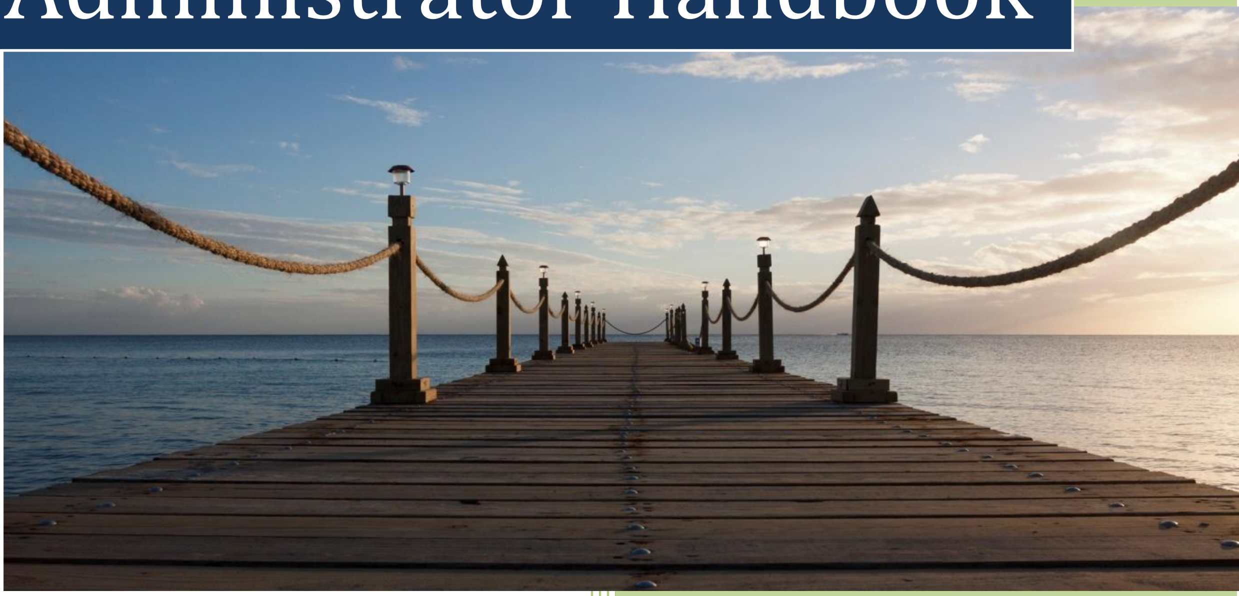
2017

State Board Retirement Plan Administrator Handbook



SBCTC

TIAA

10/9/2017

This handbook has been prepared to assist college benefit officers administer the State Board sponsored 401(a) Retirement Plan and its supplemental benefit feature. Rather than attempting to cover all facets of plan administration, this handbook responds to issues and questions experienced by local plan administrators.

Unless otherwise noted, this handbook applies to the 401(a) Plan adopted by the State Board with an effective date of January 1, 2006, as updated thereafter. Plan benefits are based solely on the state statute and the governing Plan Document. This handbook supersedes any previously published administrator handbooks.

The companies chosen by the State Board to keep records and administer investment options are the Teachers Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF). TIAA, established in 1918, and CREF established in 1952, are operated by a single management organization. TIAA-CREF changed its name to “TIAA” in February 2016. It is a non-profit organization dedicated to providing pension services primarily to members of the educational and research community.

The major provisions of the State Board’s plan answers the questions most asked by employees – who participates, how much does it cost, when am I vested, who controls the money, how and when can I get a distribution, and what kind of protection or “safety net” do I have. This handbook is intended to provide information responsive to these questions to those responsible for locally administering the State Board Retirement Plan or SBRP. Complete information about the Plan can be found in the governing Plan Document and through literature provided by TIAA.

The information in this handbook is not intended to confer any benefits or establish any rights to benefits. Although other retirement plans, such as PERS and TRS (Public Employee’s Retirement Services and Teacher’s Retirement Services) are referenced, this handbook is not intended for use in determining rights and/or benefits related to those plans. Care has been taken in the preparation of this Administrator Handbook, but it is not the official text of the State Board Retirement Plan. In the event of inconsistency between the information in this handbook, and that in statute or a Plan Document, the provisions of the statute or Plan Document will prevail.

Prepared by the
State Board for Community and Technical Colleges
1300 Quince Street, PO Box 42495
Olympia, Washington 98504
(EIN: 91-0823768)

January 1, 2016

Table of Contents

Eligibility and Options

State Board Retirement Plan (SBRP) Eligibility Criteria and Thresholds

To establish eligibility in the SBRP, an employee must be:

- Employed by a Participating Employer (a college district, the Washington Student Achievement Council (WSAC) or the State Board); **AND**
- Appointed to an eligible position (a full- or part-time faculty member OR as an administrator or professional employee exempt from Washington State's civil service law); **AND**
- Assigned a cumulative total workload of at least 50 percent of full-time as defined by the appointing authority or in a collective bargaining agreement at one or more participating employer(s) for at least two consecutive quarters or an equivalent period of time.

(WSAC employees must also have previously participated in a similar plan. Retirees and those eligible to retire from a Department of Retirement Services (DRS) managed plan are prohibited from participation.)

Notification

Employers are required to notify newly hired faculty and administrative exempt employees of their potential eligibility to participate in the SBRP through eligibility established with a previous employer. Employees are required to notify their employer of eligibility established with or employment at another two-year college employer. No retroactive contributions are required should an employee fail to provide his or her employer with such notification.

Participation/Membership Options

Once an employee is determined to be SBRP eligible, they have the options displayed in the tables displayed on the next few pages. (Tables address the majority of eligibility determinations faced by Participating Employers. However, on occasion a unique or rare situation arises which may result in different options. If this occurs, contact the Plan Administrator at the State Board for guidance.)

Note that the tables do not address concurrent employment situations. State law allows for TRS members to participate in TRS with their K-12 employer, for example, and the SBRP with a college employer. PERS members, who are making contributions and earning service credit through concurrent employment with a separate employer and who become eligible for the SBRP must waive retirement benefits at the college **or** with the other employer. Under certain situations, the employee may be able to participate in PERS at both employers – see WAC 415-108-728. Failure to make an election within 30 days will cause the employee to be defaulted into the SBRP. The college must notify DRS via e-mail at http://www.drs.wa.gov/employer/default.htm of an active PERS member's election or default into the SBRP.)

Retirement Membership Options – Faculty

<table>
<tr><th>Higher Education Faculty Positions</th><th>Employee's History</th><th>HERP or DRS Plan?</th></tr>
<tr><td rowspan="11">New to SBRP-Eligible Employment Effective July 1, 2011</td><td>No DRS plan history</td><td>• 30-day choice between TRS Plan 3 or SBRP
• Choice is permanent</td></tr>
<tr><td>TRS Plan 1, active and not eligible to retire</td><td>• SBRP or TRS Plan 1</td></tr>
<tr><td>TRS Plan 1 and eligible to retire</td><td>• Cannot participate in SBRP
• TRS Plan 1 only</td></tr>
<tr><td>TRS Plan 1, withdrawn</td><td>• SBRP or TRS Plan 1</td></tr>
<tr><td>TRS Plan 2 or 3, active and not eligible to retire</td><td>• SBRP or previous TRS Plan</td></tr>
<tr><td>TRS Plan 2 or 3 and eligible to retire</td><td>• Cannot participate in SBRP
• Previous TRS Plan Only</td></tr>
<tr><td>TRS Plan 2, withdrawn</td><td>• SBRP or TRS Plan 2</td></tr>
<tr><td>All other DRS plans, active or withdrawn and not eligible to retire</td><td>• 30-day choice between TRS Plan 3 or SBRP
• TRS Plan 3 only</td></tr>
<tr><td>All other DRS plans and eligible to retire (with less than 15 years of service)</td><td>• Cannot participate in SBRP
• TRS Plan 3 only</td></tr>
<tr><td>All other DRS plans and eligible to retire (with more than 15 years of service</td><td>• Cannot participate in SBRP
• Estopped from TRS
• Participate in previous plan if PERS and allowed by College</td></tr>
<tr><td>DRS retiree</td><td>• Cannot participate in SBRP
• Hourly limits apply (See DRS Employer Handbook, Chapter 5 - Reporting Retirees Who Return to Work)</td></tr>
<tr><td rowspan="3">Made SBRP/Plan 3 Choice Effective July 1, 2011</td><td>Chose or defaulted in SBRP</td><td>• SBRP only, if the irrevocable choice was made in CTC system
• If choice was selected at a university, 30 day choice between SBRP and TRS Plan 3</td></tr>
<tr><td>Chose TRS Plan 3</td><td>• TRS Plan 3 only</td></tr>
<tr><td>Chose PERS Plan 3</td><td>• 30 day choice between TRS Plan 3 and SBRP</td></tr>
<tr><td rowspan="2">Had Previous SBRP-Eligible Employment Before July 1, 2011</td><td>SBRP Participant</td><td>• SBRP only</td></tr>
<tr><td>Did not participate in SBRP</td><td>• Options under "New to SBRP-Eligible Employment" section (except employee cannot be given 30 day choice between Plan e or SBRP)</td></tr>
</table>

Retirement Membership Options – Non Faculty

Higher Education Non-Faculty Positions	Employee's History	HERP or DRS Plan?
New to SBRP-Eligible Employment Effective July 1, 2011	No DRS plan history	• 30-day choice between PERS Plan 3 or SBRP • Choice is permanent
	PERS Plan 1, 2 or 3 active or withdrawn and not eligible to retire	• SBRP or previous PERS Plan
	PERS Plan 1, 2 or 3 and eligible to retire	• Cannot participate in SBRP • Previous PERS Plan only
	TRS Plan 1 active and not eligible to retire	• SBRP or TRS Plan 1
	All other DRS plans, active or withdrawn and not eligible to retire	• 30-day choice between PERS Plan 3 or SBRP • Choice is permanent
	All other DRS plans and eligible to retire (with less than 15 years of service)	• Cannot participate in SBRP • PERS Plan 3 only
	All other DRS plans and eligible to retire (with more than 15 years of service)	• Cannot participate in SBRP • Estopped from PERS
	DRS retiree	• Cannot participate in SBRP • Hourly limits apply (See DRS Employer Handbook, Chapter 5 - Reporting Retirees Who Return to Work)
Made SBRP/Plan 3 Choice Effective July 1, 2011	Chose or defaulted in SBRP	• SBRP only, if the irrevocable choice was made in CTC system • If choice was selected at a university, 30 day choice between SBRP and TRS Plan 3
	Chose PERS Plan 3	• PERS Plan 3 only
	Chose TRS Plan 3	• 30 day choice between PERS Plan 3 and SBRP
Had Previous SBRP-Eligible Employment Before July 1, 2011	SBRP Participant	• SBRP only
	Did not participate in SBRP (with DRS history)	• Rules under "New to SBRP-Eligible Employment" section apply (Except employee cannot be given 30-day choice between Plan 3 or SBRP)

Enrollment

This is a step-by-step guide to enrolling newly SBRP eligible employees.

