


WASHINGTON STATE UNIVERSITY

## Washington State University New Employee Retirement Orientation

Faculty and Administrative Professionals

Hosted by Human Resource Services



February 2017

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## 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?

February 2017

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## 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**

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### 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

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### 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.
- ❖ Default plan, if no form is submitted by deadline

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### WSURP Contribution Rates

Age	Contribution Rate
Under 35	5%
35 and Over	7.5%
50 and Over	10%

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## Investment Options

39 Investment options available, ranging from conservative to aggressive, including:

- ❖ 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/wsuv](http://tiaa.org/wsuv) to set up allocations and identify beneficiaries

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## Investment Performance and Expense Ratio

AS OF 12/31/2016 <sup>1</sup>

NAME	ASSET CLASS	MORNINGSTAR RATING (AS OF 1/31/2017)	1 YR	5 YR	10 YR	SINCE INCEP AS OF DATE	GROSS / NET EXPENSE RATIO
CREP Bond Market Account (R2)	Fixed Income	★★★★☆	3.47%	2.51%	4.02%	5.65% 12/31/2016	0.35%
CREP Equity Index Account (R2)	Equities	★★★★☆	12.49%	14.30%	6.71%	9.12% 12/31/2016	0.26%
CREP Global Equities Account (R2)	Equities	★★★★☆	5.11%	10.47%	3.70%	7.25% 12/31/2016	0.37%
CREP Growth Account (R2)	Equities	★★★★☆	2.92%	14.27%	8.08%	7.82% 12/31/2016	0.31%
CREP Inflation-Linked Bond Account (R2)	Fixed Income	★★★★☆	4.23%	0.50%	3.91%	5.15% 12/31/2016	0.28%

Fund pricing and prospectuses available under "Research and Performance" on the Investment Options tab.

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## 1. Create/Log in to your TIAA account and complete your personal information.

These retirement plans are available from your employer. To enroll today, select **Choose Investments** below. You can return and make changes at any time.

**Plan 1 - Retirement Plan**  
WASHINGTON STATE UNIVERSITY RETIREMENT PLAN

This plan is for faculty and administrative exempt employees only. You may participate in this plan immediately but must participate after one year of service. Contributions are made by WSU and you and vary depending on your age.

☒ Enroll in this plan

**Plan 2 - Supplemental Retirement Plan**  
WASHINGTON STATE UNIVERSITY VOLUNTARY INVESTMENT PROGRAM

The WSU Tax-Deferred Investment (TDI) plan is available to all employees. This voluntary plan enables you to save more money for retirement on a before-tax basis. Your contributions reduce your current taxable income. Also, your contributions and any earnings aren't taxed until withdrawal.

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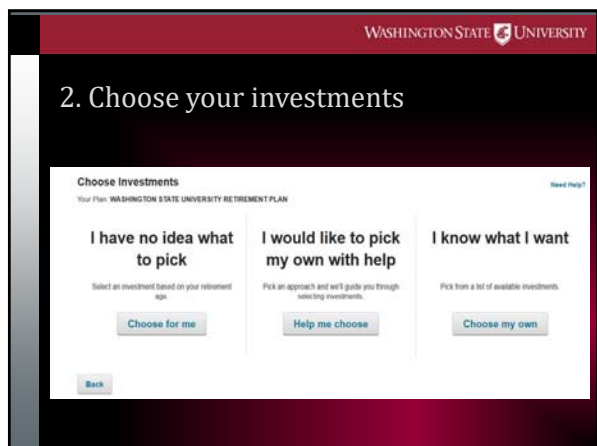
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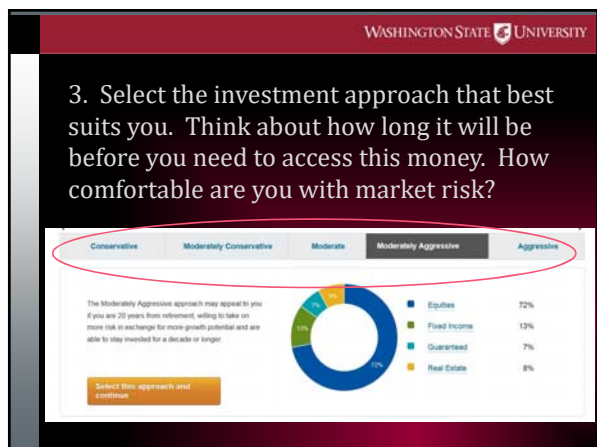
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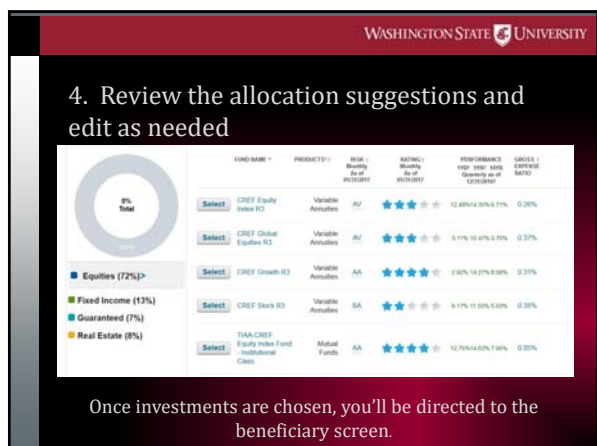
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Once investments are chosen, you'll be directed to the beneficiary screen.

