



City of Tacoma

Tacoma Employees' Retirement System

3628 S. 35th St., Tacoma WA 98409 ■ P.O. Box 11007, Tacoma, WA 98411-0007 ■ (253) 502-8200 Fax (253) 502-6660

PORTABILITY/DUAL MEMBERSHIP

The term "portability" refers to retirement service that can be utilized in conjunction with **another eligible retirement system in Washington state**. A list of eligible systems under RCW Chapter 41.54 is listed on the back of this page.

Upon a member's retirement, each retirement system will issue a check for the service earned at that system. However, years of service under multiple employers may be combined for eligibility purposes, and the member's highest average pay may be used to calculate the retirement benefit in all systems.

This allows an individual to retire under the provisions of each plan, based upon the years of service with each system, the combining of years of service for purposes of the benefit formula with Tacoma Employees' Retirement System (TERS), and the highest salary at any system. This will be an actuarial reduced benefit unless one waits until maximum retirement age. Portability does *not* allow members of an eligible state retirement system to accrue benefits under TERS at the same time.

HOW IT WORKS:

Example: Pat is 56 years old and worked 17 years with the State of Washington, and nine years with the City of Tacoma. He has dual membership in the PERS 2 and TERS plan. His highest 24-month average pay was \$4000, all earned during his last two years at TERS. His highest 60-month average pay was \$3,600, all earned during his last five years of service.

Eligibility:

The individual's total years of service will be reviewed from eligible retirement systems in Washington state for retirement eligibility. Eligibility requirements for retirement in the TERS plan are:

- Age 60, any years of service
- 30 years of service, any age
- Years of service plus age = 80
- Age 55 and 10 years of service (reduced benefit)
- Age 45 and 20 years of service (reduced benefit)

In the example above, Pat's nine years of service for the City does not meet the qualifications to retire. However, the combined years of service (26 years) in both systems and age (56) equal 82, making him eligible for retirement.

Compensation:

Final average compensation would include the member's highest salary in either system, as long as it meets the requirements and is earned in the required number of consecutive months. In the example above, Pat's most recent \$4,000 per month pay is used for calculating the TERS benefit, and his highest 60-month pay (even though earned at the City) is used for calculating his PERS 2 benefit.

DEFERRED RETIREMENT VERSUS PORTABILITY: A member of one system in Washington state, who is not vested, is not required to withdraw his/her money out of that system when they go to another system covered under RCW 41.54. If they had been able to leave their money in the system and draw a deferred retirement at maximum retirement age from the appropriate system they would receive a 2 percent formula. However, under portability, that same retirement allowance would be based on the *highest salary at any system*. Individuals may combine years of service for portability for purposes of the benefit formula with TERS.

REPAYMENT: If a member has withdrawn contributions from a prior system, the member may restore the contributions with interest (amount to be determined by the system) *to that system* and recover the service represented by the contributions. Such restoration must be completed within two years of establishing dual membership or prior to retirement, whichever occurs first. **For specific repayment information, please contact your prior retirement system office.**

This informational notice provides a summary of information, however, specific language and provisions for portability will be administered as per the Tacoma Municipal Code (1.30.890) and the Revised Code of Washington

RETIREMENT SYSTEMS WITH TERS PORTABILITY

RCW Chapter 41.54 - Portability of Public Retirement Systems was passed in 1987 and subsequent amendments provides for portability of public pension benefits under the following chapters of the Revised Code of Washington (RCW):

- Chapter 41.26, Law Enforcement Officers /Fire Fighters Retirement System - Plan II (LEOFF II),
 - Chapter 41.32, Teachers Retirement System (TRS I, II, & III),
 - Chapter 41.40, Washington Public Employees' Retirement System (PERS I, II, & III),
 - Chapter 41.35, Washington School Employees' Retirement System (SERS II & III)
(effective September 1, 2000),
 - Chapter 43.43, Washington State Patrol Retirement System (WSPRS),
- AND the city employee retirement systems for the three "first class" cities (Seattle, Spokane, and Tacoma).

Department of Retirement Systems - To contact the State of Washington Department of Retirement Systems call (800) 547-6657 or (360) 664-7000. E-mail to recep@drs.wa.gov or visit their internet site at drs.wa.gov.