1. **Notify.** Provide all part-time administrators, professional exempt and faculty employees with notification that they may be eligible to participate in the SBRP. Often these notices are combined with those required by other agencies. (See the State Board's Retirement website at http://www.sbctc.edu/colleges-staff/my-employment/retirement.aspx). If a part-time administrator or faculty employee becomes eligible, notify him or her in writing. For your files, retain a copy of the "blanket" notifications (sent to everybody in a group or groups) with a list of all those receiving it. If you are sending individual notices, keep a copy of those notifications. Make sure you provide all retirement plan options available to the employee and that the employee complete a written irrevocable election.

2. **Determine Eligibility.** Full-time faculty and administrators (including professional exempt employees) are typically eligible from their first day of employment.

   Part-time faculty and administrators (including professional exempt employees) may begin participation at the time it is confirmed they are ***assigned*** and will work 50 percent of a full-time workload for a second consecutive quarter. For part-time faculty members employed on a quarter-to-quarter basis, this typically occurs within ten days of the start of the second consecutive quarter of employment. For part-time faculty, statute requires that you calculate the percent of full-time using only in-class teaching hours. For example:

   > A full-time English instructor is contracted to have 165 hours in class or "contact hours" to teach his 15 credits quarterly full-time workload. A part-time instructor has been contracted to teach 10 credits of English or 110 contact hours. Divide 110 by 165 to get the percent of full-time (67 percent). Compare the result to the required threshold (50 percent). You can get the same result by using credits (10/15 = 67 percent).

   The college should have a monitoring system in place to track part-time faculty workloads.

3. **Enroll.** Once it has been determined that a person is eligible, the benefits office should notify the employee. Upon election to participate or default into the SBRP, refer them to TIAA on-line enrollment site, https://www.tiaa.org/public/tcm/sbctc/home, or provide an enrollment kit. Online enrollment should be encouraged as this method will enroll the employee immediately, reduce the likelihood of errors, and register the employee for online access to their account. The enrollment kit, available from TIAA, includes the enrollment form and investment information. The enrollment application may also be downloaded at https://www.tiaa.org/public/tcm/sbctc/home. Notify employee that, if enrollment forms are not completed and submitted by the time contributions are forwarded to TIAA, their contributions will be defaulted into the one of the Lifecycle mutual funds based upon an assumed retirement date.

4. **TRS/PERS Options.** On or after July 1, 2011, newly eligible SBRP employees may elect to establish Plan 3 membership in TRS or PERS. If the employee has established and maintained membership in PERS or TRS and is assigned to an "eligible position" as defined by those plans, he or she may have the option of retaining such membership or opting to participate in the SBRP. If this is the case, make sure you document your discussion and the employee's choice through the use of the "Retirement Plan Options for Faculty and Exempt Employees" form. TRS/PERS Plan 2

members not placed in an eligible position but who have become eligible to participate in the SBRP, do not have the option to participate in TRS 2 or PERS 2. Eligible employees, who are actively participating in PERS through concurrent employment with another employer, must also make an election using the “Options” form described above. PERS/TRS retirees and those eligible to retire may not participate in the SBRP.

5. **Process the Completed Enrollment Form.** If completed and returned to you, the enrollment form should be faxed to TIAA (800) 914-8922. Retain the completed enrollment form and options form for your records.

FAQs Related to Eligibility and Options

1. **“Temporary” or hourly employees are exempt from civil service rule coverage. Are hourly employees required or allowed to participate in the SBRP?**

   No, “temporary” or hourly employees are not eligible to participate in the SBRP, unless they meet the workload criteria ***and*** are determined by the appointing authority to be “faculty,” “administrators” or “professional staff.”

2. **We’ve hired a full-time faculty member from another college as a workshop presenter. Do we make SBRP contributions based upon for workshop presenters?**

   To participate in the SBRP, an individual must be an employee, a member of the faculty or administrative exempt *and* have established and maintained eligibility (50 percent for 2 consecutive quarters without a break in service) within Washington’s two-year college system. If you consider or treat the workshop presenter as a member of the faculty, than SBRP contributions should be made. Being “treated” like a part-time faculty member may include: being paid a part-time faculty salary through payroll, being “coded” as part-time faculty in payroll system or meeting your faculty collective bargaining agreement definition of “part-time faculty” or “academic employee.” If she is not an employee of the college (independent contractor) or does not meet your definition of “faculty” or “administrative exempt” (i.e., is a temporary or “hourly” employee), she is not in a SBRP “eligible position” and, therefore no contributions should be deducted.

3. **A part-time faculty member is also employed full-time by a local school district. Through his school district employment he’s a TRS 3 member. This is his second consecutive quarter working for us above 50% of a full-time workload. Are part-time faculty employed concurrently by a school district mandated into SBRP?**

   No, he may elect to participate in SBRP or TRS 3. As a full-time school district teacher, he is earning full-time TRS service credit. Although TRS statutes limit the ability to earn service credit beyond that gained as a full-time school district employee, he may determine it’s beneficial to include his college salary in the TRS “average final compensation” calculation. However, this employee could be a member of TRS for his school employment and a participant of SBRP for his college employment.

4. **A part-time faculty member teaches 33 percent and is also paid under a separate contract for advising and curriculum development. Through a formula, the college has equated the advising and curriculum development responsibilities to equal 33 percent of a full-time workload. Do we include out-of-class responsibilities to qualify employees for the SBRP?**

No. Statute (RCW 28B.50.498) limits consideration of workload to "in-class teaching hours" and specifically excludes consideration of time spent outside the classroom in performing support activities.

5. **We recently hired a part-time faculty member into a SBRP eligible position. The employee does not have membership in PERS or TRS and is not in a "TRS" eligible position. What options does a part-time instructor have who has not previously participated in a state retirement plan?**

   The employee is eligible for the SBRP or TRS 3.

6. **A part-time faculty member has just met the eligibility criteria. He has requested exemption from participating, stating that he's not interested in participating in a retirement plan. What should I do when an employee requests to waive participation?**

   Retirement plan participation is mandatory for those meeting the SBRP eligibility criteria, excepting DRS retirees or eligible to retire from a DRS plan. Eligible employees may opt to participate in the appropriate Plan 3. The part-time faculty member should be informed that participation is a condition of employment. If he fails to complete the appropriate enrollment forms (hardcopy or on-line), you may withhold contributions and provide basic enrollment information on-line. TIAA will default his contributions to the age appropriate Lifecycle mutual fund and name his estate as the beneficiary.

7. **A part-time faculty member is also a full-time employee for a state agency and is an active PERS Plan 2 member. She has now met the SBRP eligibility criteria. Is a part-time instructor who concurrently works for a state agency mandated into the SBRP?**

   PERS statutes (RCW 41.40.023) limit the ability for active, contributing PERS members to participate in other state retirement plans, including the SBRP. That is, unlike TRS members, active PERS members are not eligible to continue their PERS plan participation while participating in the SBRP. At the time SBRP eligibility is determined, part-time instructors are typically not in PERS eligible positions, so a college cannot simply enroll them in PERS Plan 2.

   If they are in a PERS eligible position, they may be enrolled in PERS 2. (Although, if they're working full time as state agency employees, they're already receiving the maximum allowed service credit. Through including their college earnings, they may, however, increase their PERS final average salary calculation and increase their retirement benefit.) Because statute prohibits the concurrent participation of PERS members in two state funded plans, an employee in an ineligible PERS position who qualifies for the SBRP must elect to participate in the SBRP, forgoing active PERS membership with the other employer, or forgo participation in the SBRP to continue active membership in PERS with the other employer. If continuation in PERS with the other employer is selected, the employee may not receive retirement benefits through her college employment, unless she elects to receive TRS service credit through DRS. In this or a similar situation, it is recommended that the college district:

   a. Have a mechanism or form that provides for new employees to state their active membership in a PERS plan (See "Retirement Plan Status" form in the Benefit Forms and Plan Documents section of the State Board's "Benefits Connection" web page).

b. Provide the employee a "Retirement Plan Options for Faculty and Exempt Employees" form for completion. The employee has 30 days to make an election so note the date notification is provided on the form or in a cover letter.

c. Send a reminder if the employee does not respond within a certain time period (i.e. 25 days). Failure to respond in 30 days results in placement in the SBRP. If the employee elects or is defaulted into the SBRP, the college must notify DRS. Notify the employee they have been defaulted into the SBRP and contributions will be taken. The employee is responsible for notifying their other employer. The employee is also required to notify the college should they no longer actively participate in PERS with the other employer.

d. Additional information is available in Chapter 2 of the DRS Employer Handbook in the PERS Membership section under "Membership in Another Retirement System."

8. We recently hired a full-time instructor who, according to DRS, is eligible to retire from PERS and has over 15 years of service. What retirement plan options do newly SBRP eligible PERS members have if they are eligible to retire from PERS?

State law prohibits employees eligible to retire from a DRS administered plan from participation in a Higher Education Retirement Plan (HERP), like the SBRP. Also, per state regulation, employees eligible to retire with more than 15 years of service are estopped from TRS membership. Per DRS guidance, employees with this background may be able to continue their PERS membership, if allowed by the institution.

9. A part-time faculty member was actively participating in the State Board Retirement Plan prior to taking FMLA (Family and Medical Leave Act) leave. Does a part-time instructor returning to work from FMLA leave have to reestablish SBRP eligibility?

A part-time faculty member returning to work immediately following FMLA leave may not have to re-establish eligibility. In making this determination, a college should consider the following:

a. Has the part-time faculty member worked enough to be covered by the FMLA (1,250 hours in the prior 12 consecutive months)?

b. Is the absence covered by the FMLA (birth of child, placement of child, serious health condition, etc.)?

c. Was the absence from employment less than 12 weeks?

If the answers to these questions are yes, then the best guidance available indicates that the part-time faculty member should not need to re-establish eligibility. This guidance does not set a precedent for applying other benefits of FMLA to part-time faculty during a time they are between quarters of employment and is only intended to answer the narrow question stated above.

10. We recently hired an employee who had established eligibility and participated in the SBRP or SBVIP (State Board Voluntary Investment Program) with another Washington State community (or technical) college. Must SBRP participants who have moved between colleges complete new enrollment forms?

No, she does not need to complete a new enrollment form because our Group Retirement Annuity (GRA) plan is a “multi-employer” plan. This means that a Participant moving between different Participating Employers does not need to re-enroll. If the employee has participated in a TIAA GRA plan with an employer outside of the SBRP (i.e., Gonzaga University, University of Washington, etc.), TIAA will require the completion of a new enrollment form. Also, if a new employee had previously participated in a TIAA Retirement Annuity (RA pre 1998) plan with our system he or she must complete a new GRA enrollment form.

11. We employ several part-time faculty counselors and librarians who don’t work in classrooms. How should we calculate the percentage of full-time for non-teaching faculty?

Although RCW 28B.50.489 addresses the calculation of percentage of full time for part-time classroom or lab teachers, similar methodology is applicable to part-time faculty members not working in classrooms. That is, determine the number of hours required of full-time faculty working in the same discipline in the same college then divide the number of hours assigned to the part-time instructor by that required of the full-time instructor. Apply the resulting percentage of full time to the eligibility criteria. For example, full time counselors may be assigned 35 hours/week and this part-time instructor assigned 20 hours per week. This results in a percent of full time of 57%. If the part-time instructor was assigned this workload for two consecutive quarters, he or she would be SBRP eligible.

