

Welcome Human Resource and Payroll Professionals



These slides are to accompany a presentation and are not a complete description of the law. The rules governing your benefits are contained in state retirement law. If there are any conflicts between what is written on these slides and what is contained in the law, the applicable law will govern.

Washington State Department of Retirement Systems

- **DRS administers:**
 - ✓ **State retirement systems**
 - 8 systems with 15 plans
 - ✓ **Deferred Compensation Program**
- **DRS education:**
 - ✓ **Retirement Services - Employees**
 - Education & Outreach (group)
 - Retirement Systems Analysts (individual)
 - ✓ **Employer Support Services - Employers**

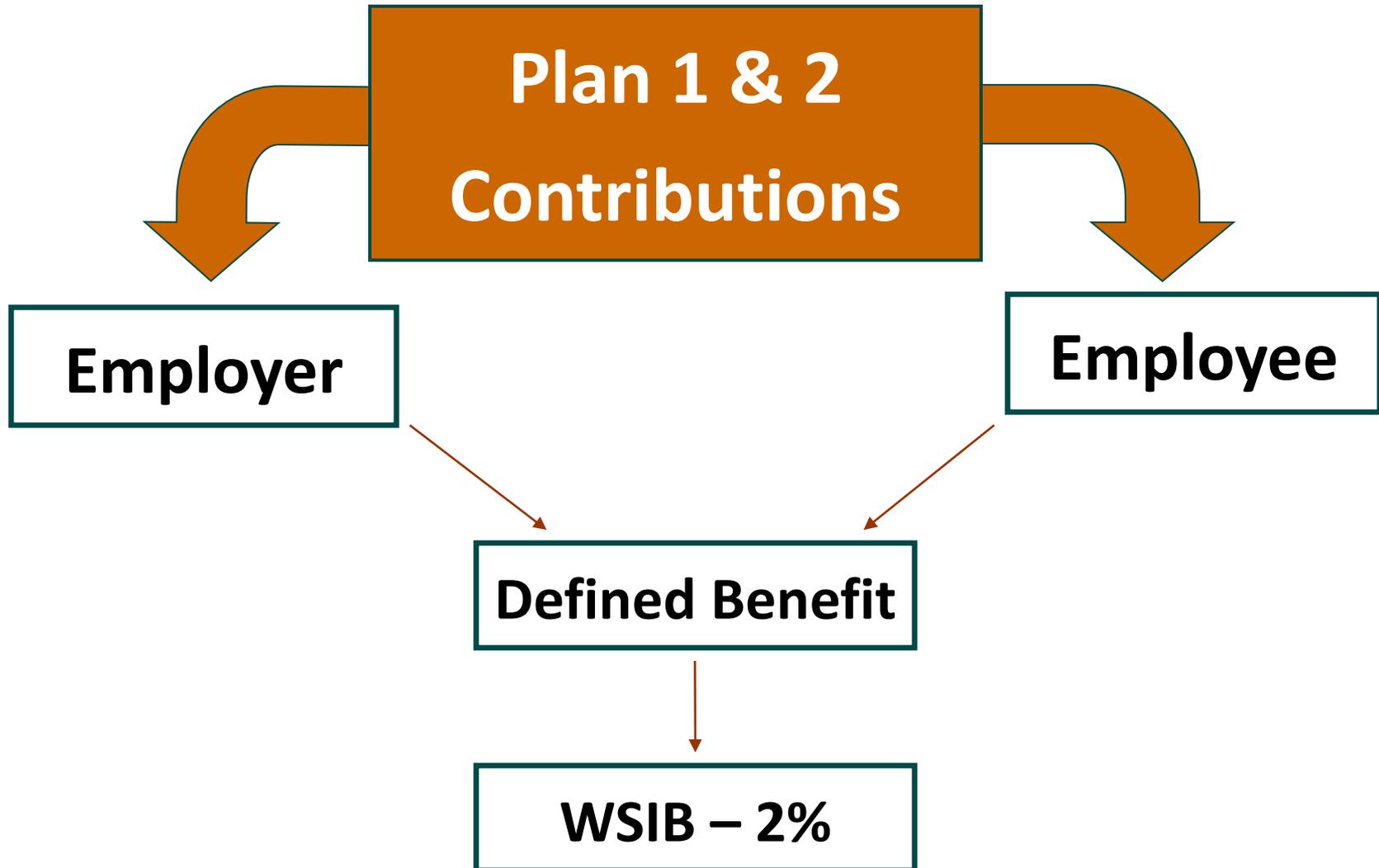


What Retirement Plans are Available from the State of WA?

