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From: SJ Sailor <bmwktm@Comcast.net>
Sent: Monday, May 9, 2016 10:22 AM
To: Office State Actuary, WA
Subject: Early retirement concept

Back in the 1980s, Washington state government decided that it would save money by offering PERS I employees early retirement. I believe it was limited to 5 years early retirement as my mother took advantage of the offer. Her retirement pay is very small in today's terms and was recently increased due to falling below the minimum level (she was a secretary). Since the early retirement was offered as a way to save the state money and 30 years on, my mother's retirement check is really small compared to today's expenses, I bet it did save the state money. Even with her small paycheck, she tells me all the time that she's glad she did it so I think a win win opportunity exists if we were to implement something similar today. I would however like to suggest that it initially be targeted to a smaller subset of employees and that it be configured so that it will be revenue positive (or at least neutral).

The idea is to provide something between 2 and 5 years early out to our veterans. Why veterans? The additional choice to provide this to veterans with honorable discharges would be seen as recognition for their service and sacrifice and also stand as a recruitment and retention tool. If the early retirement option was revenue neutral or positive, it could help the budget so again, a real possibility of a win win exists. I'm sure that whatever math is used to calculate the cost to existing PERSII members to purchase up to 5 years additional service credit (once PERSII employees have 30 years or otherwise qualify by age) could be modified to calculate what veterans would need to pay the state to retire 2 - 5 years earlier than PERSII would normally require.

This 2 - 5 year early retirement for veterans idea could be structured many ways and each would have different cost/benefits to both state and veterans so it would likely take a few meetings just to narrow the focus of the concept to something that was manageable but without doubt, it would likely be viewed by all as positive - especially once the concept was understood financially to a point that ensured revenue/budget neutrality.

If, for example, veterans had to pay 2x the rate that many are now paying to purchase additional service credits at retirement, it would ultimately be up to the veteran to decide to spend the money in exchange for slightly earlier retirement or simply not take advantage of the early retirement benefit.

I think 5 years should be the max allowed which would mirror police officer 25 year full retirement but 2 years could really be the target. 2 years could mean the world for many veterans and many could likely afford to buy those years. Much detail is missing here and I know that but the concept is solid so let me know if retirement systems would be interested in having a brief meeting with me so that I could further explain and perhaps narrow / define the focus of the concept - putting bounds on the idea is probably the first step in helping it become reality.

Thank you.

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