12. How do I address the discovery that an employee has been eligible to participate in the SBRP, but has not?

If an employee should have been a participant but was erroneously omitted, the college should initiate discussions with the employee to reach agreement and/or understanding of how the situation should be addressed. Generally, the college should:

a. Take steps to make up the employer non-elective portion of the contributions.

b. Make arrangements through discussion with the affected employee to make up the employer pick-up contribution (from employee earnings) through one lump-sum payment or a payment schedule.

c. Consider the possibility that the employee has lost earnings. Depending upon the elapsed time and allocation of contributions, employees who have not participated or who have contributed a lesser amount than provided for in the SBRP may have experienced a “loss” of earnings. If this occurs, the college should include this issue in its discussions with the affected employee. Issues to consider in reaching an understanding and/or agreement include: (1) How the contributions would have been allocated; (2) Whether or not there were earnings; (3) Whose error resulted in the lack of participation, the college’s or the employee’s; and (4) What is reasonable. TIAA may be able to provide assistance determining the amount of earnings, given certain allocations over a period of time. (For assistance with calculating lost earnings, contact David Garrison or your college’s TIAA Client Services Manager.) In any case, legal advice should be sought and any agreement with the employee should be in writing.

13. A TRS 1 retiree is working for us and we are monitoring her hours to ensure she does not exceed the work-hour limit established in the Retire/Rehire legislation. This is her second

consecutive quarter carrying a 67% workload. If the SBRP eligibility workload thresholds are met, must TRS retirees participate?

No, after July 1, 2011 newly retired DRS members are prohibited from SBRP participation. Her options are to un-retire and begin earning TRS service credit or to forego retirement plan participation. Retirees may collect their pension, while working, for up to 867 hours per year. After this limit is reached, they can continue to work but their benefit payment is suspended for the remainder of the year. If the retiree continues to work, benefit payments will begin the next year and continue until she works 867 hours.

14. **One of our classified employees teaches for us and for another college. She is beginning to teach her second consecutive quarter above 50 percent at our college. She's also beginning her second consecutive quarter over 50 percent at the other community college. She currently is a PERS Plan 2 member. How do we treat classified employees who also teach and meet the SBRP eligibility threshold?**

    When one of your own classified employees teaches enough to establish eligibility in the SBRP at your college, he or she should be given the options provided to other employees who come to the college with PERS membership. In the situation described above, the employee should be provided the "Retirement Plan Options for Faculty and Exempt Employees" form for completion by her college in which she employed as a classified employee and part-time faculty member College. If she opts to participate in the SBRP, she should be given an enrollment kit or referred to the enrollment website. Her other community college employer, where she only teaches, should treat her in the same as any other part-time faculty member who has established eligibility and made a choice with another Washington community and technical college employer. In this case, she should be placed in the SBRP and contributions made.

15. **A new administrator has asked for advice related to her choice of retaining previously established PERS membership or participating in SBRP. What advice should I provide for employees choosing a retirement plan?**

    The employee should make this personal choice without specific advice from the college. However, you can offer to identify some of the issues the employee should consider in making her choice. Those include, the number of years in PERS and remaining until retirement, future career plans, projected salary growth, etc. The employee may be referred to a financial advisor (of her choosing), to DRS or to TIAA.

16. **A newly SBRP eligible employee is refusing to enroll. What should I do if employees refuse to enroll in a retirement plan?**

    SBRP participation is required of all eligible employees, unless the employee affirmatively acts to become a member of a DRS plan. If the employee fails to enroll prior to contributions being sent to TIAA, he will default into the age appropriate Lifecycle fund and his estate will be named the beneficiary. You should remind the employee in writing of the need to enroll and notify him of the requirement to withhold contributions and the defaults described above.

17. **A newly eligible employee wants to designate someone other than his spouse as his SBRP beneficiary. How can an employee designate someone other than a spouse as a beneficiary?**

TIAA has a form that includes a waiver of the right to a pre-retirement survivor death benefit that the participant and his or her spouse sign. The spouse's signature must be witnessed by a notary public or plan representative (someone in the college's benefits office). (Although not an ERISA covered retirement plan, the SBRP has a similar spousal waiver requirement.)

18. A newly eligible employee is concurrently employed at a university and is an active member of PERS. What options does he have?

WAC 415-108-728 lists various types of concurrent employment situations and the plans in which employees would be reported. For this situation, the employee is working less than full time in a TRS eligible position at the college and full time in a PERS eligible position at the university. Per the table, the options are:

- Both agencies report the employee in the same DRS plan (TRS or PERS). The employee must decide which plan and then the college and university need to communicate so both report the employee in the same plan.

- The employee chooses the SBRP and forgoes being reported in PERS by the university. The college informs DRS of the choice; the employee notifies the university.

19. A part-time instructor established eligibility at our college and chose TRS 3. While working with us, he started teach part-time at another college. Should that second college start reporting him in TRS 3? What happens if a third college employs him? What happens if there's a break in service?

Employees who establish SBRP eligibility, at one employer or through multiple employers, but elect Plan 3, should be placed into Plan 3 at all employers and any future CTC employers, unless there's a break in service. These employees would continue in Plan 3, as long as "continuous employed" without a break in service (defined as a quarter long break in employment at all Participating Colleges, excluding summers or equivalent off-season quarters). TRS 3 members not in TRS eligible positions, who have a break in service, lose TRS eligibility (as they would if participating in the SBRP). If re-employed in a similar position, they must re-establish eligibility for retirement benefits through meeting the SBRP eligibility criteria before being placed back in active Plan 3 membership. (Unless the employer determines that they have been re-employed in a "TRS/PERS eligible position.")

For these folks, the "rule of thumb" is "if they establish eligibility through meeting SBRP criteria but elect Plan 3, participation is maintained or lost on the same basis as if they had selected the SBRP. (Unless the employer determines they are in a TRS/PERS eligible position – i.e., a position that normally requires 5 months of 70 hours or more a year.)

Contributions and Allocations

Contribution Categories

Employer Non-Elective Contributions:	These are the contributions made by the employer that match the required pick-up contributions.
Pick-up Contributions:	Pick-up contributions are made by the participating employer in lieu of employee contributions and are paid from the same source of funds as used in paying wages to participating employees. Participants do not have the option to receive these contributions directly. These mandatory "pick-up" contributions are treated as employer contributions under the tax code.

Contribution Schedule

The State Board has adopted the following "age graded" contribution schedule:

Age	Employer Pick-up Contribution Amount
Less than or equal to age 34	5.0% of compensation each pay period
Age 35 through and including age 49	7.5% of compensation each pay period
After attaining and including age 50	10.0% of compensation each pay period

The employer contributes an additional amount equal to the pick-up contributions (designated as the employer non-elective contribution). Contributions are not made from severance pay, settlement payments, early retirement incentive payments, and remuneration for unused sick or personal leave, or remuneration for unused vacation leave in excess of the amount payable for 30 days or 240 hours of service.

Allocation of Contributions

Participants self-direct the investment of contributions and accumulations. For a listing and description of the available investment options, visit the following link https://www.tiaa.org/public/tcm/sbctc/home.

While actively employed, participants may allocate current contributions (pick-up and employer non-elective) or transfer TIAA or CREF accumulations as follows:

- **Current contributions** may be allocated among the available accounts in any whole percentage proportions.
- Except for TIAA Traditional accumulations, account accumulations resulting from **previously made contributions** may be transferred in whole or in part among any of the accounts.
- **TIAA Traditional Annuity** accumulations resulting from **previously made contributions or from transfers** from other accounts may be transferred to any of accounts on the basis of an irrevocable nine year schedule of payments (10% immediately and the remaining 90 %, with earnings, in substantially equal installments over nine years) subject to TIAA procedures.

Transfers from Other Plans to SBRP

A participant employed at a Participating Employer may directly transfer into his or her accounts within the SBRP any account balances from other qualified retirement plans. The amounts transferred will be set up in a separate account and be referred to as a "Participant's Rollover Account." This account is fully vested and is not subject to forfeiture.

Transfers may take place as follows:

- Amounts transferred to this retirement plan directly from another qualified plan.
- Amounts from another qualified plan that are eligible for rollover distributions and which are either transferred by the employee to this plan within 60 days following receipt or are transferred pursuant to a direct rollover.
- Amounts transferred to this retirement plan from a conduit individual retirement account (IRA) provided that the conduit IRA has no assets other than assets which (i) came from another qualified plan as a lump-sum distribution (ii) were eligible for tax-free rollover to a qualified plan and (iii) were deposited in the conduit IRA within 60 days of receipt, and (iv) met the above requirements and were transferred to this retirement plan within 60 days of their receipt by the conduit IRA.

Prior to accepting any transfers, verification from the employee may be required to establish that the amounts proposed to be transferred meet the requirements, as summarized above and as detailed in the Plan Document.

Elective Deferrals and 402(g) Limit

Contributions made to the SBRP do not count against an employee's elective deferral limits. For current limits, see the FAQs Related to Contributions below.

USERRA

The USERRA (Uniformed Services Employment and Reemployment Rights Act) of 1994 prohibits employment discrimination against employees who take leave for military service and guarantees reemployment to those returning from military leave. Under USERRA provisions, employees may make up missed contributions when they return from military service and the employer must make up its matching contributions. Questions concerning a specific situation should be made to the Plan Administrator at the State Board.

FAQs Related to Contributions

1. **Can any employee contribute to the SBVIP (State Board Voluntary Investment Board)?**

   All employees may contribute to the State Board's voluntary 403(b) plan except students whose wages are exempt from FICA, Non-resident aliens who receive no U.S. source earned income, or Non-permanent employees working less than 20 hours per week who have not and are not expected to work 1000 hours in a year.

2. **What are the contribution limits for the SBRP, SBVIP, and the State Board 457b plan?**

   2017 limits can be found here https://www.irs.gov/newsroom/irs-announces-2017-pension-plan-limitations-401k-contribution-limit-remains-unchanged-at-18000-for-2017.

Summarizing:

- SBRP: $53,000 (includes both employee and employer contributions)
- SBVIP: $18,000
- Deferred Comp (DRS's 457 Plan): $18,000
- Deferred Comp (DRS's 457 Plan) age 50 catch-up:$6,000
- SBVIP catch up contributions equal $6,000 for age 50 or over

3. Is it discriminatory to base contributions upon the participant's age?

No, it is legal to base retirement plan contributions on the participant's age. The Age Discrimination in Employment Act specifically states that it is not discrimination to use age-based criteria to observe the terms of a "bona fide employee benefit plan" such as a retirement plan.

4. I need to request a refund for a contribution we made by mistake, who should I contact?

Contact David Garrison, client services manager at TIAA. He will assist you with inputting a Mistake of Fact refund request via the Plan Focus administrator website.

5. What should I do if I discover that the rate of contributions made by a participant and the college have been incorrect?

If the contribution rate (the percentage) has erroneously been set too high or too low, the college should initiate discussions with the employee to reach agreement and/or understanding of how the situation should be addressed. If the amount contributed has been too low, the college should:

- Take steps to make up the employer non-elective portion of the contributions.
- Make arrangements through discussion with the affected employee to make up the employer pick-up contribution through one lump-sum payment or a payment schedule.

If the amount contributed has been too high, the college should contact David Garrison, client services consultant at TIAA to discuss the recovery of the excess contributions

6. What about the loss of earnings in situations where the employee has not contributed the correct amount?

Depending upon the elapsed time, allocation of contributions and market conditions, employees who have not participated or who have contributed a lesser amount than provided for in the SBRP may have experienced a "loss" of earnings. Should this occur, the college should identify the reason for the error to determine whether it is unique or systemic to their eligibility determinations and begin discussions with the affected employee. Issues to consider in reaching an understanding and/or agreement include: (1) How the contributions would have been allocated (i.e., LifeCycle); (2) Whether or not there were earnings; (3) Whose error resulted in the lack of participation, the colleges' or the employee's; and, (4) What is reasonable. TIAA may be able to provide assistance determining the amount of earnings, given certain allocations over a period of time. In any case, legal advice should be sought and any agreement with the employee should be in writing. The Plan Administrator can also provide guidance.

