retirement law. This publication is a summary, written in non-legal terms. It is not a complete description of the law. If there are conflicts between what is written in this publication, and what is contained in the law, the applicable law will govern.



Thinking About Working After Retirement?

For Plan 2 and 3 members of the Teachers' Retirement System (TRS)

The Department of Retirement Systems (DRS) prepared this brochure to help you with questions regarding returning to work after retirement. We've included important information about possible impacts to your retirement benefit if you return to work for an employer covered by one of the Washington State retirement systems.

When do I become a retiree?

It is important to understand when you become a retiree because you must first retire before you can be covered under the return to work laws. You become a retiree on your effective retirement date. Your effective retirement date is set when you:

- Meet the age and service requirements;
- Terminate all employment with DRS-covered employers;
- Sever all agreements (written or verbal) for future DRS-covered employment; and
- File an application for retirement with DRS.

Once these steps are taken, your effective retirement date depends on your status at retirement and the plan to which you belong. Your effective retirement date is the first day of the month following termination of employment, if you are eligible to retire when you separate from service.

If you are **not** eligible to retire when you separate from service, your effective retirement date is the first of the month following the date you meet the age and service requirements.

Please note: If you terminate employment and apply for retirement, but return to work for a DRS-covered employer **before your effective retirement date**, your retirement is nullified, you return to

active membership, resume paying contributions and must return to DRS any benefit payments already received.

EXAMPLES

Eligible at separation from service

Sally applies for retirement and terminates employment on August 15, 2008. She meets the age and service eligibility requirements. Her effective retirement date will be September 1, 2008.

Not eligible at separation from service

Jackson applies for retirement and terminates employment on June 23, 2008 with enough service to meet one of the eligibility requirements for retirement. But he does not meet the age requirement until July 15, 2009. So his effective retirement date will be August 1, 2009 – the date he meets both the age and service eligibility requirements.

After I retire can I work for an employer not covered by DRS?

Yes. Your benefit will only be affected if you work for a DRS-covered employer. If you are unsure if an employer is covered, contact DRS.



What should I do if I return to work for a DRS-covered employer?

If you return to work for a DRS-covered employer, it is important to let your employer know you are a retiree. Your employer is required to report your employment to DRS. If your employer does not know you are retired, you may be reported as an active member – which may stop your benefit.

What happens if I return to work less than 30 days after I retire?

If you return to work for a DRS-covered employer before being retired for 30 consecutive calendar days, your benefit will be reduced 5.5 percent for every seven hours you work to a maximum of 140 hours each month. If the reduction is more than the benefit, the remaining amount will be deducted from the next month's benefit payment. The reduction continues until you are separated from employment for 30 consecutive calendar days.

What happens if I return to work more than 30 days after I retire?

The rules that determine the number of hours you can work and continue receiving your benefit at the same time depend on how you choose to retire.

If you choose a normal retirement or early retirement using factors other than the 2008 Early Retirement Factors (ERF)*

You will continue to receive retirement benefits if you wait at least 30 consecutive calendar days after you retire and you work:

- For a DRS-covered employer, but your position is ineligible for membership in a DRS or higher education retirement plan (HERP), or
- As a contractor with a Washington state educational institution (see "Contract work with a

Washington state educational institution" on page 4), or

- 867 hours or less in a calendar year in one or more eligible DRS- or HERP-covered positions. Your retirement benefits stop once you work more than 867 hours in a calendar year. Your benefits will resume following your last day of employment, or at the beginning of the next calendar year, whichever comes first.*

If you choose to retire early using the 2008 ERF**

If you retire using the 2008 ERF, and have not reached age 65, you cannot work:

- In any capacity for a DRS-covered employer and continue to receive your benefit. If you do return to work, you will not receive your monthly benefit for any month in which you work. Your benefit will restart the first of the month after you stop working. Once you reach age 65, you can work under the rules previously described.

You cannot earn compensation from a DRS-covered employer for services performed as a contractor and continue to receive a monthly benefit.

For more information, see the DRS brochure *Thinking About Retiring Early?* available online or from your employer.

*Effective July 1, 2011, higher education employers may not offer participation in HERP to retirees (or members who are eligible to retire) from any retirement plan administered by DRS and listed in RCW 41.50.030. If you're a rehired retiree who was participating in a HERP before July 1, 2011, you may continue to do so, and you are subject to the return to work rules described in this brochure.

