

Comparison Chart of PERS Plan 2 and PERS Plan 3

	PERS Plan 2	PERS Plan 3															
	Defined Benefit (DB) Plan	Defined Benefit (DB) Component	Defined Contribution (DC) Component														
Plan Structures and Funding																	
Formula for Pension Benefit	2% x SCY x AFC	1% x SCY x AFC	The value of the benefit is based on the amount contributed and the performance of the investments.														
Member Contributions	<p>Currently 0.88% of salary</p> <p>Contributions are automatic, mandatory and may change in the future to cover the costs of the Plan.</p> <p>Below is a history of some member contribution rates dating back to 1988:</p> <table border="0"> <tr> <td>September 1, 1988</td> <td>4.90%</td> </tr> <tr> <td>September 1, 1991</td> <td>4.70%</td> </tr> <tr> <td>September 1, 1994</td> <td>5.00%</td> </tr> <tr> <td>September 1, 1997</td> <td>4.65%</td> </tr> <tr> <td>September 1, 2000</td> <td>2.43%</td> </tr> <tr> <td>Currently</td> <td>0.88%</td> </tr> <tr> <td>20-Year Weighted Average (as of October 1, 2001)</td> <td>4.65%</td> </tr> </table>	September 1, 1988	4.90%	September 1, 1991	4.70%	September 1, 1994	5.00%	September 1, 1997	4.65%	September 1, 2000	2.43%	Currently	0.88%	20-Year Weighted Average (as of October 1, 2001)	4.65%	Not applicable	<p>Six rate options:</p> <p>Option A: 5% fixed at all ages</p> <p>Option B: 5% up to age 35 6% ages 35 to 44 7.5% age 45 and up</p> <p>Option C: 6% up to age 35 7.5% ages 35 to 44 8.5% age 45 and up</p> <p>Option D: 7% fixed at all ages</p> <p>Option E: 10% fixed at all ages</p> <p>Option F: 15% fixed at all ages</p>
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Employer Contributions	Currently 1.54% of salary This percentage may fluctuate.	Currently 1.54% of salary This percentage may fluctuate.	Not applicable														
Gain Sharing	Not applicable	Not applicable	Payments made if the earnings from the PERS Plans 2/3 combined trust fund average more than 10% over a four-year period. <i>See page 12 for more information.</i>														
Receiving Benefits																	
Eligibility for Normal Retirement with Full Pension Retirement Benefits	Age 65 or older with at least 5 SCY	Age 65 or older with at least 10 SCY - or - 5 SCY including 12 Service Credit Months after reaching age 54 - or - 5 SCY by June 1, 2003 under PERS Plan 2 and transferred to PERS Plan 3	The value of your Defined Contribution account is based on your contributions, plus the performance of the investments you choose.														
Eligibility for Reduced Early Retirement Benefits	Age 55 or older with at least 20 SCY (reduced benefit)	Age 55 or older with at least 10 SCY (reduced benefit)	You may request withdrawal of your contributions and earnings at any time after you separate from PERS-covered employment.														
Separation from Service (and Delaying Receiving Defined Benefits)	You may stop working and delay receiving benefits until age 65.	You may stop working and delay receiving benefits until a later date. For members with at least 20 SCY separating from PERS-covered employment, pension is increased by approximately 3% for each year benefit is delayed up to age 65.	You may stop working and delay receiving benefits until a later date. The value of your account will be based on contributions and accumulated investment earnings.														
Cost-of-Living Increases	On July 1 of every year following your first year of retirement, your monthly pension benefit will be adjusted by the percentage change in the Consumer Price Index (CPI-U, Seattle) — up to a maximum of 3% per year.	On July 1 of every year following your first year of retirement, your monthly pension benefit will be adjusted by the percentage change in the Consumer Price Index (CPI-U, Seattle) — up to a maximum of 3% per year.	Not applicable														