7. **When I checked my account information on TIAA's web site, the contributions made from the last pay period had not yet been posted. Payday was 3 days ago. Why the delay and am I losing earnings?**

   No, earnings are not being lost. Payroll data and funds are sent to TIAA after the payroll is processed. (Remember, because of our "lag" payroll system, payroll is processed prior to the payday.) Although the funds are electronically transferred to TIAA prior to payday, state law prohibits processing the funds until the actual payday. At that time, based upon historical allocation data, TIAA immediately invests the funds received. At the same time, TIAA begins to process the data provided (via computer transmission). This processing and posting to each individual's accounts typically takes one to three business days, at which point the updated information available through TIAA's web site can be viewed. Weekends, holidays and the occasional technical problem may also affect the actual web posting date, but do not have any impact on a participant's allocations and the resulting earnings.

8. **Are contributions made from amounts paid to employees as severance pay or retirement incentive? How about vacation leave balances?**

   The amount contributed on behalf of an employee is a percentage of "salary" defined in the Plan Document to include summer quarter compensation, extra duty pay, leave stipends, grants and vacation leave payments up to that amount paid for 30 days (240 hours). Salary does not include any severance pay, early retirement incentive payments, remuneration for unused sick or personal leave, settlement payments and payments for vacation leave in excess of 30 days.

9. **We have an employee receiving LTD (Long Term Disability) Benefits. Are monthly retirement contributions provided for under PEBB's LTD plan?**

   LTD Plan D (optional) provides a monthly retirement contribution while LTD benefits are payable under LTD Plan B (optional), subject to a number of provisions. See Washington State Health Care Authority's "Long Term Disability Plan" located at the following website: http://www.hca.wa.gov/pebb/Pages/ltd.aspx. These payments are pre-tax and are considered to be "pick-up" contributions under the terms of the Plan Document.

10. **Does sick leave cash-out payments at retirement factor into the calculation of an employee's deferral limit?**

    No. As contributions are not taken from sick leave cash-out amounts (either received as cash or placed into a Voluntary Employee's Beneficiary Association (VEBA) account), their value has no direct impact on the deferral limit. However, if an employee is getting a cash payment for unused sick leave and opts to contribute that amount to the SBVIP or Deferred Comp, the amount does count against the deferral limit.

11. **We have an employee who just returned from military service and wants to make up retirement contributions she missed while on military leave. Can she?**

    Yes. Under the Uniformed Services Employment and Reemployment Rights Act of (USERRA) 1994, the employee may make up contributions she would have made if she had not taken the military leave and the employer must match those contributions.

12. We've hired a full-time faculty member from another technical college as a workshop presenter. Do we make SBRP contributions based upon his workshop presenter employment?

To participate in the SBRP, an individual must be an employee, a member of the faculty or administrative exempt *and* have established and maintained eligibility (50 percent for 2 consecutive quarters without a break in service) within Washington's two-year college system. If the college considers or treats the workshop presenter as if he was a faculty member, than SBRP contributions should be made. Being "treated" like a part-time faculty member may include: being paid a part-time faculty salary through payroll, being "coded" as part-time faculty in payroll system or meeting your faculty collective bargaining agreement definition of "part-time faculty" or "academic employee." However, if he is not an employee of the college or does not meet your definition of "faculty" or "administrative exempt" (i.e., is a temporary or "hourly" employee), he is not in a SBRP "eligible position" and, therefore, no contribution should be deducted.

13. What are "pick-up" contributions?

Pick-up contributions are made by the participating employer in lieu of employee contributions and are paid from the same source of funds as used in paying wages to participating employees. Participants do not have the option to receive these contributions directly. These mandatory "pick-up" contributions are treated as employer contributions under the tax code (Section 414(h)(2)).

14. What are Employer Non-Elective Contributions?

These are the contributions made by the employer that match the required pick-up contributions.

15. What is the SBRP contribution schedule?

The State Board has adopted the following "age graded" contribution schedule:

Age	Employer Pick-up Contribution Amount
Less than or equal to age 34	5.0% of compensation each pay period
Age 35 through and including age 49	7.5% of compensation each pay period
After attaining and including age 50	10.0% of compensation each pay period

The employer contributes an additional amount equal to the pick-up contributions (designated as the employer non-elective contribution). Contributions are not made from severance pay, early retirement incentive payment, settlement payments, remuneration for unused sick or personal leave or remuneration for unused vacation leave in excess of the amount payable for 30 days or 240 hours of service.

16. Can an employee or eligible new hire transfer their retirement accounts from other plans into the SBRP?

A participant employed by a Participating Employer (college, State Board or Student Achievement Council) may directly transfer into his or her accounts within the SBRP any account balances from other qualified retirement plans provided that the other employer's plan permits the transfer and that such other employer's plan is covered by the same sections of the Internal Revenue Code as this plan. The amounts transferred will be set up in a separate account and be referred to as a "Participant's Rollover Account." This account is fully vested and is not subject to forfeiture.

Transfers may take place as follows:

- Amounts transferred to this retirement plan directly from another qualified plan.
- Amounts from another qualified plan that are eligible for rollover distributions and which are either transferred by the employee to this plan within 60 days following receipt or are transferred pursuant to a direct rollover.
- Amounts transferred to this retirement plan from a conduit individual retirement account (IRA) provided that the conduit IRA has no assets other than assets which (i) came from another qualified plan as a lump-sum distribution (ii) were eligible for tax-free rollover to a qualified plan and (iii) were deposited in the conduit IRA within 60 days of receipt, and (iv) met the above requirements and were transferred to this retirement plan within 60 days of their receipt by the conduit IRA.

Prior to accepting any transfers, verification from the employee may be required to establish that the amounts proposed to be transferred meet the requirements, as summarized above and as detailed in the Plan Document. Participants should consider the transfer of funds carefully, as all funds transferred into the plan are subject to plan rules.

17. What if an employee exceeds the 402(g) voluntary deferral limit?

If you determine an employee has exceeded one of the contribution limits, contact David Garrison, client services manager, at TIAA for assistance, or you may request the refund through the TIAA PlanFocus Administrator website. You will be asked to provide the participant's name, social security number, type of contribution, year of the excess, and amount of the excess. If you are not certain of the amount of the 402(g) limit, you can call TIAA's National Contact Center at (800) 842-2252 to request a calculation on employee's behalf.

Employees may also be limited by the 403(b) or 415(c) limits, which in some cases may be lower than the 402(g) limit. Employees are responsible for ensuring that they do not exceed their maximum exclusion allowance" and for maintaining their contributions within those limits. Upon request, TIAA will provide this calculation for employees.

18. I have an employee asking me how to allocate/invest their SBRP/SBVIP contributions, what should I tell them?

The allocation and investment of contributions and accumulations are important responsibilities that belong to the participant. **<u>Do not provide allocation or investment advice.</u>** Participants seeking advice should be encouraged to contact TIAA or a financial advisor of their choosing. Participants may also get advice by logging into their TIAA account online and using the Retirement Advisor tool.

19. How should I advise a participant on how to change their allocations or transfer accumulations?

Employees may change their allocations, transfer their accumulations, and check balances online at https://www.tiaa.org/public/tcm/sbctc/home. If they didn't do so when they enrolled, they will need to create an ID and password. Participants may change allocations, transfer accumulations, and check balances via telephone by calling (800) 842-2252 and following the prompts.

20. I have an executive/president who needs more help than a one hour meeting with a TIAA consultant. Where should I direct them?

See the list of TIAA contacts. Contact your institution's representative to arrange for longer visit with your president or for a visit with a TIAA Wealth Manager advisor.

21. I need to schedule TIAA appointments for our employees, who should I contact?

To schedule a day of TIAA counseling for your employees, contact your location specific TIAA Financial Consultant or call (206) 529-2600 and they will help.

22. I would like to schedule a financial education seminar on campus, who should I contact?

To schedule a financial seminar for your employees, contact your (location specific) TIAA Field Consultant or call (206) 529-2600. Generally, seminars need to be scheduled a few months in advance. On-demand webinars are also available https://www.tiaa.org/public/support/contact-us/consultations-seminars.

Distributions and Withdrawals

This section includes information on the various types of accumulation distribution made available by the State Board and TIAA. These include the various benefit options available at retirement as well as distributions based on hardship, death, disability retirement, a Qualified Domestic Relations Order and cash-out after separation. An in-service distribution is also available through the Phased Retirement Program.

Benefits are payable by TIAA upon receipt of a satisfactorily completed application for benefits form, separation confirmation from the employer and any required supporting documents. Participants or their beneficiaries may be provided the necessary forms by TIAA upon direct request or by request to the employer college.

Distribution of Benefits

After termination of employment, participants who are at least 55 or who have completed 30 years of service in the SBRP or any combination of Washington State sponsored retirement plans, or who have retired due to disability may exercise any settlement option for receipt or retirement benefits being made available by TIAA. TIAA, pursuant to the election of the participant, distributes to the participant or the participant's beneficiary the amounts to which he or she is entitled under the Plan in one or more of the following methods:

- **One Lump-Sum payment in cash.** Under the Group Retirement Annuity (GRA) contract (funds deposited in the retirement plan since January 1998), cash payments from the TIAA Traditional Annuity must be made no later than 120 days after a 180-day period and is subject to a 2.5 percent surrender charge. Participants may choose to receive the TIAA Traditional Annuity through a five-year fixed period annuity without a surrender charge. Under the Retirement Annuity (RA) contract (funds deposited in the retirement plan prior to January 1998), lump sum withdrawals from the TIAA Traditional Annuity may be received through the Transfer Payout Annuity, in substantially 10 equal annual payments. The 120-day period for withdrawals from the TIAA Traditional Annuity applicable to the GRA does not apply to the RA. For both the GRA and RA, there is no time limit or surrender charge on cash payments from the CREF and TIAA Real Estate Accounts or any of the mutual funds.

- **Lifetime Annuities** provide the participant retirement income for life. There are two types of lifetime annuity options, one-life and two-life (also called joint life). If an annuity option other than one-life is chosen, the actuarially equivalent income shall be computed using the dividend interest and mortality basis then in effect for TIAA annuity contracts. If desired, participants may also choose to annuitize some or all of their accumulations in the TIAA Real Estate Account or the CREF annuities.

    - A **one-life annuity** pays a lifetime income to the participant.
    - A **two-life annuity** pays a lifetime income to both the participant and participant's annuity partner. When one of the annuity partners dies, the other will receive a portion or the entire original amount of income for his or her life. How much the survivor receives depends on which of the two-life option was selected:

- A **full benefit to survivor** pays the participant a lifetime income. If either the participant or the participant's annuity partner dies, the payments continue to the survivor for life, in the same amount that would have been paid if both had lived.

- A **two-thirds benefit to survivor** pays the participant a lifetime income. If either the participant or the participant's annuity partner dies, the payments are reduced to two-thirds the amount that would have been paid if both had lived; the two-thirds benefit continues to the survivor for life.