**The 2007 Legislature passed a law to end gain sharing after January 1, 2008. Under the new law, Plan 2 and Plan 3 members of TRS may choose to use the 2008 ERF at retirement. To qualify for the 2008 ERF, members must be at least age 55, have at least 30 years of service credit and retire on or after September 1, 2008.

If a court of law decides the repeal of gain sharing is invalid, the early retirement factors and return to work rules for early retirement that were in place before passage of the new law will apply.

Can I work over the annual limit?

You can work as many hours as you wish in a calendar year. However, if you work over the maximum number of hours allowed, your retirement benefit will be stopped for the remainder of the calendar year or until you terminate employment. In the month you exceed the limit, your benefit will be prorated.

EXAMPLE

Ellen retires with a normal retirement on January 1, 2009 and returns to work on February 1, 2009. She works full time for the rest of the year. On July 11, 2009 she exceeds 867 hours of employment. Her benefit is stopped on July 12. She will receive a partial month's benefit for July 1 through July 11.

Can I return to active membership?

You are not required to return to TRS membership, but you may elect to do so if you are employed in an eligible position.

If you retired from TRS with less than 15 years of service credit, you may become a contributing member of the Public Employees' Retirement System (PERS), the School Employees' Retirement System (SERS), Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF), Public Safety Employees' Retirement System (PSERS) or First-Class Cities (Seattle, Spokane or Tacoma). However, your TRS benefit may be stopped pending termination of your employment.

Recalculating your benefit

Your return to active TRS membership may impact your future retirement. If your retirement status was terminated because you returned to membership, your retirement benefits will be recalculated when

you reapply for benefits. If you first retired early, prior to age 65, the actuarial value of the monthly payments you received may be assessed against your second retirement.

Be sure to contact DRS for an estimate before resuming membership.

What if I retired as a dual member?

A dual member is a retiree who qualified for retirement by using service credit accumulated under more than one system. In certain situations, returning to membership results in termination of benefits under both systems. If you have questions, contact DRS.

What if I am receiving a disability retirement?

If you retired because of a disability, your right to receive a benefit is subject to the same conditions as service retirees. However, DRS may require a disability retiree to have a medical examination at any time. If a medical examination shows that you have recovered from your disability, your disability retirement benefits will stop.

Important Information

Overpayments and Underpayments: If you receive an overpayment of your retirement benefit, you will be required to repay the amount of the overpayment to DRS. If you receive an underpayment, DRS will correct the error and pay you the amount owed.

Deferred Compensation: If you are receiving payment from the Deferred Compensation Program (DCP), your payments will not be affected by your return to work. If you are not yet receiving payment and return to work, you can continue making contributions to the plan up to an annual maximum con-

tribution amount, depending on your income. If you have questions, please contact DCP at 888-327-5596 or by e-mail at dcpinfo@drs.wa.gov. For TTY, call 877-847-6041.

Health Care: If you retired from state government, a public education institution or a local government employer participating in the Public Employees Benefits Board (PEBB), you may have the option to return to PEBB-sponsored coverage. If you have questions about your health care coverage, please contact the Health Care Authority (HCA) at 800-200-1004 or visit the HCA website at www.hca.wa.gov. If you retired from a local government employer, you need to coordinate with your employer and health care provider to determine what you can do.

Contract work with a Washington state educational institution: As a retiree, your employment status and rights differ from those of an active, tenured teacher. The duration of a "return to work contract" is limited to one year; however, a contract may be renewed each year at the discretion of your employer. For more detailed information, contact the Office of the Superintendent of Public Instruction (OSPI) at (360) 725-6000, or visit the OSPI website at www.k12.wa.us/.

Contacting DRS

For more information, refer to your *TRS Plan 2* or *TRS Plan 3 Member Handbook*, visit our website, or contact DRS directly. DRS office hours are 8 a.m. to 5 p.m., Monday through Friday, except legal holidays.

Website: www.drs.wa.gov

Telephone: 800-547-6657, or
360-664-7000 in Olympia area

TTY: 866-377-8895, or
360-586-5450 in Olympia area

E-mail: recep@drs.wa.gov

Address: PO Box 48380
Olympia, WA 98504-8380

January 2012

Summary Description

The rules governing working after retirement are contained in state retirement law. This publication is a summary, written in non-legal terms. It is not a complete description of the law. If there are conflicts between what is written in this publication, and what is contained in the law, the applicable law will govern.



