When you think about retirement, what does it look like?

What should I be thinking about?

- How long will I work with WSU or the state of Washington?
- How much can I afford to contribute? Will that change over my career?
- What are my plans for retirement?
- What type of investor am I?
Two Different Plans to Choose From

- The Washington State University Retirement Plan (WSURP)
- Department of Retirement Systems Plan 3
  - Teachers Retirement System (TRS) 3 for Faculty
  - Public Employees Retirement System Plan 3 (PERS) for Administrative Professional employees

Prior State of Washington retirement service can impact your options

What do the plans have in common?

- 30 day plan selection period, from your date of hire/eligibility date
- Participation is required
- Contributions are tax deferred
- Contributions are retro-active to date of hire
- Choice election is irrevocable while at WSU
- Both plans require enrollment forms

Washington State University Retirement Plan (WSURP)

- Currently investment options are through TIAA
- 403b defined contribution plan
- 100% match from WSU, even at optional 10% rate
- Immediate vesting. Account balance, including WSU's contributions, are yours upon separation or retirement.
WASHINGTON STATE UNIVERSITY

WSURP Contribution Rates

<table>
<thead>
<tr>
<th>Age</th>
<th>Contribution Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>5%</td>
</tr>
<tr>
<td>35 and Over</td>
<td>7.5%</td>
</tr>
<tr>
<td>50 and Over</td>
<td>10%</td>
</tr>
</tbody>
</table>

Investment Options

- Lifecycle Account Options: Managed accounts based on when you want to retire
- Build Your Own Portfolio: Select and manage your own account
- A mix of both
- Change your investment options any time

Visit tiaa.org/wsu to set up allocations and identify beneficiaries

Investment Performance and Expense Ratio

Fund pricing and prospectuses available under "Research and Performance" on the Investment Options tab.
1. Create/Log in to your TIAA account and complete your personal information.

2. Choose your investments

3. Select the investment approach that best suits you. Think about how long it will be before you need to access this money. How comfortable are you with market risk?
4. Review the allocation suggestions and edit as needed

Once investments are chosen, you’ll be directed to the beneficiary screen.

Retiring or Separating under the WSURP

- All funds are available upon retirement or separation
- Funds can remain in your account, be withdrawn, rolled over, or a combination
  - Upon withdrawal the funds are subject to income tax and early withdrawal penalties
- Upon retirement from WSU, eligibility for lifetime retiree medical and dental coverage is available at:
  - Age 62
  - Age 55 with at least 10 years of service
  - Or upon proof of drawing a retirement annuity

Department of Retirement Systems Plan 3

- Administered by the state of Washington
- Defined benefit funded by employer, defined contribution funded by employee
- Contribution rates locked in while with WSU
- 5-10 year vesting period
- Hybrid plan: Lifetime defined benefit, and defined contribution
Plan 3
401a Hybrid Plan

- Defined Benefit: 1% x SCY x AFC
- Guaranteed Lifetime Benefit
- Employer Funded

- Defined Contribution: Accumulation account with investments directed and funded by the employee

SCY - Service credit years
AFC - Average Final Compensation

- Tax Deferred Contributions
- Immediately vested in defined contribution portion
- Contribution rate is irrevocable unless changing employers
- Plan is available at other state of Washington agencies

<table>
<thead>
<tr>
<th>Percentage</th>
<th>5% at all ages</th>
</tr>
</thead>
<tbody>
<tr>
<td>5% until age 35</td>
<td>6% for ages 35 - 44</td>
</tr>
<tr>
<td>7.5% at age 45 &amp; over</td>
<td></td>
</tr>
</tbody>
</table>

- 6% until age 35
- 7.5% for ages 35 - 44
- 8.5% at age 45 & over

- 7% at all ages
- 10% at all ages
- 15% at all ages

Investment Decisions – What do I need?

- Do I want to select my own mix of individual funds?
- Am I comfortable deciding how much to invest in each fund?
- Do I have time to watch investments and make changes as I approach retirement?
  - If yes, you may be interested in the build and monitor approach.
  - If no, you may be interested in the one-step investing approach.
Investment Options

- Washington State Investment Board (WSIB)
- TAP Fund
- Self-Directed Investments
- Do It Yourself
- Retirement Strategy Funds

Build and Monitor Funds

You select, monitor, and adjust your own investments

<table>
<thead>
<tr>
<th>Build and Monitor funds</th>
<th>Fund manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Investment Fund</td>
<td>BlackRock</td>
</tr>
<tr>
<td>Washington State Investment Board</td>
<td>Washington State Investment Board</td>
</tr>
<tr>
<td>Socially Responsible Balanced</td>
<td>Walsten Asset Management</td>
</tr>
<tr>
<td>U.S. Large Cap Equity Index</td>
<td>BlackRock</td>
</tr>
<tr>
<td>Global Equity Index</td>
<td>BlackRock</td>
</tr>
<tr>
<td>U.S. Small Cap Value Equity Index</td>
<td>BlackRock</td>
</tr>
<tr>
<td>Emerging Market Equity Index</td>
<td>BlackRock</td>
</tr>
</tbody>
</table>

