

PSERS Proposal Plan Overview

Eligibility

The Public Safety Employees' Retirement System (PSERS) is a Defined Benefit (DB) plan created in 2004 and implemented in 2006 for public employees with limited law enforcement authority and who are not eligible for membership in the Law Enforcement Officers' and Fire Fighters' Plan (LEOFF).

To be eligible for PSERS, an employee must:

- ❖ Serve as a corrections officer or limited-authority peace officer.
- ❖ Be employed by a PSERS employer.

The current list of PSERS employers includes the following agencies.

- ❖ Department of Corrections.
- ❖ Parks and Recreation Commission.
- ❖ Gambling Commission.
- ❖ Washington State Patrol.
- ❖ Liquor Control Board.
- ❖ Department of Natural Resources.
- ❖ Washington State counties.
- ❖ Washington State cities.
 - Except the first class cities (Seattle, Tacoma, and Spokane).

Membership

As of June 30, 2013, there are 4,513 active members of PSERS. PSERS is a comparatively young plan and only 43 members have retired.

Beginning July 1, 2006, all newly-hired PSERS-eligible employees are members of PSERS. Employees hired prior to that date were members of the Public Employees' Retirement System (PERS). Those employees were given the limited opportunity to transfer to PSERS or remain in PERS. Of those eligible to transfer, 1,860 members did so. A second transfer window was created when the Department of Natural Resources (DNR) was added to the list of PSERS employers, and four employees from DNR made the transfer.

PSERS Plan Provisions

The following table presents a high-level summary of PSERS plan provisions and is not meant to be an exhaustive list. For complete details on plan provisions, please refer to the statutes or the [DRS PSERS Plan Handbook](#).

PSERS	
	Plan 2*
Effective Date of Plan	7/1/06
Date Closed to New Entrants	Open
Statutory Reference	Chapter 41.37 RCW
Normal Retirement Eligibility (age/service)	65/5 Total Service, 60/10 PSERS service
Accrued Benefit Formula	2% x YOS x AFC
Computation of AFS	Average compensation earnable for the highest 60 consecutive months
Credited Service	Monthly, based on hours worked each month
Vesting	5 years
Vested Benefits Upon Termination	Refund of employee contributions plus interest, or deferred retirement allowance
Early Retirement Eligibility (age/service)	53/20 Total Service
Early Retirement Reduction Factors	3% ERF with 20 YOS, otherwise actuarial
Disability Retirement Benefit	Accrued benefit, actuarially reduced from age 60
COLA	Lesser of CPI** or 3%

*Technically, it is PSERS "Plan 2," but there is no Plan 1. The designation of Plan 2 is in line with Washington's other DB plans.

**CPI: Urban Wage Earners & Clerical Workers, Seattle-Tacoma-Bremerton, WA - All Items.

Key Differences In Plan Provisions

Provision	System/Plan	
	PSERS	PERS 2
Retirement Eligibility (Age/Years of Service)	65/5 (total) 60/10 (PSERS)	65/5
Early Retirement*	53/20	55/20
Disability Benefit	Accrued benefit, actuarially reduced from age 60	Accrued benefit, actuarially reduced from age 65
Non-Duty Death Benefits		
< 10 YOS	ROC**	ROC
> 10 YOS	Choice of ROC or Monthly Benefit***	Choice of ROC or Monthly Benefit***
Line of Duty Death Benefits		
Additional Line of Duty Death Benefit	Lump sum payment of \$150,000	Lump sum payment of \$150,000

*Includes actuarial reduction factors.

**ROC = Return of Contributions.

***May include actuarial reduction based on age. The age from which benefits will be reduced varies by plan.

Comparison Of Contribution Rates

Member and Employer Rate Summary*				
	Member	Total Employer	Employer** (Normal Cost)	Employer** (PERS Plan 1 UAAL)
PSERS	6.89%	12.07%	6.89%	5.18%
PERS 2	7.00%	12.29%	7.11%	5.18%

*Rates from the [2013 Actuarial Valuation Report](#). Does not reflect the phase-in adopted by the [Pension Funding Council](#) at their meeting on July 28, 2014.

**Excludes a 0.18% DRS Administrative Expense Rate.

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