- A **half benefit to second annuitant** pays the participant a lifetime income. If the participant dies, the participant's annuity partner receives for life, one-half the amount the participant would have received if he or she had lived. There is no reduction in the participant's lifetime income if the annuity partner dies first.

Under both one- and two-life annuity options, a participant can name a beneficiary or beneficiaries to receive benefits during a "Guaranteed Period." If the participant and their annuity partner die during the guaranteed period, benefits will continue to be paid to the beneficiaries named in the contract for the remainder of the period. TIAA offers guaranteed periods of 10, 15, and 20 years.

- **Minimum Distribution** allows participants to take the minimum amount of income required to avoid the federal penalty tax for late withdrawals. According to TIAA, this option is best for people who are over 70 1/2 and retired (by which time the participant generally must begin receiving retirement income to avoid the 50 percent minimum distribution penalty tax) and who want to delay starting life annuity income from their TIAA annuities or who want to preserve as much of their assets as possible.

- **Interest Only** distribution allows participants between the ages of 55 and 69 ½ to receive monthly payments of only the interest that would otherwise be credited to their TIAA Traditional Annuity accumulations. The participant's TIAA Traditional Annuity principal remains intact while he or she receives the interest payments. According to TIAA, this distribution option is best for people who need income but want to delay starting life annuity income from their TIAA Traditional Annuity accumulations.

- **Systematic Withdrawal** (not available from TIAA Traditional Annuity accumulations in Retirement Annuities and Group Retirement Annuities) allows the participant to receive income payments for any period they choose, provided the withdrawal is a minimum of $100 per account. The participant can stop or restart the payments anytime he or she chooses. The participant can also choose to convert the remainder of his or her accumulation to a lifetime annuity or combine the systematic payments with other payment options. According to TIAA, this option is best for people who, whether it's because of poor health, desire for maximum flexibility or other reasons, find it best to withdraw money from their retirement funds instead of receiving regular annuity payments. However, if a participant selects the Systematic Withdrawal Option, and depending on the amount of the withdrawals, he or she could substantially reduce or even use up his or her retirement accumulations.

- **Fixed Period Annuities** allow participants to receive income for a fixed period of time without having to take a lifetime annuity. According to TIAA, this option is best for people who need a regular series of income payments for a specified period of time but are not yet ready to annuitize their accumulations.

- **Transfer Payout Annuity** allows participants to receive income from the TIAA Traditional Annuity in 10 equal annual payments over nine years and a day. According to TIAA, this option is best for people who need a regular series of income payments for a specified period of time but are not yet ready to annuitize their accumulations.

- **Retirement Transition Benefit** allows participants to receive in cash up to 10 percent of the total annuity accumulation being settled as a lifetime annuity along with their first annuity payment. According to TIAA, this option is best for people who have worked for an institution that does not offer cash withdrawals as an income option and who need some money at the start of retirement for a particular financial goal. (The State Board's retirement plan does not provide for cash withdrawals under normal circumstances but does specifically provide for this Retirement Transition Benefit.)

Distribution of Benefits Upon Death

If a participant dies before receiving the distribution of retirement benefits, TIAA will pay the participant's designated beneficiary all amounts credited to the participant's account that are payable to the designated beneficiary under the plan. Distribution will occur through one or more of the methods described for distribution in the Plan Document.

If the participant dies after distribution has begun but before the entire amount has been distributed, then the remaining portion will be distributed as rapidly as under the method selected by the participant.

If the participant dies before receipt of any distributions of his or her interest (or before distributions are deemed to have begun pursuant to IRC (Internal Revenue Code) regulations), then the death benefit will be distributed to the participant's beneficiaries in accordance with the provisions of the Plan Document.

Distribution to a Minor Beneficiary

In the event a distribution is made to a minor, then TIAA may direct the distribution be paid to the legal guardian, to a minor's parent or a responsible adult with whom the minor lives, or to the minor's custodian under the Uniform Gift to Minors Act or Gift to Minors Act, if allowed by the laws of the state in which the minor resides. Such payment to the legal guardian, custodian or parent of a minor beneficiary shall fully discharge the State Board, TIAA, the college(s) and Plan from further liability.

Disability Retirement

A participating employer may approve the retirement of any participant for reasons of health or permanent disability – upon request from the appointing authority or the participant. Reasonable consideration must first be given the employee's personal physician or, if requested by the employee or the appointing authority, a review of such recommendations by another physician appointed by mutual agreement for that purpose. A participant retiring for reasons of health or permanent disability is treated in all respects as if he or she had attained Normal Retirement Age (age 55). The following excerpt if taken from the Plan Document:

> "Normal Retirement Date" means, as applied to a Participant, the earliest to occur of any of the three following dates: his or her attainment of age fifty-five (55), the date of his or her completion of thirty (30) Years of Service, or the date of termination of employment as a result of a disability,

where such disability status has been determined by the Participant's Participating Employer after consideration of a medical evaluation.

Hardship Distribution

Both IRS and State Board regulations provide for the distribution of funds in the event of financial hardship. To enable a hardship withdrawal of funds, the Internal Revenue Code and State Board require the college president or designee to verify that the participant has certified in writing that:

- The participant has an immediate and heavy financial need, defined as and limited to:
  - Payments to prevent eviction from or foreclosure on the principal residence of the participant;
  - Payments to prevent the participant's impending bankruptcy;
  - Unreimbursable medical expenses incurred by the participant, spouse, dependent children and/or dependent parents.

And

- The participant has no other resources reasonably available to meet the need through
  - Reimbursement or compensation by insurance or another source;
  - Reasonable liquidation of assets;
  - Borrowing from supplemental retirement accounts, life insurance values or commercial sources;
  - Stopping any voluntary employee contributions to tax deferral or savings plans made available by the employer. (Contributions to the State Board Retirement Plan must continue while the employee remains eligible however, contributions to the SBVIP must be suspended.)

Although allowed by the IRS, the State Board ***does not*** allow a hardship distribution for the purchase of a principle residence or for education related expenses.

In the event of financial hardship, a participant may withdraw all or part of the following Plan funds:

- Pre-1989 employee contributions,
- Pre-1989 earnings on employee contributions,
- Post-1989 employee contributions including:
  - Any Section 414(h) employer pick-up contributions and
  - Any contributions transferred to this plan from another employer's plan.

These funds may be withdrawn from the participant's account while the participant is actively employed. Hardship withdrawals are taxable income in the year received. Taxes, early withdrawal penalties and any other consequences of hardship withdrawals are the sole responsibility of the participant. Withdrawals from the SBRP may not be replaced at a later date. Contributions (Pick up and Employer non-elective) must continue to be made on behalf of the participant.

Both the State Board and TIAA have forms that assist the participant and the college process this request and certification. The State Board form provides the information and certification, which is specific to our plan. TIAA's form is generic, as it applies to a variety of other plans that they administer, and includes disclosure information required by federal regulations. Participants often contact TIAA directly and may have done so prior to contacting the college benefit office. While TIAA may not have informed the participant of the necessity of completing the State Board's

Hardship Withdrawal Application Request Form, the benefit officer must receive a signed application before approving the TIAA hardship distribution form.

There is no provision for hardship distribution to a former participant. Former participants, not eligible for retirement, may access funds through the Plan's cash-out provisions.

Qualified Domestic Relations Order Distribution

All rights and benefits, including elections, provided to a participant shall be subject to the rights afforded to any "alternate payee" under a "qualified domestic relations order" or QDRO. Furthermore, a distribution to an "alternate payee" shall be permitted if such distribution is authorized by a QDRO, even if the affected participant has not reached the "earliest retirement age" under the plan. The following definitions apply:

- "Alternate Payee" means any spouse, former spouse, child or other dependent of a participant who is recognized by a domestic relations order as having the right to receive all or a portion of the benefits payable under a plan with respect to such participant.

- "Qualified Domestic Relations Order" or QDRO is a judgment, decree or court order (including an approved property settlement agreement) issued under a domestic relations law that:
    - Relates to the rights of someone other than a participant to receive benefits from a qualified retirement plan or a tax-sheltered annuity,
    - Relates to payment of child support, alimony, or martial property rights to a spouse, former spouse, child, or other dependent of the participant, and
    - Specifies the amount or portion of the participant's benefits to be paid to the participant's spouse, former spouse, child, or dependent.

- "Earliest Retirement Age" (as applied to a qualified domestic relations order by the IRS) means the earliest of
    - The date on which the participant is entitled to a distribution under the plan
    - The later of
        - The date the participant attains age 50 or
        - The earliest date on which the participant could begin receiving benefits under the plan if the participant separated from service.

TIAA typically receives and processes qualified domestic relations orders but may contact the college to get or confirm employee information. If you receive a qualified domestic relations order directly, contact your TIAA representative.

Cash-out

Outside of retirement, upon termination of employment at all Participating Employers a participant may elect to receive a lump sum payment of his or her TIAA account pursuant to the settlement options made available by TIAA at that time the participant has been separated from service from all Participating Employers for at least 90 consecutive calendar days.

Re-Employment – SBRP Participants

A retired SBRP participant who is reemployed after a 6-month or 2-quarter break-in-service is considered to have "fully retired" and be eligible to continue to receive retirement income benefits from TIAA. The SBRP provides a Phased Retirement Program for participants who want to "retire," receive benefit payments from TIAA but want to continue working in a part-time capacity. (See the Phased Retirement Program section below.) Supplemental retirement benefits shall not continue during periods of employment of more than 40 percent of full-time or 70 hours per month for five months during any fiscal year. Retirement contributions are not made from the salary for such employment unless the individual once again becomes eligible to participate.

Re-Employment – PERS and TRS Retirees

State law allows PERS and TRS retirees to return to work and sets conditions that limit the amount of time PERS and TRS retirees receive a pension while working. Limitations include a break in service requirement and an annual work hour limit. Although the employee may continue working, once the annual work hour limit is reached, pension payments stop for the rest of the year or until the employee terminates employment. Retirees from any Department of Retirement Systems (DRS) managed plan are prohibited from participating in the SBRP. Additionally, state law requires public employers to report the return to work of a retiree to DRS. Questions should be directed to the DRS.

Phased Retirement Program

Full-time participants wanting to "retire" but continue to work part-time may do so under the terms of the Plan's phased retirement program. While Participating Employers may consider the employee to be retired, under the Plan the employee has not retired by modified his or her work schedule. However, participants in the Phased Retirement Program may receive an "in-service distribution" of their TIAA accumulations.

Phased retirement enables a Plan Participants with full time appointments to transition into retirement through working part-time. "Phased Retirement" applies to:

- Participants age 59 1/2 or older with at least 10 years of full-time service in the Plan; and
- Who terminate from their positions with a Participating Employer, surrendering tenure or rights to continuous appointment; and
- Who are rehired by a Participating Employer within 6 months of termination into a different job and assigned a reduced work load. A Retired Participant rehired after a two consecutive quarters or a 6 continuous month break in employment from all Participating Employers is considered to have had a complete separation of service from a Participating Employer.

Participation in phased retirement is completely voluntary and is not an absolute right of a Plan Participant. Phased retirement is only available when agreed to and entered into by a mutual agreement between an eligible Participant and his or her Participating Employer. Participants in the Phased Retirement Program continue to be eligible for the SBRP and contributions should continue at the same percentage as when the Participant was in a full-time appointment.

