New Employee Retirement Orientation

Administrative Professional and Faculty

Hosted by Human Resource Services
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? And will that change over my career?

• What do I want in retirement?

• What type of investor am I?
Things to Know

- 30-Day Election Window from hire date/eligibility date
- Participation in a plan is required
- Contributions are tax deferred
- Contributions are retroactive to date of hire
- Choice election is irrevocable while at WSU
Two Different Plans to Choose From

Washington State University Retirement Plan

Department of Retirement Systems Plan 3

- Teachers Retirement System (TRS) Plan 3 for Faculty Members
- Public Employees Retirement System (PERS) Plan 3 for Administrative Professionals

Previous state plan participation may impact your plan choices
WSU Retirement Plan

- Investments currently with TIAA
- 403b Defined Contribution Plan
- 100% Match from WSU, even at optional rate
- Immediate vesting
- Default plan
Contribution Rates

- Under age 35 - 5%
- Age 35 and older - 7.5%
- Age 50 and older - 10%
Investment Options

• Target-date Account Options
  • Managed accounts based on when you want to retire
• Build Your Own Portfolio
  • TIAA Traditional Annuity – Guaranteed earnings
  • Vanguard Indexed Funds
  • Socially Responsible Fund
• Change investments at any time
## Investment Performance and Costs

### Average Annual Returns (%)

**As of 12/31/2021**

<table>
<thead>
<tr>
<th>Name / Symbol</th>
<th>Asset Class/Product Type</th>
<th>Net / Gross Expense Ratio</th>
<th>Daily YTD</th>
<th>1 YR</th>
<th>5 YR</th>
<th>10 Yr or Si</th>
<th>Inception Date</th>
<th>Morningstar Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>CREF Bond Market Account (R3) (QCBMIX)</td>
<td>Fixed Income / CREF Variable Annuity</td>
<td>0.21% / 0.21%</td>
<td>-2.23%</td>
<td>-1.23%</td>
<td>3.85%</td>
<td>3.18%*</td>
<td>4/24/2015 3/01/1990</td>
<td>3/8/5/5/5 Intermediate Core Bond</td>
</tr>
<tr>
<td>CREF Equity Index Account (R3) (QCEQIX)</td>
<td>Equities / CREF Variable Annuity</td>
<td>0.17% / 0.17%</td>
<td>-9.40%</td>
<td>25.52%</td>
<td>17.75%</td>
<td>16.01%*</td>
<td>4/24/2015 4/29/1994</td>
<td>3/8/5/4/3 Large Blend</td>
</tr>
<tr>
<td>CREF Global Equities Account (R3) (QCGLIX)</td>
<td>Equities / CREF Variable Annuity</td>
<td>0.22% / 0.22%</td>
<td>-7.56%</td>
<td>15.65%</td>
<td>14.78%</td>
<td>12.60%*</td>
<td>4/24/2015 5/01/1992</td>
<td>3/8/5/5/3 World Large-Stock Blend</td>
</tr>
</tbody>
</table>
Explore different ways to invest your retirement savings

**HANDS-OFF APPROACH**

Try a one-step solution

A target-date fund based on when you’d like to retire.¹

[See one-step]

**GUIDED APPROACH**

Pick an investment mix with help

Choose based on your preferred investment style.

[View mixes]

**HANDS-ON APPROACH**

You’ll pick an investment mix

If you’re comfortable, you can choose your own investments.

[See investments]
Set Up Your Portfolio

Which investment style is right for you?

CONSERVATIVE  MODERATELY CONSERVATIVE  MODERATE  MODERATELY AGGRESSIVE  AGGRESSIVE

Moderate
Balance
You're seeking long-term growth and are willing to tolerate some risk to pursue medium growth over time.

Moderate
- 51% Equities
- 20% Fixed Income
- 18% Guaranteed
- 4% Money Market
- 9% Real Estate
What Happens if I Leave?