Thinking About Working After Retirement?

For Plan 2 and 3 members of the Public Employees' Retirement System (PERS) and the School Employees' Retirement System (SERS)

The Department of Retirement Systems (DRS) prepared this brochure to help you with questions regarding returning to work after retirement. We've included important information about possible impacts to your retirement benefit if you return to work for an employer covered by one of the Washington State retirement systems.

When do I become a retiree?

It is important to understand when you become a retiree because you must first retire before you can be covered under the return to work laws. You become a retiree on your effective retirement date. Your effective retirement date is set when you:

- Meet the age and service requirements;
- Terminate all employment with DRS-covered employers;
- Sever all agreements (written or verbal) for future DRS-covered employment; and
- File an application for retirement with DRS.

Once these steps are taken, your effective retirement date depends on your status at retirement and the plan to which you belong. Your effective retirement date is the first day of the month following termination of employment, if you are eligible to retire when you separate from service.

If you are **not** eligible to retire when you separate from service, your effective retirement date is the first of the month following the date you meet the age and service requirements.

Please note: If you terminate employment and apply for retirement, but return to work for a DRS-covered employer before your effective retirement

date, your retirement is nullified, you return to active membership, resume paying contributions and must return to DRS any benefit payments already received.

EXAMPLES

Eligible at separation from service

Sally applies for retirement and terminates employment on August 15, 2008. She meets the age and service eligibility requirements. Her effective retirement date will be September 1, 2008.

Not eligible at separation of service

Jackson applies for retirement and terminates employment on June 23, 2007 with enough service to meet one of the eligibility requirements for retirement. But he does not meet the age requirement until June 23, 2009. So his effective retirement date will be July 1, 2009 – the date he meets both the age and service eligibility requirements.

After I retire can I work for an employer not covered by DRS?

Yes. Your benefit will only be affected if you work for a DRS-covered employer. If you are unsure if an employer is covered, contact DRS.





What should I do if I return to work for a DRS-covered employer?

If you return to work for a DRS-covered employer, it is important to let your employer know you are a retiree. Your employer is required to report your employment to DRS. If your employer does not know you are retired, you may be reported as an active member – which may stop your benefit.

What happens if I return to work less than 30 days after I retire?

If you return to work for a DRS-covered employer before being retired for 30 consecutive calendar days, your benefit will be reduced 5.5 percent for every eight hours you work to a maximum of 160 hours each month. If the reduction is more than the benefit, the remaining amount will be deducted from the next month's benefit payment. The reduction continues until you are separated from employment for 30 consecutive calendar days.

What happens if I return to work more than 30 days after I retire?

The rules that determine the number of hours you can work and continue receiving your benefit at the same time depend on how you choose to retire.

If you choose a normal retirement or early retirement using factors other than the 2008 Early Retirement Factors (ERF)*

You will continue to receive retirement benefits if you wait at least 30 consecutive calendar days after you retire and you work:

- For a DRS-covered employer, but your position is ineligible for membership in a DRS or higher education retirement plan (HERP), or

- 867 hours or less in a calendar year in one or more eligible DRS- or HERP-covered positions. Your retirement benefits stop once you work more than 867 hours in a calendar year. Your benefits will resume following your last day of employment, or at the beginning of the next calendar year, whichever comes first.*

If you choose to retire early using the 2008 ERF**

If you retire using the 2008 ERF, and have not reached age 65, you cannot work:

- In any capacity for a DRS-covered employer and continue to receive your benefit. If you do return to work, you will not receive your monthly benefit for any month in which you work. Your benefit will restart the first of the month after you stop working. Once you reach age 65, you can work under the rules previously described.

You cannot earn compensation from a DRS-covered employer for services performed as a contractor and continue to receive a monthly benefit.

For more information, see the DRS brochure *Thinking About Retiring Early?* available online or through your employer.

*Effective July 1, 2011, higher education employers may not offer participation in HERP to retirees (or members who are eligible to retire) from any retirement plan administered by DRS and listed in RCW 41.50.030. If you're a rehired retiree who was participating in a HERP before July 1, 2011, you may continue to do so, and you are subject to the return to work rules described in this brochure.

