

## Customer feedback leads to online application improvements



DRS cares what our customers think about the retirement process. We speak with customers on a regular basis to hear how their experience with DRS has been, and ask for ways to make improvements.

One recent change has made tracking the process of your retirement application easier than ever.

“From talking with customers, we learned that they were doing what we asked them to do: Applying for retirement a few months ahead of time using the online retirement application” says Retirement Services Assistant Director Seth Miller, “but then they didn’t hear from us again until the month they retired. The new online tracker we added to the application tells customers if everything is on track, and sends them periodic emails to reassure or let them know action is needed. It works a lot like a tracker does when you order a package online.”

So bottom line? Now, instead of wondering if everything is on track, or having to contact DRS to ask if anything else is required, customers can track the progress of their application and learn the status at any time.

A change like this came about simply by asking our customers what would make the process easier.

“We want to make the retirement process as smooth and stress free as possible,” Seth says, “and the only way we know what is causing our members stress is by asking them.”

Each month DRS calls approximately 90 recent retirees and asks how their retirement process went. We look for what went well to make sure we keep doing that, and we ask how we can improve for future retirees.

“Having conversations with retirees allows us to dig much deeper than a standard paper or online survey might allow,” says Management Analyst Jodi Yungdahl. “Having the interviews documented and analyzed helps us identify trends over a period of time and allows us to focus on areas where improvement would be most beneficial to our customers. Soon we will also be calling members who recently received a retirement benefit estimate to learn how the process went and what we might be able to do to improve the process.”

Do you have suggestions for ways to improve the retirement process?  
**Contact DRS** and let us know.

## Inside this issue

Will my benefit be impacted if I return to work after retirement? — 2

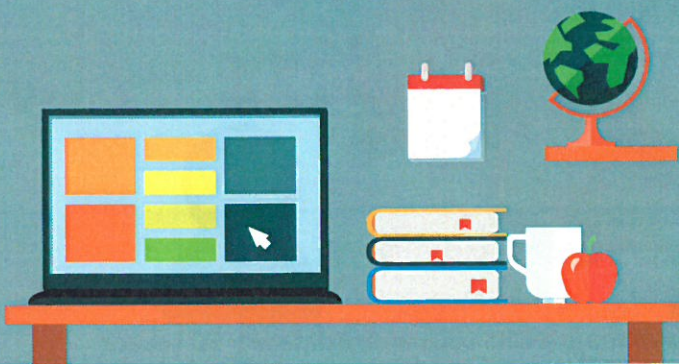
How DCP can help you reduce your taxes — 2

Plan 3 and DCP customers: Three ways to convert your contributions into a lifetime income stream — 3

Changes coming to member contribution rates — 4

Pension bills signed into law — 4

## Will my benefit be impacted if I return to work after retirement?



It's a question many members ask as they near retirement: Can I return to work after I retire without impacting my retirement benefit? The answer to this depends on several factors, including where you return to work. For example, if you return to work in the private sector, the federal government or any other non-DRS employer, there is no impact to your retirement benefit.

The answer is a bit trickier if you return to work for a DRS employer. Factors such as how many hours per year you work and if you retired under the 2008 early retirement factors (ERFs) could impact your benefit should you return to work.

One thing to keep in mind that applies to all retirees is that you must separate from employment before you are considered a "retiree" and therefore eligible to receive a retirement benefit.

Now, you might ask, what is "separated from employment"? Does that simply mean that I have quit my job? Separation from employment does mean that you have quit your job, but other factors are also considered when determining if a member has separated from employment. These factors include:

- Was there a reasonable expectation between you and your employer that you would return to work for that employer? If so, you are not considered separated from employment.
- How long is your absence? Meaning has it been less than 30 days since you quit your job? If so, separation from employment may not have occurred.
- Did your employer conduct a competitive hiring process to fill your vacancy? If not, then you may not have separated from your employer.
- Were your and your employer's actions consistent with the expectation that your absence from work would be total and permanent? If not, separation has not occurred.

More details about separation from employment can be found in Washington Administrative Code [415-02-115](#). If you have questions about working after retirement, read the *Thinking about working after retirement?* brochure on the [DRS website](#) or [contact DRS](#).

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## Plan 3 and DCP customers: Three ways to convert your contributions into a lifetime income stream

Sure, you can choose scheduled payments or other distribution options for your retirement savings, but when it's time to retire, you do have some additional opportunities depending upon your system and plan. These options can convert your finite savings into monthly, lifetime income.

- **For Plan 3 members**

**TAP Annuity:** Plan 3 members can use their defined contributions to purchase the WSIB TAP Annuity. This annuity has a minimum purchase price of \$25,000 and is guaranteed to pay you for your lifetime. The TAP annuity offers an automatic annual 3% Cost-of-Living Adjustment.