Separation
Leave with TIAA to invest, roll into another retirement plan, withdraw funds
- Early withdrawal penalty before age 59 ½
Vested immediately – both employer and employee contributions are available

Retirement
Age 62 or older
Age 55 with 10+ years of service
Upon annuity draw
- Multiple payout options
- Retiree health and dental insurance available to retirees
Enrolling in the WSURP

• Login to Workday at www.login.wsu.edu
  • Click on the 30-Day Benefit Change Item in Inbox
  • Use Radio Buttons to Make Plan Choice
  • Be Sure to “Sign and Submit” Action

• Set Up Account at www.tiaa.org/wsuvu
  • No access code is needed
  • Can sign up for voluntary plan at same time
Department of Retirement Systems
Plan 3

Teachers Retirement System (TRS) 3
Public Employees Retirement System (PERS) 3
Department of Retirement Systems Plan 3

- Administered by the State of Washington
- Hybrid Plan
  - Defined Benefit Funded by Employer
  - Defined Contribution Funded by Employee
- Elect a Contribution Rate at Hire
- 5 to 10 Years to Vest
Plan 3 401a Hybrid Plan

Defined Benefit
1% x SCY x AFC

Defined Contributions Accumulation Account

Employer Funded Lifetime Benefit Survivor Options

Multiple Withdrawal Options

SCY – Service Credit Years
AFC – Average Final Compensation
### Defined Contribution Account

- Immediate vesting
- Pre-tax contributions
- Contribution rate is an irrevocable decision unless changing employers
- Available at other state of Washington employers

### Employee Defined Contributions

<table>
<thead>
<tr>
<th>Option</th>
<th>Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option A</td>
<td>5% at all ages</td>
</tr>
<tr>
<td>Option B</td>
<td>5% until age 35, 6% for ages 35 - 44, 7.5% at age 45 &amp; over</td>
</tr>
<tr>
<td>Option C</td>
<td>6% until age 35, 7.5% for ages 35 - 44, 8.5% at age 45 &amp; over</td>
</tr>
<tr>
<td>Option D</td>
<td>7% at all ages</td>
</tr>
<tr>
<td>Option E</td>
<td>10% at all ages</td>
</tr>
<tr>
<td>Option F</td>
<td>15% at all ages</td>
</tr>
</tbody>
</table>
## Do It Yourself Options

**Self Directed** - You select, monitor, and adjust your own investments

**One Step Investing** – Automatically managed for you

### Build and Monitor funds

<table>
<thead>
<tr>
<th>Fund name</th>
<th>Fund manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Investment Fund</td>
<td>BlackRock</td>
</tr>
<tr>
<td>Washington State Bond</td>
<td>Washington State Investment Board</td>
</tr>
<tr>
<td>Socially Responsible Balanced</td>
<td>Walden 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>

### Retirement Strategy Funds

Listed from lowest risk to highest

<table>
<thead>
<tr>
<th>Maturity Strategy</th>
<th>2005</th>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2025</td>
<td>2030</td>
<td></td>
</tr>
<tr>
<td>2035</td>
<td>2040</td>
<td>2045</td>
<td></td>
</tr>
<tr>
<td>2050</td>
<td>2055</td>
<td>2060</td>
<td></td>
</tr>
</tbody>
</table>

The Retirement Maturity Strategy Fund is for investors who have been retired for 15 years or more.
Total Allocation Portfolio – TAP
www.sib.wa.gov

• 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 program
### Plan 3 Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Manager fee</th>
<th>Manager administrative fee</th>
<th>WSIB fee</th>
<th>Recordkeeping fee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2030 Retirement Strategy Fund</td>
<td>0.1646%</td>
<td>0.0000%</td>
<td>0.0226%</td>
<td>0.0925%</td>
<td>0.2797%</td>
</tr>
<tr>
<td>2035 Retirement Strategy Fund</td>
<td>0.1682%</td>
<td>0.0000%</td>
<td>0.0226%</td>
<td>0.0925%</td>
<td>0.2833%</td>
</tr>
<tr>
<td>2040 Retirement Strategy Fund</td>
<td>0.1590%</td>
<td>0.0000%</td>
<td>0.0226%</td>
<td>0.0925%</td>
<td>0.2741%</td>
</tr>
<tr>
<td>2045 Retirement Strategy Fund</td>
<td>0.1466%</td>
<td>0.0000%</td>
<td>0.0226%</td>
<td>0.0925%</td>
<td>0.2617%</td>
</tr>
<tr>
<td>2050 Retirement Strategy Fund</td>
<td>0.1466%</td>
<td>0.0000%</td>
<td>0.0226%</td>
<td>0.0925%</td>
<td>0.2617%</td>
</tr>
<tr>
<td>2055 Retirement Strategy Fund</td>
<td>0.1466%</td>
<td>0.0000%</td>
<td>0.0226%</td>
<td>0.0925%</td>
<td>0.2617%</td>
</tr>
<tr>
<td>2060 Retirement Strategy Fund</td>
<td>0.1466%</td>
<td>0.0000%</td>
<td>0.0226%</td>
<td>0.0925%</td>
<td>0.2617%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan 3 Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-Term Investment Fund</strong></td>
<td>0.1958%</td>
</tr>
<tr>
<td><strong>Washington State Bond Fund</strong></td>
<td>0.1253%</td>
</tr>
<tr>
<td><strong>Socially Responsible Balanced Fund</strong></td>
<td>0.4551%</td>
</tr>
<tr>
<td><strong>U.S. Large Cap Equity Index Fund</strong></td>
<td>0.1181%</td>
</tr>
<tr>
<td><strong>Global Equity Index Fund</strong></td>
<td>0.1707%</td>
</tr>
<tr>
<td><strong>U.S. Small Cap Value Equity Index Fund</strong></td>
<td>0.1376%</td>
</tr>
<tr>
<td><strong>Emerging Market Equity Index Fund</strong></td>
<td>0.2351%</td>
</tr>
</tbody>
</table>
This program will help you better understand retirement planning and, more importantly, provides powerful tools which can help you with your planning. Please click a link below to get started.