- **Defined benefit plan – 401(a)**
 - ✓ **PERS, SERS & TRS Plans 1 & 2**
 - Service Credit Years (SCY)
 - Average Final Compensation (AFC)
- **Defined contribution plan – 457(b)**
 - ✓ **Deferred Compensation Program (DCP)**
 - Contributions
 - Investment Returns
- **Hybrid plan – 401(a)**
 - ✓ **SERS & TRS Plans 3**
 - Defined benefit
 - Defined contribution

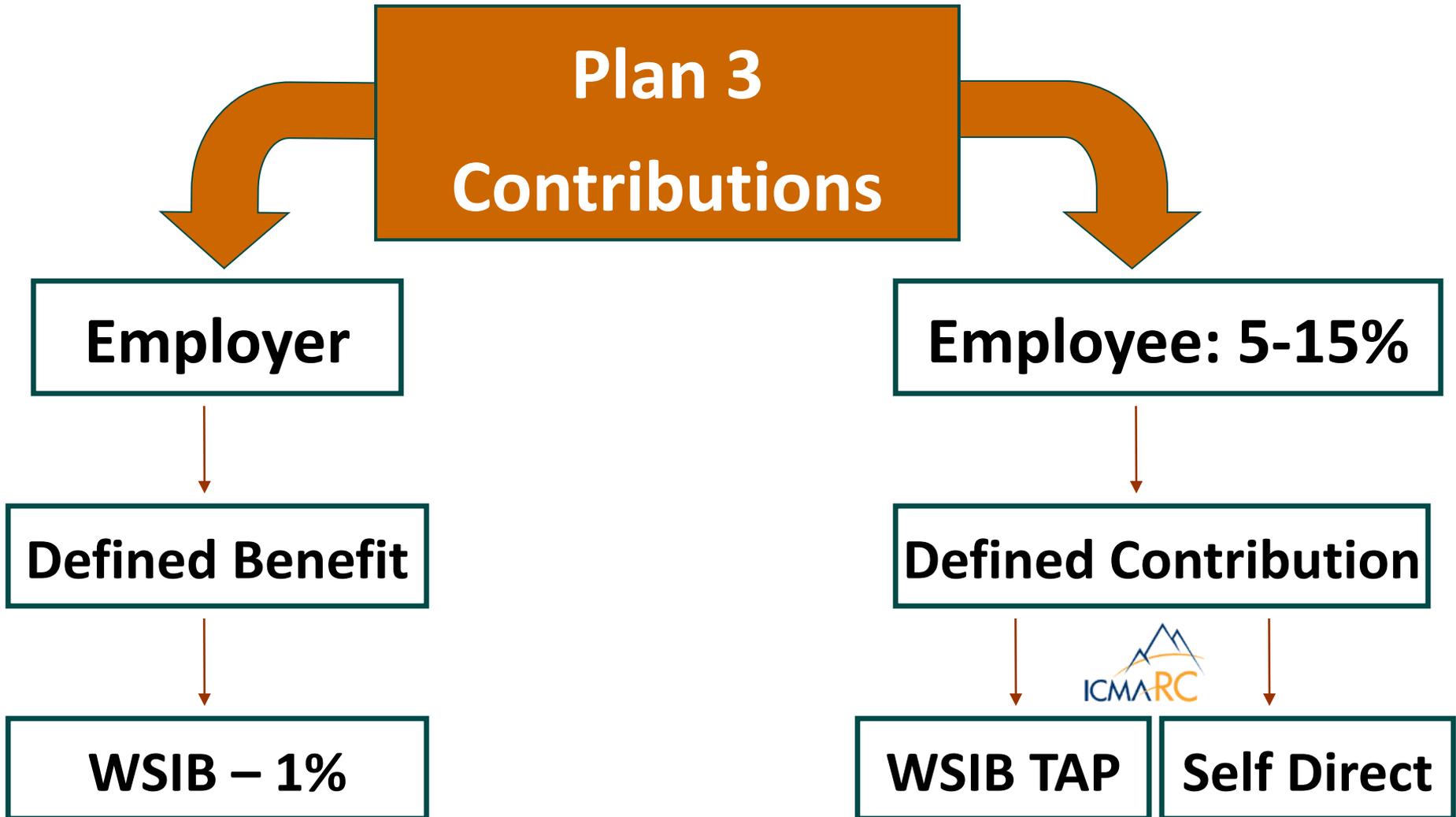
How Do the Plans Work?

