

THINKING OF RETIRING?



Washington State Department of Retirement Systems
800-547-6657 www.drs.wa.gov

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. 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) to increase retirement funds.
- 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, 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.
- 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. This is optional of course.
- 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.

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. Again this is optional.
- If you're retiring from the Teachers' or School Employees' 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. You can visit their website at www.ssa.gov and apply for retirement benefits on-line.

30-60 days before retirement

- Make sure your optional bills are fully paid.
- Send your retirement application and other forms to DRS.
- If you are 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 Union group selected "VEBA" participation at retirement and you have not participated in the past, report to your payroll office for the VEBA enrollment application.
- If **you have been contributing to the Deferred Compensation Program, contact DCP at 888-327-5596, option 2**, to discuss distribution of your funds.

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.

HEALTH CARE QUESTIONS AND ANSWERS

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

To confirm your eligibility and/or request an insurance packet, call 800-200-1004. 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.

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, SERS, TRS) and plan (1, 2, 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 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.