- **Retirement Savings**
  Calculate the monthly savings you should be setting aside today to reach your retirement income goals.
  
  [GET STARTED]

- **Defined Contribution Disbursement Schedule**
  Create an estimate of Plan 3 deferred compensation payments following separation from service that considers various payout options and assumed rates.
  
  [GET STARTED]

- **Life Expectancy**
  Approximate your life expectancy based upon a given age. This tool uses data from the IRS.
  
  [GET STARTED]

Visit [www.drs.wealthmsi.com](http://www.drs.wealthmsi.com) • Income calculators • Retirement planning tools • Plan choice assistance
What if I Separate?

- All defined contributions are available upon retirement or separation
- Can remain in account
- Can be withdrawn
- Can be rolled into another retirement plan
  - Withdrawals will be subject to income tax at the time. If under age 59 ½, penalty of 10% will apply
- If separating with 20+ years of service, pension benefit continues to grow 3% each year you delay receiving benefits until age 65
Retiring Under Plan 3

Pension Draw

- Full Retirement Age – 65
- Early Retirement Beginning at 55 With Ten Years of Service

Retiree Benefits:

- Lifetime access to retiree medical and dental options through the state of Washington
- No draw required – age 55+ with 10+ years of service
Make your elections in Workday

DRS Welcome Letter

• Create online account at [www.drs.wa.gov](http://www.drs.wa.gov)
• Change investments, review account balance, identify beneficiaries, service credit
• Plan documents available

Contact Voya Financial for details investment questions
Voluntary Investment Plans
Voluntary Investment Programs

- Pre-tax and post-tax options available
- Minimum Contribution: $15/paycheck
- Maximum Contribution: $22,500 if under age 50, or $30,000 if 50 or older
- Flexible – can easily enroll, change contributions, stop contributions at any time
- Accepts rollovers from other plans
- Both plans available to anyone who draws a paycheck
- Employee only contributions
Deferred Compensation Program (DCP)

Governmental 457b Plan

- Administered by the state of Washington
- Same investment options as Plan 3
- Pre-tax contributions only
- No early withdrawal penalty
- Retirement savings catch up options for eligible participants
- Available at other state of Washington agencies
- Auto enrollment
DCP Auto Enrollment Timeline

Day 1 – You’re Hired!

DCP Info Mailed

30-Day Opt Out Window

60-Day 3% Deduction Starts

90-Day Withdrawal Window
Voluntary Investment Plan (VIP)

• Administered by TIAA
• Same investment options as WSURP
• Pre-tax and/or post-tax contributions
• 10% early withdrawal penalty

Governmental 403b Plan
Resources

Human Resource Services
- [www.hrs.wsu.edu](http://www.hrs.wsu.edu)
- Hrs.benefits@wsu.edu
- (509)335-4521

TIAA
- [www.tiaa.org/wsu](http://www.tiaa.org/wsu)
- 1-800-842-2252

DRS
- [www.drs.wa.gov](http://www.drs.wa.gov)
- 1-800-547-6657

Voya Financial
- [www.drs.wa.gov/login](http://www.drs.wa.gov/login)
- 1-888-327-5596