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### 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

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### Department of Retirement Systems Plan 3

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### 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

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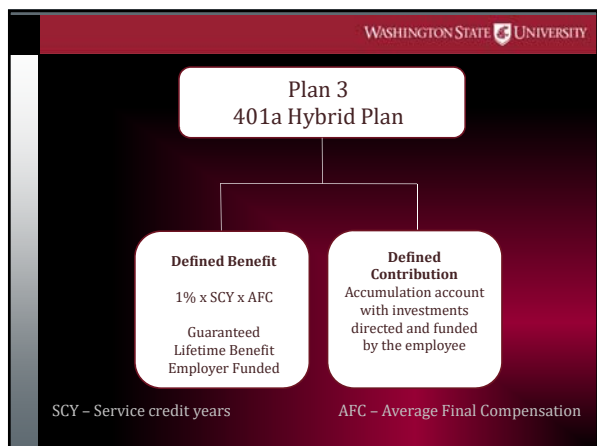
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Percentage	
5% at all ages	❖ Tax Deferred Contributions
5% until age 35 6% for ages 35 - 44 7.5% at age 45 & over	
6% until age 35 7.5% for ages 35 - 44 8.5% at age 45 & over	
7% at all ages	❖ Immediately vested in defined contribution portion
10% at all ages	❖ Contribution rate is irrevocable unless changing employers
15% at all ages	❖ Plan is available at other state of Washington agencies

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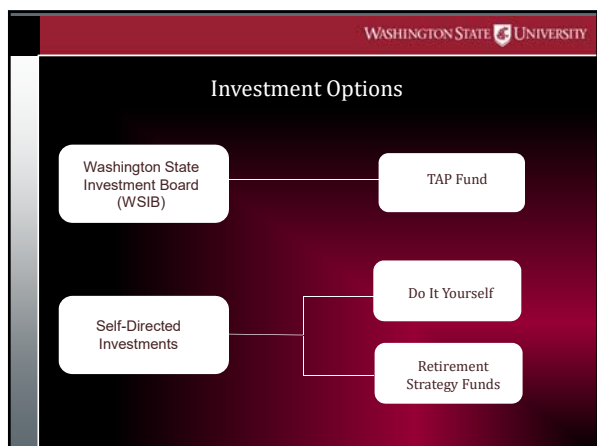
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### Build and Monitor Funds

You select, monitor, and adjust your own investments

Fund name	Fund manager
Short-Term Investment Fund	BlackRock
Washington State Bond	Washington State Investment Board
Socially Responsible Balanced	Walden Asset Management
U.S. Large Cap Equity Index	BlackRock
Global Equity Index	BlackRock
U.S. Small Cap Value Equity Index	BlackRock
Emerging Market Equity Index	BlackRock

