



Your Benefit Estimate

March 01, 2007

JANE DOE
7445 ANYWHERE RD SE
TACOMA WA 98503

XXX-XX-9999
PERS Plan 1
Examples Dept Of

Dear Ms. Doe:

We appreciate the opportunity to assist with your retirement planning. Here is the retirement benefit estimate you requested.

This is an *estimate* of your retirement benefits. Your actual benefit may be higher or lower. This estimate is based on information reported by your employer, as well as projected income and service credit through your proposed date of separation.

Your estimate could change if you retire at a different age, have additional service credit, or have a change in your salary. These are just a few of the factors that affect a benefit - your retirement is unique to you. Since your estimated benefit is shown as a gross amount, any deductions such as federal taxes, health care coverage, or other items are not reflected.

Please review the *Benefit Estimate* sheet to be certain the information agrees with your records. If it does not, be sure to contact us. You may also review your retirement account information online at www.drs.wa.gov, selecting the Online Account Access link.

If you have any questions after reviewing your estimate, please contact us at (360) 664-7000, toll-free at 1-800-547-6657, or via e-mail at recep@drs.wa.gov.

We look forward to continuing to serve you.

Sincerely,

Your Retirement Services Team
0221

How We Calculate Your Benefit Estimate

Your estimated benefit is calculated using a specific formula (shown below).

Formula Used

$$2\% \times \text{Average Final Compensation (AFC)} \times \text{Service Credit Years (30 years maximum)} = \text{Monthly Benefit}$$

- Your **AFC** is based on the 24 highest consecutive months of your compensation.
 - For this estimate we have based your AFC on the compensation reported by your employer unless you have requested otherwise.
- Your **service credit years** are based on the compensated hours reported by your employer.
 - The service credit projections in this estimate assume that you will continue to earn service credit at your current rate unless you have requested otherwise.
 - Any service credit you intend to purchase must be fully paid by the effective date of your retirement.
- Additional information reported by your employer may change your AFC and service credit from the amounts used in preparing your estimate.

Benefit Options

Your defined benefit retirement plan provides you with a lifetime monthly benefit. This section describes the benefit options available to you. The single life benefit option provides the maximum monthly benefit. The survivor options provide a reduced benefit that will be paid for your lifetime and, upon your death, for the lifetime of your designated survivor. The amount of the survivor reduction depends on the option you choose and the difference in age between you and your survivor.

Option 1 - Single Life

Provides the maximum monthly retirement benefit with no survivor benefit. Upon your death, any remaining account balance will be refunded to your beneficiary.

Option 2 - Joint and 100% Survivor

Your survivor will receive the same monthly benefit amount you were receiving before your death.

Option 3 - Joint and 50% Survivor

Your survivor will receive half of the monthly benefit amount you were receiving before your death.

Option 4 - Joint and 66.67% Survivor

Your survivor will receive two-thirds of the monthly benefit amount you were receiving before your death.

At retirement your benefit option selection is irrevocable, except for the circumstances listed in <i>Changing Your Benefit Option</i> on the last page.
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The Estimated Benefit with an Optional COLA

The Optional Cost of Living Adjustment (COLA) is also available with any of the benefit options described above. The Optional COLA reduces your benefit initially, but provides you with an automatic annual adjustment based on the consumer price index, which can be positive or negative. This annual adjustment cannot increase or decrease your benefit by more than three percent of your previous year's benefit. And it can never reduce your benefit to less than your initial benefit amount.

Benefit Estimate

Your Name: Jane Doe **Birth Date:** 08-16-1946
Beneficiary: John Doe **Birth Date:** 10-01-1941

The following benefit estimate is based on the information in your Public Employees' Retirement System (PERS) Plan 1 member account as of March 01, 2007. This information was reported by your employer.

In order to estimate benefit amounts, we must make certain assumptions about the future status of your account. In addition to the estimate information listed below, we have also assumed you will be able to retire at the ages shown.

Your Benefit Options (Before Deductions)	Age 58		Age 59	
	Estimate	Estimate w/COLA	Estimate	Estimate w/COLA
Option 1 - Single Life Benefit =	\$1505	\$1157	\$1542	\$1185
Option 2 - Joint and 100% Survivor Benefit =	\$1373	\$1055	\$1412	\$1085
Option 3 - Joint and 50% Survivor Benefit =	\$1436	\$1104	\$1474	\$1133
Option 4 - Joint and 66.67% Survivor Benefit =	\$1415	\$1087	\$1452	\$1116

Your Estimate Information

Dates

Proposed Retirement Date	03-01-2007	08-01-2007
Proposed Date of Separation	02-2007	07-2007
Membership Status at Retirement	Active	Active

Average Monthly Salary

AFC Period	03-2005 to 02-2007	08-2005 to 07-2007
Estimated AFC	\$2797	\$2821

Service Credit (SC)

SC Years Currently Reported	26.92	26.92
SC Years to Proposed Date of Separation +	0.00	0.42
Projected SC Years =	26.92	27.33

Your Calculation

Percentage	2%	2%
Estimated AFC x	\$2797	\$2821
Total SC Years (30 year maximum) x	26.92	27.33
Estimated Monthly Option 1 Benefit =	\$1505	\$1542

THIS INFORMATION IS AN ESTIMATE OF YOUR BENEFITS ONLY

Your actual benefit may differ from these estimated amounts. Changes in your salary, service credit, annuity factors or retirement laws may affect calculation of your final benefit. All data in this estimate is subject to review, verification and recomputation.

Additional Information

Changing Your Benefit Option

Once you have retired, you may change your benefit option only by returning to active membership, except in the following circumstances:

- If you choose one of the survivor options (2, 3, or 4), and your designated survivor dies before you, your retirement benefit will return to the single life option (Option 1).
- If you designate someone other than a spouse to be your survivor, you can change to the single life option (Option 1) at any time after retirement.
- If you select the single life option (Option 1) and marry after retirement, you may choose to name your new spouse as your survivor. You must do so between your first and second wedding anniversary.

Any option can be used only once and is irrevocable. A change to your benefit will be effective the month following your request. For additional information, please read *Can I Change My Benefit Option or Beneficiary Designation After I Retire?* brochure.

Uniform Cost of Living Adjustment (COLA)

When you are at least age 66 and retired for one year or more, you qualify to receive a Uniform COLA. Your benefit increase will be based on your total service credit. For more information about the Uniform COLA, see your Plan 1 Member Handbook. Plan 1 members may also select an Optional COLA. The Optional COLA is described in the *Estimated Benefit with an Optional COLA* section of the estimate statement.

Purchasing Service Credit

When you retire, you may purchase additional service credit that would provide you a lifetime increase to your monthly benefit. For more information, access our website or you may request the DRS publication *Purchasing Additional Service Credit*.

Notes from Your Analyst

Please return the enclosed application materials to the Department of Retirement Systems at least 4-6 weeks prior to your retirement date.