Participation in the Plan's phased retirement program is not intended to impact eligibility for other employment benefits that may be offered to Plan Participants through their Participating Employer or by the State of Washington.

Important Considerations

Choosing a retirement income option is an important decision that belongs to the participant and his or her annuity partner. **Do not provide advice on the "best" option.** For assistance in selecting a retirement income option, a participant may be referred to TIAA or to a certified financial planner of his or her choosing.

How To

This is a step-by-step guide on retirement preparation process.

Request for Retirement Income Illustration:

The employee may contact TIAA's National Contact Center at (800) 842-2252 to request a Retirement Income Illustration. This illustration should be ideally requested 6 months before the employee's intended retirement date. Alternately, the employee can obtain personalized, real-time retirement illustrations online using TIAA's Retirement Income Planner tool at https://www.tiaa.org/public/tcm/sbctc/home through the Secure Access portion of the website.

a. The illustration provides estimates of lifetime annuity income. It can be sent directly to the employee's home address or, if using the Retirement Income Planner tool, view and printed immediately.
b. It is not necessary for the to-be-retired employee to begin receiving payments immediately upon retirement. It may be advisable to delay receiving benefits, in whole or in part, for tax or other reasons.
c. There are a range of tools and resources on TIAA's website to help the employee understand the full array of income options TIAA Financial Consultants are also available by phone or through campus visits throughout the year to assist employees with creating an income stream meeting their needs.

Request to begin Retirement Income:

Advise the employee to contact TIAA's National Contact Center at (800) 842-2252 when the participant has decided on the specific retirement income option. TIAA will mail or e-mail, depending on the participant's preference, the forms to the employee. The forms should be requested approximately two months before the retirement date or the date that the employee intends to start receiving income. Benefits are payable at the first of each month and the initial payment should be made about a week into the retirement month, assuming the authorization form is returned in a timely manner.

Process Requests for Survivor Benefits:

Advise the participant's spouse or beneficiary to contact TIAA Beneficiary Relationship Team at (888) 380-6428. A "Survivor Benefits Package" will be mailed by TIAA once they've been notified of a participant's death.

Process Requests for Disability Retirement:

Upon request of a participant or an appointing authority, the board of trustees may approve the retirement of a participant for reasons of health or permanent disability. Before taking action, the appointing authority and board of trustees must first give reasonable consideration to the written recommendations of the employee's personal health care provider. If requested by the employee or the appointing authority, a review of the employee health care provider's recommendations by another physician (appointed by mutual agreement) may occur. If the board of trustees approves a disability retirement, advise the participant to contact TIAA's National Contact Center at 800) 842-2252.

Process Request for a Hardship Distribution:

a. A participant first contacts the college benefits office to discuss the hardship withdrawal process and request the appropriate forms. At this time, you should inform him or her about the restrictions on hardship withdrawals and the requirement to complete both the TIAA and SBRP forms. Encourage the participant to seek professional tax advice from a CPA or Certified Financial Planner (of his or her choosing) regarding tax implications and early withdrawal penalties before applying for a hardship distribution. All tax implications are the participant's responsibility.

b. If the participant wishes to apply, have him or her complete the *Hardship Withdrawal Application Form*. Verify that the form is complete, that at least one of the three required reasons for a hardship withdrawal is initialed (not checked) by the participant and that the participant has signed the required certification on the form. Get the completed form signed by the college president or designee. Retain a copy for the college's file.

c. Contact TIAA National Contact Center at (800) 842-2252 to obtain the TIAA *Request for a Preretirement Cash Withdrawal* form. Have the participant complete this form. Verify that the participant's part of the form is completed and then complete and sign the employer portion.

d. Send the completed forms to TIAA, P.O. Box 1259, Charlotte, NC 28201-1268. Alternatively, you may fax the form to (800) 914-8922

e. TIAA will process the application after the completed forms are received and will make payment directly to the participant.

Process a Request for Cash out, 90 days after Separation:

TIAA has different procedures applicable to the cash-out of variable and TIAA traditional accounts. A former participant who has separated from employment from all Participating Employers for at least 90 days may withdraw cash from variable accounts by completing a "Request for a Cash Withdrawal" form for each institution that has contributed to the cashable contract from which the participant is requesting a withdrawal. Forms are available by calling the National Contact Center at (800) 842-2252. The college or state board employer completes a section of the form, confirming the employee's termination date. For information on cash-out of TIAA Traditional accounts, see the first question and response in the following FAQs.

FAQs Related to Distributions and Withdrawals

1. **A participant wants a hardship withdrawal to purchase a house. He says that he's been told that this is a possibility. Should I sign his hardship withdrawal request?**

   No, the SBRP does not provide for hardship withdrawals for the purchase of a principle residence or higher education expenses (allowed by some plans in other states). The intent of the SBRP is to provide a retirement benefit. Hardship withdrawals are allowed for emergent situations only – the purchase of a house or payment or education expenses do not qualify.

2. **An employee heard that receipt of a hardship withdrawal would disallow SBRP contributions for 6 months following the distribution. Is this correct?**

No. Although some plans require participants receiving a hardship distribution to stop making contributions for 6 months following their receipt of the funds, the SBRP requires contributions to continue. However, voluntary contributions to the **SBVIP** plan must stop for 6 months following a hardship withdrawal.

3. **A current SBRP participant would like to make a cash withdrawal under the rule that allows for withdrawals after a participant has separated for 90 days. Prior to coming to work here, he was employed by another district and participated in the SBRP with that other employer. He had a 3 year break in service before coming to work for our district. Can he withdraw his SBRP funds contributed prior to his employment with us?**

   No. Although he met the 90-day requirement when between jobs, he is currently employed by a college district and participating in the SBRP plan. The rule provides for withdrawals only after separation and this employee is not currently "separated" from employment with a participating employer.

4. **To receive a pension, does SBRP require participants to have a break in service prior to being re-employed?**

   Yes, retirees receiving retirement benefits must have a 6 month or 2 quarter break-in-service before being considered "completely separated." "Retirees" not needing or wanting to access their account accumulations, may return to work at any time or may receive a in-service distribution through the Phased Retirement Program.

5. **I have an employee who is turning age 70; must she take a "minimum distribution"?**

   If the employee is considered "active" no minimum distribution of SBRP or SBVIP is mandatory until after termination of service. Have the employee contact TIAA's National Contact Center at (800) 842-2252 with any questions.

6. **I have an employee who will be retiring soon and would like to know what their monthly payments might look like after retirement. What should I tell them?**

   Have the employee contact TIAA's National Contact Center at (800) 842-2252 to request a Retirement Income Illustration. This illustration should be requested three to six months before the employee's intended retirement date. Alternately, the employee can obtain personalized, real-time retirement illustrations online at www.tiaa.org/sbctc through the Secure Access portion of the website.

   a. The illustration provides estimates of lifetime annuity income. It can be sent directly to the employee's home address.

   b. It is not necessary for the to-be-retired employee to begin receiving payments immediately upon retirement. It may be advisable to delay receiving benefits, in whole or in part, for tax or other reasons.

   c. An "Income Options Profile" can also be requested from TIAA. This profile provides explanations of all benefit options and other aspects of receiving benefits from the plan.

7. **I have a retired employee who has just been re-hired; can they continue receiving their retirement income benefits from TIAA?**

   A "retired" participant who is reemployed within 6 months or 2 quarters is not eligible to continue receiving retirement income benefits from the SBRP - unless a lifetime income option was chosen (annuitized a portion of or all accumulation). The supplemental retirement benefit shall not continue during periods of employment for more than 40 percent of full-time or 70 hours per month for five months during any fiscal year. Retirement contributions are not made from the salary for such employment unless the individual once again becomes eligible to participate. The employee can continue receiving their income benefit from the SBVIP.

8. **Will TIAA contact a recently terminated employee and walk them through the retirement paperwork?**

   No, TIAA will not initiate contact with participants who have announced their retirement to you. Advise the employee to contact TIAA's National Contact Center at (800) 842-2252 for counseling. TIAA will mail the required distribution authorization forms to the employee and counsel them on how to complete the forms. The forms should be requested approximately two months before the retirement date or the date that the employee intends to start receiving income. Benefits are payable at the first of each month and the initial payment should be made about a week into the retirement month, assuming the authorization form is returned in a timely manner.

9. **Our college has a "phased" retirement program that allows tenured faculty to reduce their workload, be paid on a pro-rata basis from the full-faculty salary schedule and retain tenure. Is a faculty member participating in this program considered "retired" and can they begin receiving his or her SBRP retirement benefits?**

   No, an employee participating in a locally established "phased retirement program" as described in the question is not "retired" from the SBRP. Similarly, participation in the SPRB's Phased Retirement Program does not mean the employee has "retired" – however, it provides participants a transition into retirement through reducing workload from full to part time and providing access to their retirement accumulations through whatever payout options are made available by TIAA.

10. **A former employee questioned me about a 2.5% surcharge imposed by TIAA when he requested a lump-sum distribution of his TIAA Traditional Account accumulations from the SBRP. Please explain.**

    Prior to January 1, 1998, lump-sum distributions of TIAA Traditional Account accumulations were not allowed. The surrender charge is necessary due to the types of investments made by the TIAA Traditional Account managers. Contributions allocated to the TIAA Traditional Account are mostly invested in long-term bonds that are held until maturity. This allows TIAA to guarantee an excellent rate of return. A lump-sum withdrawal has a cost associated with it that is passed on to the requesting participant. To avoid this cost, contributions should be allocated to other accounts or participants could elect to receive their TIAA Traditional Account accumulations at a maximum rate of 10% per year. Alternatively, the participant can request a five-year period annuity from TIAA to avoid the surrender charge. **There is no 2.5% surcharge on TIAA Traditional funds in the SBVIP and they can be accessed as a lump sum.**

11. I have an employee who recently received a Qualified Domestic Relations Order; what should I do?

A "Qualified Domestic Relations Order" is a judgment, decree or court order (including an approved property settlement agreement) issued under a domestic relations law that Relates to the rights of someone other than a participant to receive benefits from a qualified retirement plan or a tax-sheltered annuity and also specifies the amount or portion of the participant's benefits to be paid to the participant's spouse, former spouse, child, or dependent. TIAA typically receives and processes qualified domestic relations orders but may contact the college to get or confirm employee information. If you receive a qualified domestic relations order directly, fax the QDRO to (800) 842-5916 or if you have questions, contact David Garrison, TIAA client services manager.

12. I have an employee who recently passed away and the spouse/beneficiary needs to know what they need to do regarding the employees retirement account.

Advise the participant's spouse or beneficiary to contact TIAA's Beneficiary Relationship Team at (888) 380-6428 (Mon - Fri, 5:00 am - 4:00 pm, PT) to speak with a Beneficiary Specialist who will record details and request a certified copy of the Death Certificate; after receipt, a "Survivor Benefits Package" will be mailed.

Supplemental Retirement Benefit

In addition to receiving a benefit from TIAA, participants in the Plan prior to July 1, 2011 may be eligible to receive a supplemental retirement benefit from the community and technical college system. The 2011 Legislature eliminated this program for employees who begin participating in the SBRP on July 1, 2011 or later. For new employees uncomfortable with participating in a defined contribution plan, the Legislature required TRS 3 to be offered.

Supplemental benefit amount will, if eligible, increase a participant's monthly state retirement benefit to a minimum level based on years of service in the plan and average salary. The payment of supplemental benefits is provided for in statute and governed by the Supplemental Retirement Plan Document. The Supplemental Retirement Plan became a separate plan effective January 1, 2016.

