

PERS/SERS/TRS Plans 2 and 3: Thinking about retiring early?

Last Updated October 2016
Print Version

As a Plan 2 or Plan 3 member of the Public Employees' Retirement System (PERS), School Employees' Retirement System (SERS) or Teachers' Retirement System (TRS), you have the option to retire early and begin receiving a monthly benefit once you meet the minimum service requirements. This publication provides information about some of the things you might want to consider before deciding whether early retirement is right for you.

What is my normal retirement age?

Plan 2 members: If you have at least five years of service credit, you are eligible for normal retirement at age 65.

Plan 3 members: If one of the following is true, you are eligible for normal retirement at age 65:

- You have at least 10 service credit years.
- You have at least five service credit years and at least 12 service credit months of those five years were earned after age 44.
- You earned at least five service credit years in Plan 2 and transferred to Plan 3 before the system-specific date below:
 - **PERS:** June 1, 2003
 - **SERS:** Sept. 1, 2000
 - **TRS:** July 1, 1996

How soon can I retire?

In some cases, you can retire at age 62 with a monthly benefit that isn't reduced (see the "Early retirement factors" chart). Retirement before age 65 is considered an early retirement.

- **Plan 2 members:** You can retire as early as age 55 with a reduced benefit if you have at least 20 service credit years.
- **Plan 3 members:** You can retire as early as age 55 with a reduced benefit if you have at least 10 service credit years.

How does retiring early affect my monthly benefit?

When you retire early, your monthly benefit amount is reduced to reflect that you will be receiving your defined benefit for a longer period of time. The amount of the impact depends on the amount of service credit you have, the date you retire, your age and the early retirement factor used. (See "Monthly benefit formulas" below.)

- **Plan 2 members:** If you retire with between 20 and 30 years of service credit, your monthly benefit is reduced by a factor that is based on your average life expectancy. The reduction is greater than if you retire with at least 30 service credit years.
- **Plan 3 members:** If you retire with between 10 and 30 years of service credit, your monthly benefit is reduced by a factor that is based on your average life expectancy. The reduction is greater than if you retire with at least 30 service credit years.

If you retire with at least 30 years of service credit, you can choose one of the following options:

- A 3 percent Early Retirement Factor (ERF) reduction for each year (prorated monthly) before you turn age 65
- The 2008 ERF, which provides a smaller benefit reduction but imposes stricter return-to-work rules

Early retirement rules are different for members who are first hired on or after May 1, 2013. At age 55 with 30 years of service credit, your benefit is reduced by 5 percent for each year (prorated monthly) before you turn age 65. See the table below.

Early Retirement Factors Table

Retirement Age	At least 10 or 20 years of service credit ¹	30 years or more of service credit (prorated monthly)		
		3% ERF	2008 ERF	5% ERF
55	0.365	0.70	0.80	0.50
56	0.401	0.73	0.83	0.55
57	0.442	0.76	0.86	0.60
58	0.487	0.79	0.89	0.65
59	0.537	0.82	0.92	0.70
60	0.594	0.85	0.95	0.75
61	0.657	0.88	0.98	0.80
62	0.728	0.91	1.00	0.85
63	0.808	0.94	1.00	0.90
64	0.898	0.97	1.00	0.95

¹ Plan 3 members must have at least 10 years of service credit. Plan 2 members must have at least 20 years of service credit.

The ERFs are subject to change based on State Actuary figures. The administrative factors used in the table above are for illustrative purposes only. To review the factors in detail, visit the complete table online.