



## Retirement Information

# 2008 update

Beginning July 1, 2008, employees in PERS 2 and LEOFF 2 will see an increase in their contributions toward retirement. These changes are the result of increases in the basic employer and member rates adopted by the state legislature's Pension Funding Council and pension bills passed during the 2007 and 2008 legislative sessions.

### What it means for you

The contribution rate for PERS 2 employees will increase from 4.15% to 5.45%.

The contribution rate for LEOFF 2 employees will increase from 8.64% to 8.83%.

#### For employees paid:

- On the 5<sup>th</sup> and 20<sup>th</sup> of the month, the increased deduction will begin with the July 21<sup>st</sup> paycheck.
- Every other Thursday, the increased deduction will begin with the July 24<sup>th</sup> paycheck.

King County is also contributing more toward employee retirement plans. Beginning July 1, 2008, the employer contribution rate for all PERS plans will increase from 6.13% to 8.31%. In addition, employer contribution rates for PSERS will increase from 8.55% to 9.43% and LEOFF 2 employer contributions will increase from 5.35% to 5.46%.

### The difference in your paycheck

Your paycheck may show a reduced net amount depending on your federal tax withholding and any pre-tax deductions you have elected.

#### If you are paid *on the 5<sup>th</sup> and 20<sup>th</sup> of every month*

Below is a sample "*before*" and "*after*" paycheck for an employee with federal withholding for a single person with one exemption:

#### Sample Paycheck *Before*

Regular Earnings	\$2,000.00	PERS 2 Retirement @ 4.15%	\$83.00
		Federal Withholding	\$268.79
		Social Security	\$124.00
		Medicare	\$29.00
<b>Total Earnings</b>	<b>\$2,000.00</b>	<b>Total Deductions</b>	<b>\$504.79</b>
<b>Net Pay</b>			<b>\$1,495.21</b>

#### Sample Paycheck *After*

Regular Earnings	\$2,000.00	PERS 2 Retirement @ 5.45%	\$109.00
		Federal Withholding	\$262.29
		Social Security	\$124.00
		Medicare	\$29.00
<b>Total Earnings</b>	<b>\$2,000.00</b>	<b>Total Deductions</b>	<b>\$524.29</b>
<b>Net Pay</b>			<b>\$1,475.71</b>

<b>Net Reduction</b>	<b>\$19.50</b>
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## The difference in your paycheck *continued*

### If you are paid every other Thursday of every month

Below is a sample “before” and “after” paycheck for an employee with federal withholding for a single person with one exemption:

#### Sample Paycheck Before

Regular Earnings	\$2,000.00	PERS 2 Retirement @ 4.15%	\$83.00
		Federal Withholding	\$284.98
		Social Security	\$124.00
		Medicare	\$29.00
Total Earnings	\$2,000.00	<b>Total Deductions</b>	<b>\$520.98</b>
<b>Net Pay</b>			<b>\$1,479.02</b>

#### Sample Paycheck After

Regular Earnings	\$2,000.00	PERS 2 Retirement @ 5.45%	\$109.00
		Federal Withholding	\$278.48
		Social Security	\$124.00
		Medicare	\$29.00
Total Earnings	\$2,000.00	<b>Total Deductions</b>	<b>\$540.48</b>
<b>Net Pay</b>			<b>\$1,459.52</b>

<b>Net Reduction</b>	<b>\$19.50</b>
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## Historical contribution rates for PERS and LEOFF employees

PERS Plan 2 - Contribution Rates (rates shown as of July 1 of each year)		
Year	Employee Rate	Employer Rate
1998	4.65%	7.50%
2001	0.88%	1.77%
2004	1.18%	1.40%
2005	2.25%	2.44%
2006	3.50%	3.69%
2007	4.15%	6.12%
<b>2008</b>	<b>5.45%</b>	<b>8.31%</b>

LEOFF Plan 2 - Contribution Rates (rates shown as of July 1 of each year)		
Year	Employee Rate	Employer Rate
1998	8.48%	5.27%
2001	4.50%	2.93%
2004	5.07%	3.26%
2005	6.75%	4.24%
2006	7.79%	4.87%
2007	8.60%	5.35%
<b>2008</b>	<b>8.83%</b>	<b>5.46%</b>

If you are paid on the 5<sup>th</sup> and 20<sup>th</sup> of every month, you can find more information about the rate change in **MSA Bulletin 08-01** which can be found on the Intranet at [http://financeweb/finance/payroll/Bulletins/msa\\_bulletins.aspx](http://financeweb/finance/payroll/Bulletins/msa_bulletins.aspx)

If you are paid every other Thursday, more information is available in **PeopleSoft Bulletin 08-01** which can be found on the Intranet at [http://financeweb/finance/payroll/Bulletins/ps\\_bulletins.aspx](http://financeweb/finance/payroll/Bulletins/ps_bulletins.aspx)

If you have questions about the retirement rate change, contact the Washington State Department of Retirement Systems (DRS) by phone at 1-800-547-6657 or e-mail: [recep@drs.wa.gov](mailto:recep@drs.wa.gov). Information is also available on the DRS Web site: [www.drs.wa.gov](http://www.drs.wa.gov).