- **For all DCP participants**

**Purchase service credit:** Increase your monthly benefit by purchasing up to 5 years of additional service credit when you retire. This purchase will not add to your years of service but will increase the amount of your monthly retirement benefit for life. You can purchase service credit with your DCP contributions.

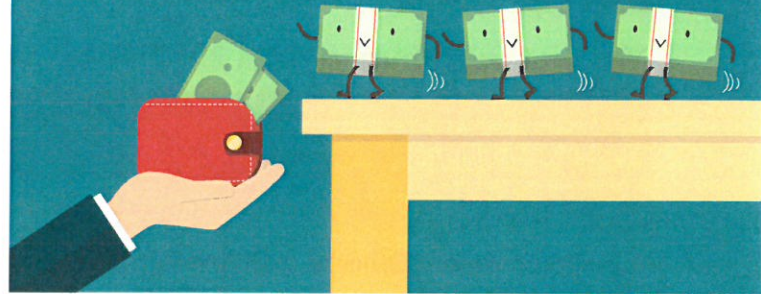
- **For TRS, LEOFF and WSPRS members**

**Purchase an Additional Annuity:** With this annuity, the retirement benefit increase you receive is based on the dollar amount you choose to purchase. You can purchase an Additional Annuity through the state using your DCP contributions.

Find additional information about purchasing service credit and annuities on the [DRS website](#).

**What is an annuity?** An annuity is a guaranteed payment plan you purchase. You choose the amount and immediately or later begin receiving payments, which usually last your lifetime depending on the annuity type you select.

In 2017 you can contribute  
up to \$18,000 to DCP!



## How DCP can help you reduce your taxes

Here are a few ways DCP customers save on federal taxes. The likelihood of lower taxes will depend on your income, current tax bracket and any contribution decisions you make. DRS cannot offer financial counseling. Consult a financial advisor for advice on tax savings.

**Federal Tax Saver's Credit:** You might qualify for this tax savings which is also called a Retirement Savings Contributions Credit. With this credit, you can write off 10% to 50% of your first \$2,000 in contributions. There are some income limits for this opportunity:

- \$62,000 for married couples filing jointly
- \$46,500 for heads of household
- \$31,000 for single or married filing separately

For more information, visit the [IRS website](#) and see the instructions for Form 8880.

**While you are contributing:** When you make contributions to your DCP account, you lower your taxable income. Why? DCP contributions are tax-deferred, meaning you don't pay tax on them until you withdraw the funds.

**After you retire:** When you move into retirement, it is likely you will have a lower income than you did while working. Lower income means lower federal taxes, which means your DCP contributions could have lower tax when you withdraw them.

## Changes coming to member contribution rates

New pension contribution rates will be taking effect soon. Rate changes, approved last summer by the Pension Funding Council and the LEOFF Plan 2 Board, take effect July 1, 2017 for all plans except the Teachers' Retirement System and the School Employees' Retirement System. Rates for those plans will take effect Sept. 1, 2017.

### Member contribution rates 2017-19 biennium

System and Plan	Previous	Effective July 1, 2017	Effective Sept. 1, 2017
Public Employees' Retirement System (PERS) Plan 2	6.12%	7.38%	--
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1	0.00%	0.00%	--
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2	8.41%	8.75%	--
Washington State Patrol Retirement System (WSPRS) Plans 1/2	6.84%	7.34%	7.68%*
Public Safety Employees' Retirement System (PSERS) Plan 2	6.59%	6.73%	6.74%**
Teachers' Retirement System (TRS) Plan 2	5.95%	--	7.06%
School Employees' Retirement System (SERS) Plan 2	5.63%	--	7.27%

\*The supplemental increase in WSPRS 1/2 is based on the costs associated with legislative approval of SB 5274, as calculated by the State Actuary.

\*\*The supplemental increase in PSERS 2 is based on the costs associated with legislative approval of HB 1709, as calculated by the State Actuary.

## Pension bills signed into law

More than two dozen pension-related bills were introduced during the 2017 regular session of the Legislature. Of those, four were approved by the Senate and the House of Representatives and signed into law by Gov. Jay Inslee:

- **SB 5274** – Amends the definition of “salary” in WSPRS to include voluntary overtime earned after July 1, 2017
- **HB 1709** – Allows PERS members meeting specific criteria to transfer service credit into PSERS

- **SB 5661** – Directs the LEOFF 2 Board to conduct a study of expanding access to no-cost interruptive military service credit for LEOFF Plan 2 members
- **HB 2202** – Deals with eligibility of emergency medical technicians (EMTs) for membership in LEOFF 2

For a complete list of pension-related bills introduced in 2017, see the [Legislation](#) section of the DRS website.



The Washington State Department of Retirement Systems publishes *Retirement Outlook* for active members twice a year.

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