Contributions



How Do the Plans Work?

Contributions



How Much Will the Member Get?

Defined Benefit Formula

$$\begin{aligned} & 1\% \text{ or } 2\% \quad \times \quad \text{Service Credit Years} \\ & \times \quad \underline{\text{A}}\text{verage } \underline{\text{F}}\text{inal } \underline{\text{C}}\text{ompensation} \\ & \qquad \qquad \qquad = \text{Monthly Benefit} \end{aligned}$$



How Much Will the Member Get?

Defined Contribution Payment Options

- **Option 1: Lump sum or partial lump sum**
- **Option 2: Direct rollover**
- **Option 3: Scheduled payments**
- **Option 4: Annuity**
 - ✓ **TAP or self-direct**

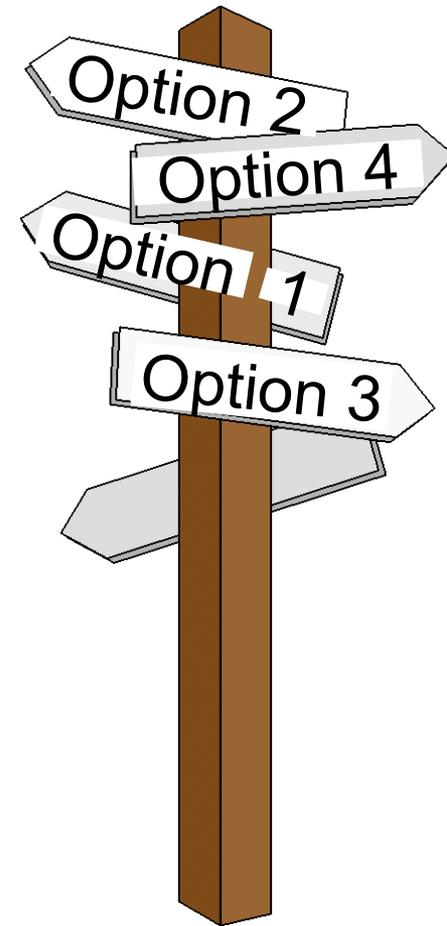
ICMA-RC Client Services
1-888-711-8773

How Much Will the Member Get?

Defined Benefit Options

Maximum (TRS Plan 1 only)

Option 1	Single Life
Option 2	100%
Option 3	50%
Option 4	66.67 %



When Can the Member Retire?

Defined Benefit

• Plan 1:

- ✓ Age 60 & 5 SCY Uniform COLA
- ✓ Age 55 & 25 SCY Optional COLA
- ✓ Any age & 30 SCY

• Plans 2/3 (defined benefit):

- ✓ Age 65 & 5/10 SCY
- ✓ Age 55 & 20/10 SCY – reduced benefit
- ✓ Age 62 & 30 SCY (2008 ERF)

Effective Retirement Date?



COLA

How Much Will the Member Get?

Early Retirement Factors (ERF'S)

Plans 2 & 3 Early Retirement Percentages

Age at Retirement	Minimum SCY but less than 30 SCY	30 or more SCY member chooses
64	89.5%	97% or 100%
62	72.4%	91% or 100%
60	58.5%	85% or 95%
55	35.8%	70% or 80%

What if I Separate from Service?