**The 2007 Legislature passed a law to end gain sharing after January 1, 2008. Under the new law, Plan 2 and Plan 3 members of PERS and SERS may choose to use the 2008 ERF at retirement. To qualify for the 2008 ERF, members must be at least age 55, have at least 30 years of service credit and retire on or after July 1, 2008 for PERS and September 1, 2008 for SERS.

If a court of law decides the repeal of gain sharing is invalid, the early retirement factors and return to work rules for early retirement that were in place before passage of the new law will apply.



Can I work over the annual limit?

You can work as many hours as you wish in a calendar year. However, if you work over the maximum number of hours allowed, your retirement benefit will be stopped for the remainder of the calendar year or until you terminate employment. In the month you exceed the limit, your benefit will be prorated.

EXAMPLE

Ellen retires with a normal retirement on January 1, 2009 and returns to work on February 1, 2009. She works full time for the rest of the year. On July 11, 2009 she exceeds 867 hours of employment. Her benefit is stopped on July 12. She will receive a partial month's benefit for July 1 through July 11.

Can I return to active membership?

You are not required to return to PERS or SERS membership, but you may elect to do so if you are employed in an eligible position.

If you retired from PERS or SERS with less than 15 years of service credit, you may become a contributing member of the Teachers' Retirement System (TRS), Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF), Public Safety Employees' Retirement System (PSERS) or First-Class Cities (Seattle, Spokane or Tacoma). However, your PERS or SERS benefit may be stopped pending termination of your employment.

Recalculating your benefit

Your return to active PERS or SERS membership may impact your future retirement. If your retirement status was terminated because you returned to membership, your retirement benefits will be recalculated when you reapply for benefits. If you first retired early, the actuarial value of the monthly payments you received may be assessed against your second retirement.

Be sure to contact DRS for an estimate before resuming membership.

What if I retired as a dual member?

A dual member is a retiree who qualified for retirement by using service credit accumulated under more than one system. In certain situations, returning to membership results in termination of benefits under both systems. If you have questions, contact DRS.

What if I am receiving a disability retirement?

If you retired because of a disability, your right to receive a benefit is subject to the same conditions as service retirees. However, DRS may require a disability retiree to have a medical examination at any time. If a medical examination shows that you have recovered from your disability, your disability retirement benefits will stop.

Important Information

Overpayments and Underpayments: If you receive an overpayment of your retirement benefit, you will be required to repay the amount of the overpayment to DRS. If you receive an underpayment, DRS will correct the error and pay you the amount owed.

Deferred Compensation: If you are receiving payment from the Deferred Compensation Program (DCP), your payments will not be affected by your return to work. If you are not yet receiving payment and return to work, you can continue making contributions to the plan up to an annual maximum contribution amount, depending on your income. If you have questions, please contact DCP at 888-327-5596 or by email at dcpinfo@drs.wa.gov. For TTY, call 877-847-6041.



Health Care: If you retired from state government, a public education institution or a local government employer participating in the Public Employees Benefits Board (PEBB), you may have the option to return to PEBB-sponsored coverage. If you have questions about your health care coverage, please contact the Health Care Authority (HCA) at 800-200-1004 or visit the HCA website at www.hca.wa.gov. If you retired from a local government employer, you need to coordinate with your employer and health care provider to determine what you can do.

Contacting DRS

For more information, refer to your *PERS* or *SERS Plan 2* or *Plan 3 Member Handbook*, visit our website, or contact DRS directly. DRS office hours are 8 a.m. to 5 p.m., Monday through Friday, except legal holidays.

Website: www.drs.wa.gov

Telephone: 800-547-6657, or
360-664-7000 in Olympia area

TTY: 866-377-8895, or
360-586-5450 in Olympia area

Email: recep@drs.wa.gov

Address: PO Box 48380
Olympia, WA 98504-8380

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Summary Description

The rules governing working after retirement are contained in your retirement plan. This publication is a summary written in non-legal terms. It is not a complete description of the law. If there are conflicts between what is written in this publication and what is contained in the law, the applicable law will govern.

Useful Contact Information

Department of Retirement Systems

1-800-547-6657 www.drs.wa.gov

VEBA

1-888-828-4953 www.veba.org

Public Employees Benefits Board

1-800-200-1004 www.prbb.hca.wa.gov

Social Security Administration

1-800-772-1213 www.ssa.gov