

# Important Information for Retiring Employees



## How Do I Retire?

If you are planning to retire from Seattle Public Schools and are eligible for a pension, follow these steps:

You must formally request a benefit estimate and complete a pension application with the WA State Department of Retirement Systems (DRS). It is preferable to do this via the member login on the DRS website, [www.drs.wa.gov](http://www.drs.wa.gov). As an alternative, you may request that these items be mailed to you by calling DRS at 1-800-547-6657. A 3-6 month lead time is recommended for timely processing.

Complete a [Notice of Separation form](#) and submit a copy to Human Resources as well as your supervisor. After your notice is received and processed:

- You will receive a confirmation email and link to an optional exit survey
- Payroll Services will mail you a retirement packet with VEBA and Sick Leave Cash Out forms included

## Important Facts Affecting Your Decision

- Sick leave cash outs do not affect your pension; vacation leave cash outs affect TRS/PERS Plan 1 pensions only.
- After your final pay is reported, DRS will conduct an audit and your final benefit amount will be determined. This is generally done within 6 months.
- TRS/SERS Plan 3 members have many options regarding defined contributions. Informational pamphlets are available on the DRS website.
- If you are a member of Plan 2 or 3 and work a reduced work year, the date you choose for your DRS retirement date will affect your pension.

Please refer to the July vs. September comparison below:

### July 1 retirement example

If you retire July 2021, your cost-of-living adjustment (COLA) starts the following year on July 1, 2022. Because you chose July over September, you forfeit service credit for the months of July & August (approx. 2 months), which is minimal.

### September 1 retirement example

If you retire September 2021, your COLA won't go into effect until July 2023. That's one year and 10 months after your retirement. This is because you must be retired for an entire year before receiving your first COLA payment. And since

COLAs only go into effect on July 1, you must wait for the next July 1 in 2023. You will earn approx. 2 more months of service credit by waiting until September to retire, but you will delay receiving your COLA benefits for nearly two years.

So what's best? The fact is, if you wait until September, the increase in your benefit is generally minimal. By retiring July 1st you will start receiving pension payments two months earlier plus be eligible for the COLA nearly one year sooner. You will also continue to receive your salary along with your pension in July & August. These are the reasons most school year employees retire July 1st.

There may be other factors to consider that are unique to your situation. **You should ultimately consult a DRS retirement analyst for assistance in determining the most appropriate retirement date for you.**

## Medical Coverage

If you retire during the school year, your coverage ends the last day of the month in which you last worked.

Employees working in a school year position will receive medical benefits through August 31st if they work until the last day of their contract position and do not retire effective July 1st with DRS. Employees who retire effective July 1st with DRS will receive medical benefits through June 30th.

A **COBRA** notification regarding continuation of SEBB benefits will automatically be mailed to your home before or shortly after your coverage ends. For more information, please contact the COBRA division of the WA Health Care Authority at 800-200-1004

TRS, PERS or SERS retirees and vested plan 3 members, may have the right to medical or Medicare supplemental coverage under the Health Care Authority K-12 Retiree program, also known as PEBB. For more information please contact the Health Care Authority at 1-800-200-1004 or visit [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov).

**Please Note:** If you wish to join a PEBB plan, you must enroll no later than 60 days after your district or COBRA coverage ends. If you choose an alternate qualified health plan, you must notify the Health Care Authority that you are waiving your right to the PEBB program at this time or you give up all rights to the program at a later date.

SHIBA (State Health Insurance Benefit Advisers), a non-profit organization, is available to assist with your PEBB choices. You may contact them at 1-800-562-6900 to set up an appointment.

## Social Security

Full retirement age is 65 for those born prior to 1938 and age 67 for those born 1960 or later. You may receive social security benefits as early as 62, but your benefit will be permanently reduced. Medicare is available if you are 65 or older, disabled or have

kidney failure. For more information about Social Security or Medicare, call the Social Security Administration at 1-800-772-1213.

## **Retirement Frequently Asked Questions**

### **I'm thinking of returning to work. What should I consider?**

If you plan on returning to work for a DRS covered employer, please remember you need to abide by the DRS retiree return to work rules or you risk reducing your pension. You must also be separated from covered employment for at least one full calendar month following your DRS retirement date.

Return to work restrictions will depend on your unique situation and plan provisions. Please thoroughly review your return to work rules, which are available online at [www.drs.wa.gov](http://www.drs.wa.gov).

### **What happens to my remaining Leave Balances**

Sick leave: Up to 1440 hours of unused sick leave can either be cashed out *or*, if you qualify, transferred to a VEBA HRA (Health Reimbursement Account). With both options, your sick leave hours are paid at 1/4th of your hourly rate.

### **How do I know if I qualify for the VEBA option?**

Every year, each Bargaining Group elects whether to participate in VEBA. Please check your Bargaining Agreement, or email [HRCompensation@seattleschools.org](mailto:HRCompensation@seattleschools.org) for the most current information.

### **What are the differences between and cashing out and transferring my sick leave balance to VEBA?**

- Sick leave dollars transferred to VEBA are non-taxable; cash outs are taxable.
- VEBA eligible employees who elect cash will forfeit the current year's accrued leave (typically 96 hours) as penalty for not enrolling in VEBA.

VEBA / Sick Leave Cash Out forms will be mailed to you after your Notice of Separation form is received. Completed forms must be returned to Payroll Services no later than 60 days following your separation date.

### **Vacation leave**

No more than 240 hours shall be cashed out in a 2 year period. Upon separation from the District, vacation hours will automatically be cashed out, up to 240 hours less any previously cashed out in the 2 years prior to termination.

Vacation cash outs are paid at your full hourly rate or as otherwise stated in your CBA.

Typically cash outs are processed the month following your termination. For a definite date, please contact your Payroll Specialist.

### **What if I have a Tax Sheltered Annuity 403(b) Plan or a Deferred Compensation DCP 457(b)?**

You may leave your funds deposited with your investment company. Proceeds withdrawn and not reinvested may be taxable and subject to penalties.

- Contact the district's third party administrator, Carruth Compliance Consulting, at 1-877- 222-3090 regarding withdrawal procedures or visit [www.ncompliance.com](http://www.ncompliance.com).
- Contact the DCP unit at the Department of Retirement Systems, at 1-800-547-6657 or <https://washington.gwrs.com/login.do>

### **What if I have CPF (Central Pension Fund) Union Benefits?**

Pension applications and instructions may be obtained from CPF via phone request at (202) 362-1000, online at [www.cpfiuoe.org](http://www.cpfiuoe.org), or by contacting the IUOE 609 Union at (206) 441-8544

### **What if I have an Inspirus (formerly School Employees) Credit Union Payroll Deduction?**

Your deduction will remain in effect through payroll until your final payment. You should contact Inspirus at (206) 628-4010 for information regarding the handling of loan installments and share accounts after termination.

### **What if I move?**

Please submit a request for address change in writing to Seattle Public Schools Personnel Department. Address change forms can be downloaded through the district web site or can be obtained from your school secretary. If you need to submit a change of address after you have left employment with Seattle Public Schools, you may mail your written request to:

Seattle Public Schools  
John Stanford Center for Education Excellence  
Mail Stop 33-344  
PO Box 34165  
Seattle, WA 98124-1165

Timely address changes will ensure that your W-2 is mailed to the proper address as well as any paychecks/direct deposit advices you may have yet to receive.