General Information

For the most part, the SBRP functions as a "defined contribution" plan throughout a participant's career - with the amounts contributed (matched 100% by the employer) defined in the plan.

By contrast, the State Board Supplemental Retirement Plan (SBSRP) is a "defined benefit," or formula-driven calculation. If age and years of service eligibility criteria are met, a statutorily defined calculation will determine qualification for a minimum level of state paid retirement income termed the "Supplemental Benefit."

Supplemental Benefit calculations are performed only once for each qualifying retiree, and only at the time of retirement. To retire from the Plan, a participant has to be employed by a Participating Employer and actively contributing to the Plan at the time of retirement. Calculations are complex and require the assistance of a professional actuary. Also, they are market sensitive to the actual date of retirement. As such, the State Board will not provide projected calculations. Once calculated at retirement, there are no future re-calculations.

The retiree's actual SBRP account balances or investment allocations are unrelated to the calculation of the Supplemental Benefit. State law requires the State Board to assume that 50% of a participant's contributions were allocated to a fixed annuity (TIAA) and 50% were allocated to a variable annuity (CREF Stock).

If a retiree qualifies for a Supplemental Benefit, the amount is paid by the State Board regardless of the participant's SBRP account balances. Because the calculations are based upon contributions and assumed investments, any division of a participant's retirement accounts due to divorce is irrelevant to the calculation.

Eligibility, Age & Service Requirements

To be eligible for the calculation of the Supplemental Benefit, an active participant must meet one of the following minimum requirements:

Full Supplemental Benefit Eligibility:	Be at least 65 years old and have a minimum of 10 unbroken years full-time participation in SBRP, OR,

Reduced Supplemental Benefit Eligibility:	Be at least 62 years old and have a minimum of 10 unbroken years full-time participation in SBRP, OR,
Disability Retirement:	Meet special disability retirement provisions at any age.

Calculation

If an eligible participant's "Goal Income" is more than his or her "Assumed Income," a Supplemental Benefit is paid. If it is equal to or less, then nothing is paid. Both the Goal Income and the Assumed Income are calculated as required by law and as described below. The actual supplemental calculation is performed by the State Board using information provided by the employer and TIAA. Upon receipt of the "Notice of Intent to Retire" and other required information, the State Board performs the calculation using the Supplemental Benefit Payment Calculation Worksheet.

Calculating the "Goal Income"

"Goal Income" is defined by state law and is calculated as follows: **Goal Income = (Average Monthly Compensation) X (Eligible Years of Participation) X (Service Factor).**

- **Average Monthly Compensation** is calculated using SBRP-eligible salary for the highest paid two consecutive years in a SBRP-eligible position.

- **Eligible Years of Participation** includes all continuous years of participation in SBRP up to a maximum of 25 years. For participants with service credit from a Department of Retirement System (DRS) plan, that service credit is included in the Goal Income calculation if:

    - The participant transferred directly from the DRS plan to the SBRP **with the same employer and no break in service**; and,

    - The DRS contributions were not withdrawn.

The Service Factor used in the calculation is 2%, if at age 50 the participant chose to increase his or her SBRP retirement plan contribution to the 10% amount. The service credit factor is only 1.5% for any years of service in which the participant was at least age 50 and did not elect to participate at the 10% rate. *(The 10% rate was optional through December 31, 1996.) ("Break in service," "continuous" and "unbroken" means service without a break equal to one quarter, excluding summers or equivalent off-quarter.)*

Calculating the "Assumed Income"

"**Assumed Income**" is a theoretical amount of monthly income from an annuity that a participant's actual contributions would have generated if contributions had been allocated **equally** between a **fixed dollar (TIAA)** and a **variable dollar annuity (CREF Stock)**. (This assumed allocation is required by state law.) TIAA actuaries perform this part of the calculation.

If applicable, DRS retirement plan income will be included in the assumed income. Former DRS plan members are required to provide the State Board official documentation of the DRS calculation of a single life income option before the State Board performs the SBRP Supplemental Benefit calculation.

Supplemental Benefit Determination

Participants are only eligible to receive a Supplemental Benefit payment if the calculated "Goal Income" is greater than the amount of the calculated "Assumed Income." If eligible for a payment, the Supplemental Benefit payment is reduced by 0.5% for each month of retirement before age 65, unless the retirement was due to disability.

Income Options at Retirement

If qualified to receive Supplemental Benefit income, a participant has the following income options:

Single Life Supplemental Payment	The retiree receives the full payments as a lifetime income with payments stopping upon death. This provides the highest payment to the retiree. Survivor options offered below provide a lower payment amount than that calculated for the Single Life payment. However these options provide an ongoing payment to the survivor.
2/3 Supplemental Payment to Survivor:	Both the retiree and spouse/beneficiary receive this reduced monthly payment as a lifetime income. At either the death of the retiree or death of the spouse/beneficiary, the monthly payment amount drops to 2/3 of the original amount.
Full Supplemental Payment to Survivor:	The retiree receives this reduced monthly payment for his or her lifetime. Upon the death of either the retiree or spouse/beneficiary, the payments continue to the survivor for life, in the same amount.
1/2 Supplemental Payment to Survivor:	Retiree receives this reduced monthly payment for his or her lifetime. Upon death of the retiree, surviving spouse or beneficiary will receive ½ this amount. If spouse or beneficiary passes away before retiree, retiree continues to receive this amount for their lifetime with no reduction.

For the above options, the designated beneficiary must be the retiree's surviving spouse; or with the written consent of the spouse (or if no spouse), such other person or persons who have an insurable interest in the retiree's life as documented and filed by the retiree with the Participating Employer.

Death Before Retirement

If a participant dies while an active SBRP participant, and prior to retirement, the Plan will perform a calculation upon notification from the Participating Employer, as if the participant retired on the date of death. If the results are positive, the SBRP will determine a 2/3 benefit with a 10-year guaranteed benefit for a married retiree's spouse, or, for single retirees, a single life annuity with a 10-year guaranteed benefit payable to the beneficiary.

Separation Before Retirement

To be considered a SBRP retiree, an application for retirement must be made while actively participating in the SBRP (making contributions through employment). If an employee separates from a Participating Employer or otherwise loses eligibility and ceases active participation in the plan prior to achieving eligibility to retire, no Supplemental Benefit will be calculated or due.

Important Considerations

The following must be considered in the supplemental benefit calculation:

- Eligibility for a supplemental benefit is limited to those who were participating in the SBRP prior to July 1, 2011 and who meet the age and years of service requirements.

- The amount of supplemental retirement benefit for a participant who has not attained age 65 at retirement is calculated by reducing the payment amount by one-half of one percent for each calendar month remaining until age 65, unless the employee retired due to disability.

- Any portion of a participant's SBRP accumulation paid to a participant's spouse upon dissolution of a marriage or paid to the participation for hardship does not impact the calculation or result. The calculation is based upon contributions; withdrawals have no impact on the calculation.

- Supplemental Benefit calculations will not be performed for Phased Retirement Program participants. Phased Retirement Program participants are not "retired" from the Plan but have simply reduced their work schedule. Applications for a supplemental benefit calculation should be made when the Participant fully retires and completely separates from CTC employment.

Supplemental Retirement Benefit Payments

- Payments are made in equal monthly installments, except that if the monthly payment is less than $10, it may be paid at longer intervals as determined by the Plan Administrator.

- Payments continue for the lifetime of the retired participant; however, at retirement, a participant may choose to provide for the continuation of supplemental retirement benefit payments, on an actuarially equivalent reduced basis, to his or her spouse or designated beneficiary after the retiree's death. Notification of such choice shall be filed in writing with the Plan Administrator and shall be irrevocable after retirement. If a designation of a survivor's option is not made and the participant dies after attaining age 62 but prior to retirement, any supplemental benefit payable shall be based on the two-thirds benefit to survivor option.

- Prior to making any supplemental benefit payments, the State Board shall obtain a document signed by the participant and spouse, if any, or designated beneficiary acknowledging the supplemental retirement survivorship benefit option chosen by the participant.

Retiree Employment

A retired participant who is re-employed after a six-month or two-quarter break in service is eligible to continue receiving SBRP retirement benefits. However, supplemental benefits shall be suspended during periods of employment more than 40 percent of full-time or 70 hours per month for 5 months during any fiscal year. Retired participants may re-qualify for SBRP contributions if they re-establish SBRP eligibility.

How To

This is a step-by-step guide on how to process supplemental retirement benefit calculation requests. Supplemental benefits are paid directly by the State Board to qualified retirees. Forms for making the necessary calculation must be completed by the college or the retiree. They do not need to be submitted unless the retiree meets the minimum criteria to participate in this benefit (age 62 and at least ten unbroken years of full-time SBRP service or its unbroken part-time equivalence). Overview and steps for initiating and requesting a Supplemental Benefit Calculation can be found here: http://www.sbctc.edu/colleges-staff/my-employment/state-board-supplemental-retirement-plan.aspx

1. Forms
    a. **Notice of Intent to Retire.** This form initiates the supplemental benefit calculation process and should be completed for all participants who meet the age and years of service thresholds. It also provides information about the contribution rate following age 50 – a factor in making the calculation. In addition, the form provides a personal mailing address and telephone number for the retiree so communications can continue as necessary after the individual has left employment. This form also initiates TIAA's **benefit offset calculation** of the retirees pension income under the standard assumptions established for determining supplemental benefit eligibility.

    b. **Benefit Options Selection and Beneficiary Designation.** This form tells the State Board which survivor benefit option will be paid out if the participant qualifies for the benefit. It must be completed by the retiree in order to complete the calculation.

    c. **Calculation Worksheet.** This form is the official report of the service credit the retiree has in the SBRP - and in some cases TRS, PERS or in another Washington public higher education institution sponsored plan. Instructions for completing the form are included.

2. Submit
    Completed forms should be sent to the Human Resource Consultant at the State Board. The forms will be reviewed and an offset calculation request forwarded to TIAA. Processing these requests may take a few weeks to a few months.

3. Determination
    Once all the required data is collected a determination on the supplemental benefit amount, if any, will be made and reviewed. Participants and employers are notified of the outcome. If eligible for a benefit, payments will be retroactive to the date of retirement. Payments are made to qualified participants at the end of each month.

Updated forms can be found in SBRP's Benefits Connections Forms page: http://www.sbctc.edu/colleges-staff/my-employment/benefits-forms-plan-documents.aspx.

FAQs Related to Supplemental Retirement Benefit

The question and answer listed below is intended to provide general information regarding possible solutions to issues that arise in the day-to-day administration of a retirement plan. Please keep in mind that the information is general and the details of your specific situation may impact the suggested answer.

1. **A retiree recently called and asked if rolling over his contributions after retirement will affect the supplemental benefit. Should he keep his funds as is?**

No, rolling accumulations out of TIAA to another vendor after retirement will not affect the supplemental benefit calculation or payment. The supplemental calculations are based upon average salary, service time in the plan and contributions made to the plan. Taking funds out of the plan while working (i.e., hardship or through divorce) or after retirement, does not impact these factors and, therefore, does not impact the calculation.

2. **A part-time faculty member hasn't worked for the college for the past 9 months, or 3 quarters. He called and notified the college of his intent to retire. Does he qualify for a supplemental calculation?**

   No, only active employees can "retire" under the plan and potentially be eligible for a supplemental benefit calculation and payment. As this instructor has not been employed by the college during the past 3 quarters, he is not considered to be "employed" by a Participating Employer and is not "actively" participating (contributing) to the plan.

