



Your Benefit Estimate

March 01, 2007

Ms. Jane Doe
7445 Anywhere Rd SE
Tacoma WA 98503

XXX-XX-9999
PERS Plan 1
Examples Dept of

Dear Ms. Doe:

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

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

The information used to create your estimate could change if you retire at a different age, have additional service credit, or your salary changes. 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 enclosed 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 DRS 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 Your Benefit Estimate is Calculated

Your benefit estimate is based on a formula specific to your defined benefit retirement plan, as shown below. Data listed on the opposite page is inserted into the formula to estimate your gross monthly benefit. Deductions are not reflected in this estimate. See Deductions in the *Benefit Estimate Glossary*.

Formula Used

The following formula was used in calculating your estimated retirement benefit:

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

Important Information

- Your **AFC** is based on the 24 consecutive months when you earned the highest compensation.
 - Final earnings reported by your employer may change your AFC from the amounts used in preparing your estimate.
- Full service credit is projected to your proposed date of separation, unless otherwise noted.
- Any service credit you intend to purchase must be paid in full by your effective date of retirement.

Benefit Reductions Based on Survivor Option Selection

This section describes the benefit options available to you under your defined benefit plan. 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 the lifetime of your designated beneficiary upon your death.

Option 1 - Single Life

Provides the maximum monthly retirement benefit with no survivor benefit. If you die before the total of the monthly benefits you receive equals your accumulated contributions, the remaining account balance will be refunded to your beneficiary in a lump sum payment.

Option 2 - Joint and 100% Survivor

This choice provides a reduced monthly benefit for your lifetime and the lifetime of your beneficiary. Upon your death, your beneficiary will receive the same monthly benefit amount you received.

Option 3 - Joint and 50% Survivor

This choice provides a reduced monthly benefit for your lifetime and the lifetime of your beneficiary. Upon your death, your beneficiary will receive a monthly benefit equaling 50 percent of the amount you received.

Option 4 - Joint and 66.67% Survivor

This choice provides a reduced monthly benefit for your lifetime and the lifetime of your beneficiary. Upon your death, your beneficiary will receive a monthly benefit equaling 66.67 percent of the amount you received.

Explanation of the Estimated Benefit with COLA Option

The Cost of Living Adjustment (COLA) benefit is an additional option available to you. You can elect a COLA with any of the benefit options described above. The COLA results in a reduced benefit initially, but provides an automatic annual cost of living adjustment based on the consumer price index. This annual adjustment, which can be positive or negative, cannot increase or decrease your benefit by more than three percent of the last year's benefit and can never reduce your benefit to less than your initial benefit amount. For additional information about the COLA option, or for further explanation of the benefit options presented in this estimate, please refer to your member handbook, or call DRS at (360)664-7000, or toll-free 1-800-547-6657.

Benefit Estimate

Based on information in your account as of March 01, 2007

Jane Doe
 SSN: 999-99-9999
 Birth Date: 08-16-1946

Beneficiary's Name: John Doe
 Beneficiary's Birth Date: 10-01-1941

The following benefit estimates are based on the information in your Public Employees' Retirement System (PERS) Plan 1 member account, reported to the Department of Retirement Systems (DRS) by your employer.

In order to provide you an estimate for a future retirement date we must make certain assumptions about the data used to calculate your estimate. Unless you have requested otherwise, we have assumed you will:

- Be able to retire at the ages shown;
- Continue to earn service credit at your current rate;
- Retire with the same Average Final Compensation (AFC) shown below; and
- Be an active member when you retire, unless noted below in Membership Status.

You will find detailed information in the *How Your Benefit Estimate is Calculated* section of this estimate.

Your Benefit Options (Monthly, 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 Benefit Estimates (Option 1 – Monthly, Before Deductions)

Proposed Retirement Date	03-01-2007	08-01-2007
Proposed Date of Separation	02-28-2007	07-31-2007
AFC Period	03-2005 to 02-2007	08-2005 to 07-2007
Membership Status	Active	Active
Service Credit Years as of January 25, 2005	26.92	26.92
Service Credit Years to Proposed Retirement Date +	0.00	0.42
Total Service Credit Years =	26.92	27.33
Estimated AFC	\$2797	\$2821
Percentage x	2%	2%
Total Service Credit Years (30 year maximum) x	26.92	27.33
Estimated Monthly Retirement 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 and is provided as a convenience to you.

How Your Benefit Option Can Change

Once you have reached your retirement date, your benefit option selection is irrevocable. You may change your benefit option and beneficiary 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 beneficiary dies before you, your retirement benefit may be adjusted to the higher Option 1 benefit level. If your beneficiary dies before you, be sure to notify DRS.
- If you designate someone other than a spouse to be the beneficiary of a survivor benefit, you can change to Option 1 at any time after retirement by contacting DRS.
- If you select the single life option (Option 1) at retirement and get married after retirement, you can name the new spouse as your survivor during a one-year window. The window opens on the day of your first wedding anniversary and closes on the day before your second wedding anniversary.

Any option can be used only once and is irrevocable. Your requested change to your benefit is 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)

Once you have been retired one year or more and are at least age 66, you qualify to receive a Uniform COLA. The size of 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 additional COLA option as described in the *Explanation of the Estimated Benefit with COLA Option* section of the estimate statement.

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.