One-Step Investing

Automatically managed for you

<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Default Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1932 or before</td>
<td>Retirement Maturity Strategy</td>
</tr>
<tr>
<td>1938 – 1942</td>
<td>2005</td>
</tr>
<tr>
<td>1943 – 1947</td>
<td>2010</td>
</tr>
<tr>
<td>1948 – 1952</td>
<td>2015</td>
</tr>
<tr>
<td>1953 – 1957</td>
<td>2020</td>
</tr>
<tr>
<td>1958 – 1962</td>
<td>2025</td>
</tr>
<tr>
<td>1963 – 1967</td>
<td>2030</td>
</tr>
<tr>
<td>1968 – 1972</td>
<td>2035</td>
</tr>
<tr>
<td>1973 – 1977</td>
<td>2040</td>
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<tr>
<td>1978 – 1982</td>
<td>2045</td>
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<tr>
<td>1983 – 1987</td>
<td>2050</td>
</tr>
<tr>
<td>1988 – 1992</td>
<td>2055</td>
</tr>
<tr>
<td>1993 or after</td>
<td>2060</td>
</tr>
</tbody>
</table>
Washington State Investment Board
Total Allocation Portfolio (TAP Fund)

- Actively managed by the WSIB: diversified mix of investments.
- Investment strategy: Generate a maximum return in the long term at a prudent level of risk.
- Includes some asset classes not available in the Self-Directed Investment Program.

Investment Performance and Expense Ratio

Visit drs.wa.gov/plan3 for investment details, prospectus, costs and limitations.

Enrollment and Online Tools

- Form A and B to HRS.
- Confirmation email with beneficiary form from HRS.
- After you receive a welcome letter from DRS, create online account at www.drs.wa.gov.
  - Change investments, review account balance, beneficiaries.
- Contact Empower Retirement for detailed investment questions.
**Separating From Plan 3**
- All funds are available upon retirement or separation
- Funds can remain in account, be withdrawn, rolled over, or a combination
- Upon withdrawal, the funds are subject to income tax, and 10% penalty tax for early withdrawal if accessed before 59½.
- If you separate with 20+ years of service, pension benefit grows approximately 3% per year that you delay receiving benefits until age 65.

**Retiring Under Plan 3**
- All funds are available at retirement
- Funds can remain in the account, be withdrawn, rolled over or a combination
- Early retirement available at age 55+, with 10 years of service
- Upon retirement from WSU, eligibility for lifetime retiree medical and dental coverage is available at:
  - Age 62
  - Age 55 with 10+ years of service
- Eligibility for lifetime retiree medical and dental coverage at age 55 with 10 years of service, or age 65. No retirement draw required.

**Voluntary Investment Programs**
- Pre-tax and post-tax contribution options available
- Minimum contribution of $1.5 per pay period, up to maximum of $18,000 if under age 50 or $24,000 if 50 or older
- Flexible—Can enroll/change/stop contributions at any time
- Can accept roll-overs from qualified retirement plans
- Both plans available to you, no matter what retirement plan you choose
Deferred Compensation Program (DCP)

- Pre-tax only
- IRS tax code 457b plan
- Administered by the Department of Retirement Systems
- Same investment options as Plan 3
- No early withdrawal penalty, even on roll-overs
- Auto-enroll for employees hired after Jan. 1, 2017 with 100% FTE

New Hire Timeline

- Within 30 days of hire, WSU reports you to DCP
- A packet will be sent to you by DCP
- You'll have 30 days from that mailing to opt out.
- 90 days after your hire date 3% contributions will begin if you did not opt out
- Within 90 days of 1st contribution you can withdraw funds with no penalty

*Part-time employees can voluntarily participate at any time, but will not be enrolled automatically.

Voluntary Investment Plan (VIP)

- Pre-tax and/or post-tax contributions
- IRS tax code 403b plan
- Administered by TIAA
- Select investments online
- Select contribution amount with HRS
- Same investment options as WSURP*
- If funds are withdrawn after separation, an early withdrawal penalty will apply if you are under age 59 1/2
Resources

Human Resource Services
hrs.wsu.edu | (509) 335-4521 | hrs@wsu.edu

TIAA
www.tiaa.org/wsu | (800) 732-8353 In person consultations
(888) 442-2776 Telephone consultations

DRS
www.drs.wa.gov | (800) 547-6657 | recep@drs.wa.gov

Empower Retirement
savewithwa.empower-retirement.com | (888) 327-5596 |
savewithwa@empower-retirement.com