Defined Benefit

- **Plan 3**

- ✓ May withdraw defined contributions (tax/penalty?)
- ✓ May defer defined benefit (10+ SCY)
 - Indexing (20+ SCY)



- **Plans 1 & 2**

- ✓ May withdraw accumulated contributions (tax/penalty?)
 - Lose service credit
 - May restore if you return
 - Within 5 yrs: contributions and interest
- ✓ May defer defined benefit (5+ SCY)
 - Don't withdraw contributions - retain service credit

What is the Deferred Compensation Program?

- DCP is a supplemental retirement savings and investment program
- Offered by the State of Washington to all public employees
- IRS 457 reduces current taxable income while account savings grow on a tax-deferred basis

What are the Advantages of DCP?

- **Automatic payroll deduction**
- **Reduce your taxable income today**
- **Benefit from tax-deferred growth**
- **\$30 per month minimum - \$16,500 annual maximum for 2011 (\$1,375/mo.)**
- **Portable if you change employers**
- **Low Fees**

What are the Investment Options?

Build & Monitor

Nine separate investment options

- You diversify
- You adjust
- You rebalance

One Step Investing

Twelve professionally managed funds

- Automatically diversify
- Automatically adjust
- Automatically rebalance

- WASHINGTON STATE -
DEFERRED COMPENSATION PROGRAM

DISCOVER THE SMART,
EASY WAY TO SAVE



Washington State Deferred Compensation Program

This site is the portal to your DCP account where you can review your account details, make changes to your investment selections and much more. Be sure to take advantage of the many educational materials and tools the website has to offer.

Account Access

Welcome to your new Account Access
If this is your first time logging into this site

[Register Your Account](#)

Secure Account Access

Username:

PIN:

[Sign In](#)

- [Forgot your Username?](#)
- [Forgot your PIN?](#)
- [First time logging in to your account?](#)

www.drs.wa.gov/dcp

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Enrollment Education Investments Calculators Publications Forms Links

Enrollment

The Washington State Deferred Compensation Program (DCP) is a powerful tool to help you reach your retirement goals. As a supplement to other retirement benefits or savings that you may already have, this voluntary program allows you to save and invest extra money for retirement... tax deferred! Discover the smart, easy way to save.

Eligibility DCP is available to participating Washington State public employers and their employees.

How to Enroll If you are ready to enroll in DCP, all the materials you need are available to you on this website:

- Use [DreamTrackerSM](#) to help you determine the amount you want to defer;
- Read the [DCP Overview](#) to learn how DCP works;
- Review the [investment options](#) available to you; and
- Complete a [Participation Agreement](#) and return the form by mail to PO Box 40931 Olympia, WA 98504.

Questions about enrolling? Call the DCP Information Line at 888-327-5596 (TTY 800-766-4952)



www.drs.wa.gov/dcp



PARTICIPATION AGREEMENT

DEFERRED COMPENSATION PROGRAM

PO Box 40931 Olympia, WA 98504-0931 • www.drs.wa.gov/dcp
Toll Free: 1-888-327-5596 • TTY: 1-800-766-4952



Please read the *Information and Instructions* before completing this form.

PERSONAL INFORMATION

Social Security Number	Employer	Daytime Phone Number ()
Participant Name (Last, First, Middle)		Evening Phone Number ()
Mailing Address	City	State ZIP
Date of Birth (mm/dd/yyyy)	E-mail Address	Gender <input type="checkbox"/> M <input type="checkbox"/> F

DEFERRAL INFORMATION

I authorize my employer to defer the following amount from my monthly gross wages. Please contact DCP if you want to defer more than \$1,375 or are eligible for catch-up provisions.

Deferral Amount: \$ _____

INVESTMENT OPTIONS

DCP offers you two different approaches to investing. For more on which approach may be right for you, read the *Information and Instructions*. We encourage you to choose only one of the two approaches (One-Step Investing or Build and Monitor) but provide the option for choosing both. Total percentages must be whole and equal to 100%.