Conservative

Aggressive

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### One-Step Investing

Automatically managed for you

Your birth year:	Your default fund:
1937 or before	Retirement Maturity Strategy
1938 – 1942	2005
1943 – 1947	2010
1948 – 1952	2015
1953 – 1957	2020
1958 – 1962	2025
1963 – 1967	2030
1968 – 1972	2035
1973 – 1977	2040
1978 – 1982	2045
1983 – 1987	2050
1988 – 1992	2055
1993 or after	2060

Conservative

Aggressive

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### 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

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### Investment Performance and Expense Ratio

Fund name	Manager fee	Manager administrative fee	WSIB fee	Recordkeeping fee	Total
Short Term Investment Fund (STIF)	0.0800%	0.0007%	0.0208%	0.0925%	0.1940%
Washington State Bond Market Fund	0.0000%	0.0041%	0.0208%	0.0925%	0.1174%
Socially Responsible Balanced Fund	0.3300%	0.0200%	0.0208%	0.0925%	0.4633%
U.S. Large Cap Equity Index Fund	0.0000%	0.0030%	0.0208%	0.0925%	0.1163%

INVESTMENT OPTION	Expense %	Returns as of Month Ending 01/31/2017					Returns as of Quarter Ending 12/30/2016					Calendar Year Returns		
		1 Month	3 Month	1 Year	3 Year	5 Year	3 Month	1 Year	3 Year	5 Year	2016	2015	2014	
Investment Option: PL30														
2060 Retirement Strategy Fund <sup>1</sup>	0.2842	2.41	2.41	17.53	31.4	4.43	8.52	8.43	31.4	31.4	3.28	8.43	31.4	
2060 Composite Benchmark <sup>2</sup>	-	2.46	2.46	17.54	31.4	4.38	8.89	8.38	31.4	31.4	3.30	8.38	31.4	
2070 Retirement Strategy Fund <sup>1</sup>	0.2842	2.40	2.40	17.48	3.81	8.98	8.80	6.79	8.81	3.36	8.77	8.83	-1.84	
2070 Composite Benchmark <sup>2</sup>	-	2.46	2.46	17.58	5.02	9.05	8.58	8.89	8.58	1.40	10.19	8.01	8.58	

Visit [drs.wa.gov/plan3](http://drs.wa.gov/plan3) for investment details, prospectus, costs and limitations

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### 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](http://www.drs.wa.gov)
  - Change investments, review account balance, beneficiaries

Contact Empower Retirement for detailed investment questions.

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### 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 59 ½.
- ❖ If you separate with 20+ years of service, pension benefit grows approximately 3% per year that you delay receiving benefits until age 65.

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### 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 55 with 10+ years of service
  - ❖ Or age 65 and vested
  - ❖ No retirement draw required.

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### Voluntary Investment Plans

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### Voluntary Investment Programs

- ❖ Pre-tax and post-tax contribution options available
- ❖ Minimum contribution of \$15 per pay period, up to maximum of \$18,500 if under age 50 or \$24,500 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

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## 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

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Automatic Enrollment - New full time employees\* hired on or after January 1, 2017 will be automatically enrolled

### 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 1 <sup>st</sup> contribution you can withdraw funds with no penalty
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\*Part-time employees can voluntarily participate at any time, but will not be enrolled automatically

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## 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

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### Resources

Human Resource Services  
[hrs.wsu.edu](http://hrs.wsu.edu) | (509)335-4521 | [hrs@wsu.edu](mailto:hrs@wsu.edu)

TIAA  
[www.tiaa.org/wsu](http://www.tiaa.org/wsu) | (800) 732-8353 In person consultations  
 (800)842-2776 Telephone consultations

DRS  
[www.drs.wa.gov](http://www.drs.wa.gov) | (800)547-6657 | [recep@drs.wa.gov](mailto:recep@drs.wa.gov)

Empower Retirement  
[savewithwa.empower-retirement.com](http://savewithwa.empower-retirement.com) | (888)327-5596 | [savewithwa@empower-retirement.com](mailto:savewithwa@empower-retirement.com)

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