	PERS Plan 2	PERS Plan 3	
	Defined Benefit (DB) Plan	Defined Benefit (DB) Component	Defined Contribution (DC) Component
Separation from Service (and Taking Withdrawals)	<p>If PERS-covered employment ends, you can request withdrawal of member contributions and earnings.</p> <p>If you withdraw your member contributions and earnings, you forfeit all pension benefits available under the Plan.</p> <p>You can leave member contributions in the Plan if you leave a PERS-eligible position; contributions currently earn 5.5%.</p> <p>Employer contributions not refundable.</p> <p>If you return to PERS-covered employment after withdrawing contributions, refer to <i>Can I Recover Withdrawn or Optional Service Credit?</i></p>	<p>Withdrawing money from your Defined Contribution account of Plan 3 does not affect your eligibility to receive a monthly pension benefit under the Defined Benefit component of Plan 3.</p> <p>Employer contributions are not refundable.</p>	<p>If PERS-covered employment ends, you may request a distribution of accumulated contributions and earnings.</p>
Payment Options	<p>Option 1: Standard</p> <p>Option 2: 100% survivorship</p> <p>Option 3: 50% survivorship</p> <p>Option 4: 66$\frac{2}{3}$% survivorship</p> <p>For more information on survivor benefits see your member handbook.</p>	<p>Option 1: Standard</p> <p>Option 2: 100% survivorship</p> <p>Option 3: 50% survivorship</p> <p>Option 4: 66$\frac{2}{3}$% survivorship</p> <p>For more information on survivor benefits see your member handbook.</p>	<p>Distributions may be deferred until minimum required distribution date.</p> <p>Two investment programs:</p> <p>WSIB Total Allocation Portfolio (TAP): lump sum cash distribution, direct rollover, scheduled payments and a personalized payment schedule.</p> <p>Self-Directed: lump sum cash distribution, direct rollover, scheduled payments, annuity purchase and a personalized payment schedule.</p> <p>For more information on distribution options see the <i>Request for Payment of Defined Contributions Funds</i>.</p>
Rollovers	<p>Member contributions and earnings can be rolled into other retirement plans and IRAs.</p> <p>If contributions and earnings from PERS Plan 2 are withdrawn and rolled into another retirement plan or IRA, rights to pension benefits are forfeited.</p>	<p>Not applicable</p>	<p>Defined contribution account proceeds can be rolled into other retirement plans and IRAs.</p>
Plan Investment	Investment Options	Investment Options	Investment Options
	<p>Investments are a diversified portfolio selected and managed by the Washington State Investment Board (WSIB).</p> <p>Investment risk is assumed by WSIB.</p> <p>There is no investment risk to members.</p>	<p>Investments are a diversified portfolio identical to PERS Plan 2, selected and managed by the Washington State Investment Board.</p> <p>Investment risk is assumed by WSIB.</p> <p>There is no investment risk to members.</p>	<p>Investments are chosen by members from options available through two investment programs:</p> <p>The Washington State Investment Board which offers the Total Allocation Portfolio (TAP).</p> <p>The Self-Directed Investment Program offers a choice of fixed income, market index and pre-mixed portfolio funds.</p> <p>Investment risk is assumed by members.</p>
Other Features	Transfer Payment	Transfer Payment	Transfer Payment
	<p>Not applicable</p>	<p>Not applicable</p>	<p>Payment equivalent to 110% or 111% of PERS Plan 2 account balance is made to PERS Plan 3 members transferring during initial transfer window.</p>
	Retroactive Gain Sharing	Retroactive Gain Sharing	Retroactive Gain Sharing
	<p>Not applicable</p>	<p>Not applicable</p>	<p>Payment is made to PERS Plan 3 members transferring during the initial transfer window.</p> <p><i>See page 13 for more information.</i></p>
PEBB Retiree Health Care Coverage	<p>PEBB health care coverage is available to qualified members. The Health Care Authority can assist you in determining if you are qualified. If qualified, you must:</p> <ul style="list-style-type: none"> Elect PEBB coverage upon separation from employment; and Begin receiving your retirement benefit immediately after separation from employment. If you delay receiving your retirement benefit upon separation, you are not eligible for coverage. 	<p>PEBB health care coverage is available to qualified members. The Health Care Authority can assist you in determining if you are qualified. If qualified, you must:</p> <ul style="list-style-type: none"> Elect PEBB coverage upon separation from employment; and You must be 55 years of age and have 10 years service credit. 	<p>Not applicable</p>