<i>One-Step Investing</i>	<i>Build and Monitor</i>
<p>Choosing just one fund gives you a diversified portfolio. To determine the Retirement Strategy right for you, pick your target date for retiring or withdrawing your funds.</p> <p><input type="checkbox"/> 2055 Retirement Strategy</p> <p><input type="checkbox"/> 2050 Retirement Strategy</p> <p><input type="checkbox"/> 2045 Retirement Strategy</p> <p><input type="checkbox"/> 2040 Retirement Strategy</p> <p><input type="checkbox"/> 2035 Retirement Strategy</p> <p><input type="checkbox"/> 2030 Retirement Strategy</p> <p><input type="checkbox"/> 2025 Retirement Strategy</p> <p><input type="checkbox"/> 2020 Retirement Strategy</p> <p><input type="checkbox"/> 2015 Retirement Strategy</p> <p><input type="checkbox"/> 2010 Retirement Strategy</p> <p><input type="checkbox"/> 2005 Retirement Strategy</p> <p><input type="checkbox"/> 2000 Retirement Strategy</p> <p>Write the percentage for the selected target date _____ %</p>	<p>Mix and match to create a diversified portfolio. Write the percentages in the spaces below for each fund you want to invest in.</p> <p>Savings Pool _____ %</p> <p>Washington State Bond Fund _____ %</p> <p>Washington State Socially Responsible Balanced Fund _____ %</p> <p>Active U.S. Value Stock Fund _____ %</p> <p>U.S. Stock Market Index Fund _____ %</p> <p>Active U.S. Core Stock Fund _____ %</p> <p>Fidelity Growth Company Fund _____ %</p> <p>U.S. Small Stock Index Fund _____ %</p> <p>International Stock Fund _____ %</p>

Total percentage from One-Step or Build and Monitor or both must equal 100%.

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Enrollment Education Investments Calculators Publications Forms Links

Washington State Deferred Compensation Program

This site is the portal to your DCP account where you can review your account details, make changes to your investment selections and much more. Be sure to take advantage of the many educational materials and tools the website has to offer.

Account Access

Welcome to your new Account Access
If this is your first time logging into this site

[Register Your Account](#)



Secure Account Access

Username:

PIN:

[Sign In](#)



[Forgot your Username?](#)

[Forgot your PIN?](#)

[First time logging in to
your account?](#)

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[View Account](#) | [Change Account](#) | [Investments](#) | [Online File Cabinet®](#) | [Education](#) | [Statements](#) | [Calculators](#) | [Publications](#) | [Forms](#) | [Links](#)

[Change Future Allocations](#)
[Change Username](#)

[Fund Transfer](#)
[Change PIN](#)

[Cancel Transfer](#)
[Deferral Amount Update](#)

[Rebalancer](#)
[Trading Restrictions](#)

Change Account

- [Change Future Allocations](#)
Redirect future deferrals into different investment options.
- [Fund Transfer](#)
Make transfers in either dollars or percentages among investment options.
- [Cancel Transfer](#)
Cancel pending transfers.
- [Rebalancer](#)¹
Allows you to design a portfolio with a certain percentage in each fund and will rebalance to make sure the portfolio maintains the same asset allocation. You choose how frequently your portfolio is rebalanced: one time, quarterly, semi-annually or annually. Note: If you set up a Rebalancer on a quarterly, semi-annual or annual basis

Information Line . . . 1-888-327-5596

Retirement Plan Specialist – press 0 (x3)

Voice automated response system – press 1

Catch-up, leave deferral, questions – press 2

What are My Distribution Options?

- Separation from service/retirement
- Death - beneficiary
- No IRS early withdrawal penalties
- Options
 - ✓ Lump sum or partial lump sum
 - ✓ Installments
 - ✓ Annuity
 - Purchase Service Credit Program
 - ✓ Flexible withdrawal



Any Amount – Any Time!

Anything Else I Should Know About DCP?