3. **An employee took a hardship withdrawal. Will that impact the calculation results?**

   Withdrawals from the SBRP do not impact the supplemental benefit calculation. The calculation is based upon contributions made to the Plan over the participant's career.

4. **I've worked in other higher education institutions with a similar 403(b) retirement savings plan, but never heard of this kind of benefit (Supplemental Benefit). What's the thinking behind providing this additional benefit?**

   When allowing higher education to establish retirement savings plans, the legislature ensured that there was a minimum benefit received by employees who retired after a career in state service. The supplemental benefit is intended to act as a "safety net," providing a minimal benefit should the higher education retirement plan not provide a minimum retirement income based on salary and years of service.

5. **We have an employee considering naming his grandson as his supplemental benefit beneficiary. Can he do that? What's the impact?**

   Retirees can name a child or grandchild as beneficiary to the Supplemental Benefit. However, the monthly benefit amount will be reduced on an actuarial basis, as it is assumed that a grandchild will receive the benefit payment for a longer period of time.

6. **We have an employee who participated in the Plan at another college, took a two-year break and return to work and SBRP participation with our college. He has 5 years of service with his first college employer and 15 years of service with our college. In terms of the supplemental calculation, can he include all 20 years of service in the calculation?**

   No, only his 15 years of unbroken service would be counted in the Supplemental Benefit calculation. Participants with breaks in service equal to or greater than 1 quarter (excluding summers) lose eligibility to participate in the Plan. Only unbroken or continuous years of service are considered in determining eligibility for a supplemental benefit calculation and benefit.

SBRP Resources

Relevant Statutes	For Statutes, see RCW 28B.10.400 at http://apps.leg.wa.gov/rcw/default.aspx?cite=28B.10.400 through RCW 28B.10.480
Plan Document	http://www.sbctc.edu/colleges-staff/my-employment/benefits-forms-plan-documents.aspx
Summary Plan Description	http://www.sbctc.edu/resources/documents/colleges-staff/my-employment/sbrp-summary-plan-description.pdf
Plan Summary with links to DRS, SBRP Documents & Resources	http://www.sbctc.edu/colleges-staff/my-employment/retirement.aspx
SBRP Fillable Forms	http://www.sbctc.edu/colleges-staff/my-employment/benefits-forms-plan-documents.aspx
SBRP Comparison to TRS 3	http://www.sbctc.edu/colleges-staff/my-employment/teachers-retirement-system-plan-3.aspx
SBRP Comparison to PERS 3	http://www.sbctc.edu/colleges-staff/my-employment/public-employee-retirement-system-3.aspx
Guide to Supplemental Benefits	http://www.sbctc.edu/colleges-staff/my-employment/state-board-supplemental-retirement-plan.aspx
Guide to SBVIP with links	http://www.sbctc.edu/colleges-staff/my-employment/state-board-voluntary-investment-program.aspx
SBVIP Plan Document	http://www.sbctc.edu/resources/documents/colleges-staff/my-employment/403b-plan-document-december-2016.pdf
SBRP Forms	http://www.sbctc.edu/colleges-staff/my-employment/benefits-forms-plan-documents.aspx

TIAA Contact Information

TIAA/Seattle Office: 617 Eastlake Avenue East, Suite 100, Seattle, WA 98109; Meetings by appointment; Local number: (206) 529-2600; Fax: (206) 223-3454; Administrators* Toll-Free: (866) 928-4221
**For administrators as well as employees arranging local office counseling appointments; otherwise, employees should be directed to the National Contact Center at (800) 842-2252.*

- **Primary administrator contact for plan-related inquiries:** Victor Tom, Relationship Manager: vtom@tiaa.org (206) 529-2645
- **Plan administrator contact for remittance, funding, and processing transactions:** David Garrison, Client Services Manager: dgarrison@tiaa.org (303) 626-5854

Bellevue Office: 188 106th Avenue NE, Suite 210, Bellevue, WA 98004; Meetings by appointment

Spokane Office: 505 W. Riverside Ave., Suite 500, Spokane, WA 99201; Meetings by appointment

Portland Office: 9900 SW Greenburg Rd., Suite 130, Portland, OR 97223; Meetings by appointment

TIAA Corporate Center Address: TIAA, P.O. Box 1259, Charlotte, NC 28201

TIAA National Contact Center: (800) 842-2252 (Open 5 a.m. to 7 p.m. (PT) M-F; 6 a.m.-3 p.m. Saturdays; automated service available 24/7)

TIAA Enrollment Hotline: (800) 842-2888 (For employees who do not have a TIAA contract)

TIAA Telecommunications Service for the Hearing Impaired: (800) 842-2755

Para Español: (800) 842-2252 opción 9 -o- https://www.tiaa.org/public/espanol

TIAA Completed Paper Enrollment Applications Fax Number: (800) 914-8922

TIAA on the Web:
- Plan specific information and employee online enrollment: www.tiaa.org/sbctc
- General homepage: https://www.tiaa.org/public/index.html

Overnight Delivery Address: TIAA, 8500 Andrew Carnegie Blvd, Charlotte, NC 28262

Ordering Supplies? E-mail or call Victor Tom at vtom@tiaa.org or (206) 529-2645.

State Board for Community and Technical Colleges: 1300 Quince St./P.O. Box 42495, Olympia, WA 98504-2498; Local Number: (360) 704-4303; Fax Number: (360) 704-4415; http://www.sbctc.edu/

College and Assigned TIAA Financial Consultants are on campus providing scheduled counseling on Tuesday, Wednesday and Thursday from 8:00 a.m.-5:00 p.m. Mondays and Fridays are devoted to administrative duties such as pre-work for upcoming counseling sessions, follow-up with clients, etc. Their primary function is to provide personalized one-on-one counseling. If employees have questions about their accounts or are interested in a transaction or beginning the retirement process they can contact our National Contact Center at (800) 842-2252 or login to their accounts through the TIAA website. The call center consultants also have access to the Financial Consultants' campus schedules so they can set a meeting with the assigned FC if the particular situation is best suited by having a face-to-face meeting. In general, the college's assigned Financial Consultant will contact the appropriate administrator at each school to pre-arrange on-site counseling several months in advance. If additional days are needed or adjustments for on-site counseling need to be made, contact TIAA's Seattle Office, (206) 529-2619.

State Board Retirement Plan History

The following timeline captures, in summary form, the major changes made to the State Board Retirement Plan since its inception. This information is not intended to be complete.

October 29, 2015	State Board adopts restated SBRP Plan Document and new SBSRP Plan Document, effective January 1, 2016.
June 20, 2013	State Board took action to eliminate governing WAC rules and re-adopted the Plan Document.
June 5, 2013	Effective this date, expanded investment options were added to SBRP and SBVIP.
July 1, 2011	Effective this date, the Legislature prohibited DRS retirees from participating, limited the expenditure of state funds to make employer contributions, eliminated the supplemental benefit for new participants, required providing PERS 3 or TRS 3 to newly SBRP eligible employees.
January 1, 2011	Effective this date, the plan is extended to provide for HECB (Washington Student Achievement Council) employee participation.
January 1, 2006	Effective this date, the plan becomes a qualified Group Retirement plan under IRC Section 401(a). The State Board provides for participation in mutual fund type accounts.
April 14, 2000	State Board acts to clarify plan participation for employees simultaneously employed by a PERS employer.
October 16, 1999	State Board acts to enhance portability of the plan by providing for eligibility to be maintained for participants moving between participating employers without a break in service. Employee and employer notification requirements are also adopted.
July 1, 1999	Effective this date, the State Board revised the eligibility criteria to be 50 percent for two consecutive quarters based upon funding received from the Legislature. Application of the TRS “eligible position” standard to establishing SBRP eligibility is eliminated.
January 1, 1998	Effective this date, the plan becomes a qualified Group Retirement plan under IRC 403(a).
January 1, 1997	Effective this date, the 403(b) plan becomes a mandatory plan, allowing greater deferrals for plan participants and simplifying local plan administration. Changes include, elimination of option to defer participation for up to two years, limiting choice to contribute to plan on a “before tax” and “after tax” basis to a one-time choice, requiring a 10 percent contribution beginning at age 50. Additional changes included allowing cash out of participant’s account 180 days after termination and allowing more than one voluntary salary reduction agreement in a year.
June 6, 1996	Effective date of RCW 28B.50.489 which defines full- and part-time workloads and requires that only “in-class teaching” hours be used when calculating part-time faculty workload and determining eligibility for SBRP participation. Statute recognizes that workload is defined through collective bargaining and will be different between disciplines and colleges.
May 30, 1991	Effective date of administrative rule revisions that include: • “State Board” and “Appointing Authority” definitions; • Eligibility rules were revised to provide for those meeting the “eligible position” standard in TRS or assigned 80 percent of a locally defined full-time workload to participate in the SBRP; • Option to continue participating in TRS/PERS clarified; • Contribution rate change effective dates clarified; • Greater flexibility in the allocation of premiums to TIAA or CREF was provided; • The payment of retirement benefits was enhanced by allowing payment to be made in keeping with any settlement option offered by TIAA-CREF; and, • Various other housekeeping changes.
February 28, 1991	State Board eliminates rule provisions excluding temporary employees from the plan. Eligibility rules provide for application of the TRS “eligible position” standard to SBRP participation, retroactive to September 1990. (TRS eligible position standard was defined as 2 months with 90 or more compensable hours until 9/1/91 when it changed to 5 months with 70 hours of earnable compensation in one position with one employer.)
1976 – 1990	Minor revisions to the plan were made.
January 9, 1976	Filing date of revisions made to eligibility rules, including: • Ability to maintain eligibility when moving from an eligible position to an ineligible position (classified) or to participate in the plan when moving from a classified position to a faculty or exempt position; • Ability to continue participation when workload drops below the eligibility standard as long as employed in a faculty or exempt position; • Ability to defer participation up to 2 years.
July 1, 1974	The filing date for revisions to the rules providing for the SBRP revisions are extensive and include: • Definitions of mandatory retirement age, participant, supplemental retirement benefit, year of full-time, normal retirement age, disability retirement, salary and average annual salary; • Retirement Benefit Goal provisions; • Provisions providing for the payment of supplemental retirement benefits; and • Other housekeeping changes.
1973	Engrossed Senate Bill 2119 amends RCW 28B.10.400, clarifying the State Board’s ability to sponsor an annuity retirement plan and amending contribution rate language to allow for age graduated contribution rates.
February 18, 1972	Administrative rules providing for Optional Retirement Transition Benefit are filed.
November 22, 1969	Effective date of the State Board’s administrative rules first implementing its defined contribution plan. Rule provisions adopted at this time addressed the establishment of the plan, eligibility, option to continue participation in TRS or PERS, definition of “Retirement Age,” designation of the contribution rates (5 percent for the employee; matched by the college) and, annuity contract “repurchase” (cash out after separation). Eligibility was limited to tenured or probationary faculty, exempt employees and other full-time employees of the colleges and State Board. Full-time was defined as 80 percent or more for at least 90 days during a fiscal year and not designated as a temporary employee.
1969	Legislature adopts HB58, codified in statute as RCW 28B.10.480, providing for higher education to provide an annuity retirement plan for faculty and other employees.

Index