



Retirement Overview for Administrative Professional Advisory Council

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When can an AP employee retire?

WSURP Participants:

- Age 62 regardless of age, or
- Age 55 or older with at least 10 years of service, or
- If neither of the above are applicable, take a lifetime annuity benefit at any age, with any years of service (coordinated with HRS Benefits)

PERS 2 participants:

- Age 65 with 5+ years of service = Regular Retirement
- Age 55 with 20+ years of service = Early Retirement

PERS 3 participants:

- Age 65 with 10* years of service = Regular Retirement
*if 12 months of service earned after age 44, only 5 years of service are required
- Age 55 with 10+ years of service = Early Retirement

PERS 3 participants also have a Defined Contribution Account they can access any time after separation, with no early withdrawal penalty if age 59 ½.

What are the benefits of retiring?

- ~ Eligible for the VEBA Sick Leave Cash Out
 - One-quarter of eligible sick leave accruals following the final leave audit will be paid into a VEBA – Medical Expense Account. The monies go into the account tax-free, and are withdrawn tax free. Able to invest funds while in account, and it is an inheritable benefit.
- ~ Lifetime Retiree Medical/Dental Coverage
 - Through 2023, a PERS participant has to actually draw their pension (defined benefit) to be considered retired, or take the COBRA bridge.
 - As of 2024, if they meet the Early Retirement criterion, even if they don't draw their pension, they are eligible to enroll/defer in the retiree coverage. (This has been allowed for PERS 3 prior to 2024, and is now being extended to PERS 2 participants.)
 - WSURP participants are eligible for the retiree coverage as long as long as they are 62, or 55+ with 10+ years of service, without having to draw their retirement. It is only under the annuity draw option they would have to draw their TIAA funds to be eligible for retiree coverage.

- ~ Possible Supplemental Retirement Plan Benefit
 - If employed and participating in the WSURP prior to July 2011, will be eligible to have the SRP calculation run to determine if they are possible eligible for this retirement benefit
 - Goal Benefit – Assumed TIAA Benefit = Possible SRP benefit
 - Goal Benefit = average of high 24 month salary multiplied by years of service (capped at 25 years) x 2%
 - Assumed Benefit = Annuity draw, with a 2/3's to survivor annuity option and a 10 year guarantee. (This is an “assumed” benefit, and will not dictate how one actually elects to draw their TIAA funds.)

What are the retirement processes from WSU?

The AP handbook states a 30-day notice is required. The notice needs to reflect the reason for separation is due to retirement, and what the last day of work/employment with the university will be.

As for other processes, and steps, the [WSURP Retirement Checklist](#) or the [DRS Retirement Checklist](#) will provide helpful information.

Phased Retirement or reduction in effort prior to full retirement

WSURP retirees who are age 55+ with 10+ years of plan participation, could pursue a [phased retirement](#). This allows an employee to decrease their workload prior to full retirement, maintaining benefit eligibility, retirement participation, and help transfer job knowledge as part of succession planning. The agreement is a formal agreement negotiated between the employee and the Vice President, Dean, or Chancellor. A perk of the formal phased retirement agreement is it allows a WSURP participant to access their TIAA funds during the phased retirement period, which normally is not allowed if someone is still actively employed.

The formal phased retirement plan is not available to DRS participants, but a similar approach could be pursued as an *employee requested reduction in FTE*. The main difference between WSURP and DRS participants, is DRS participants cannot access their funds until they are fully separated/retired.

What else should I be aware of when it comes to retirement or preparing for retirement?

Retiree Premiums will decrease once a person and/or their spouse/registered domestic partner turns 65. Many people wait to retire at that age for the cheaper premiums. However, saving funds into one of the voluntary investment Plans (the TIAA VIP or DCP plans), allows you set aside additional funds now to help cover higher premiums until you reach at 65.

If your or your spouse are Medicare eligible while you are still on employer-provided coverage, you can elect to defer your Medicare enrollment, and save the Part B premium, until your retirement. Medicare

sees employer plans as the primary plan, but at the time that coverage ceases, you will need to activate your Medicare in a timely manner or be subject to a penalty.

If you want to maximize your VEBA payout, you could opt to use AL in lieu of SL to help build your sick leave balance. Also, if you have been participating in the January sick leave cash out, you may want to review if that is still what you want to do, or if you would prefer to have a larger balance at retirement.

Returning to work following retirement is limited to no more than a 40% FTE for WSURP participants, and 867 hours for DRS retirees. The pay rate will be either the Non-Permanent position they return to or 40% of the average of their high 24 consecutive month salary, depending on what plan they retire from and position returning to.

- Returning to work as a retiree is not guaranteed and based on business needs, which the employing department must justify. A Retire-Rehire vetting process must occur prior to offer of employment with HRS Benefits.
- DRS retirees CANNOT have a verbal or written agreement to return to work prior to their actual retirement. If this occurs, DRS could null and void their retirement.
- A 30-day/one month break in service is required before returning to work. There is no exception for DRS retirees, and there may be some flexibility for WSURP retirees based on business need.

If you retire, but will have coverage under another employer plan, you can defer your retiree coverage options by submitting deferment form.

Check with Social Security directly on your options, including if a spousal benefit may be of value to you or your spouse.

If in a CDHP at age 65 or later, the IRS states you cannot participate in a Health Savings Account and Medicare (even just Part A) at the same time.

Additional Resources

[WSURP Retirement Website](#)

[PERS 2 Retirement Website](#)

[PERS 3 Retirement Website](#)

[TIAA Website](#)

[DRS Website](#)

[Social Security Website](#)

[Medicare Website](#)

[WSU Pre-Retirement Information Sessions](#) - on the right hand column

Questions can be directed to HRS Benefits, Retirement Specialists at 509-335-4521 or hqs.benefits@wsu.edu. Visit hrs.wsu.edu/employees/benefits/retirement-information/ for all retirement information.