- **Catch-up provisions**
 - ✓ 50+ Catch-up
 - ✓ Regular Catch-up
- **You can participate in both 457 & 403(b) plans**
 - ✓ Coordination not required between plans
 - ✓ Defer up to the annual maximum in each
- **Accepts rollovers from 403(b) (TSA) plans**
- **Purchase eligible service credit**

SEARCH

HOME

MEMBERS

RETIREES

EMPLOYERS

GENERAL

Lifetime Retirement Planning



New
Member

Nearing
Retirement

News and Announcements



On Saturday, August 22, between 4:00 a.m. and noon you may experience brief disruptions in our Web service while routine maintenance is performed. Thank you in advance for your patience.



DRS and Health Care Authority continue to identify efficiencies; end merger discussion [more](#)

Members

I want to

- See my account balance
- Update my retirement beneficiary
- Create a benefit self-estimate
- Withdraw my funds

[See more...](#)



Retirees

I want to

- Change my address
- Change my direct deposit
- Review my return to work rules
- Set up or change a DCP payment

[See more...](#)

General

I want to

- Find out what DRS does
- Get directions to DRS and DCP
- Learn about the Director



myDRS

Your personal account detail

Login to

Select an account need?

Select an account

Defined Benefit Access

Deferred Compensation

Plan 3 [& Security](#)

Employer eServices Login

Quick Clicks

- Legislation
- DCP Overview
- DB Access
- Plan 3
- Forms
- Publications
- Benefit Estimates
- Job Openings
- Rules
- State Budget Information

Thanks to you, our new Web

What Should We be Communicating to New Hires?

- **Attend a Workshop for Payroll and Human Resource professionals**
- **Contact Employer Support Services**
 - ✓ e-mail: drsemployer@drs.wa.gov
 - ✓ phone: (360) 664-7200, option '2' or 1-800-547-6657, option '6', then '2'
- **Visit the DRS Web site**
 - ✓ www.drs.wa.gov

What Should We be Communicating to New Hires?

- **New Employee (member)**
 - ✓ **Plan Choice Booklet**
 - Member Information form
 - Beneficiary designation
 - DCP Participation Agreement
 - ✓ **DCP Overview (email dcpinfo@drs.wa.gov)**
 - ✓ **Retirement status**
 - ✓ **Plan 2 and Plan 3 Sample Letters**
 - New Member Plan Choice Letter
 - January Transfer Option Letter
 - Plan 3 Member Changing Employers

Where can Employees go to get more Information?

- **Attend a Plan Choice Workshop**
 - ✓ ICMA RC
- **Publications**
 - ✓ Plan Choice booklet
 - ✓ DCP Overview
 - ✓ Plan handbook
- **Visit the DRS Web site**
 - ✓ www.drs.wa.gov
 - Click on Plan 3

What Should Employees Do if they are Considering Retirement?

- **Attend a DRS Retirement Seminar**
- **Attend an ICMA-RC Plan 3 Withdrawal**
- **Review their retirement accounts on-line**
- **Within two years of retirement**
 - ✓ **Review the two-year checklist**
 - ✓ **Contact DRS**
 - **Estimate of benefits**
 - **Retirement application**
 - **Purchase Service Credit application**

Who Should I Contact with Questions?

- **Department of Retirement Systems**
Information Line . . . 1-800-547-6657
Website www.drs.wa.gov
- **ICMA – RC (Plan 3 DC Account)**
Information Line . . . 1-888-711-8773
Website www.icmarc.org/plan3
- **Deferred Compensation Program**
Information Line . . . 1-888-327-5596
Website www.drs.wa.gov/dcp

Examples of publications available on the DCP or DRS Web sites:

- **DCP Investment Guide – Strategy funds**
- **WA Public Pension Plans**
- **Thinking about Retiring Early? (Early Retirement Factors)**
- **Withdrawing from Plan 3**
- **How Career Transitions affect your Retirement Accounts**
- **Retirement Planning Checklist**
- **Purchase Service Credit Program**
- **Gain sharing FAQ's**

Thank you!