



School Employees' Retirement System (SERS) Plan 3 Benefit Estimate Worksheet

As a member of SERS Plan 3, you can use this worksheet to estimate the defined benefit you will receive at retirement. To assist you in completing the worksheet, the right-hand column shows a sample of information that you would enter. Please keep in mind that this is an estimate only and is based on projected salary and service credit. Your actual benefit at retirement may differ. (See page 4 for general information about your retirement plan.) The defined benefit is only one part of your retirement plan. For information about your defined contribution account, refer to your Quarterly Statement or review the *Plan 3 Request for Payment of Defined Contribution Funds*.

SERS Plan 3 Benefit Estimate Worksheet	You	Sample
<p>Step 1 – Determine the age at which you plan to retire. 1. Your age at retirement:</p>		65
<p>Step 2 – Determine your total service credit at retirement. 2a. Your current balance of service credit years: 2b. The number of years until your retirement: 2c. Your projected service credit years at retirement (2a + 2b):</p>		22 + 8 30
<p>Step 3 – Estimate your Average Final Compensation (AFC). See page 4 for an explanation of AFC. If your retirement date is many years in the future, your future AFC may differ from its current level. You may wish to estimate your future salary, then figure an AFC based on those figures. 3. Your estimated AFC:</p>		\$3,340 per month
<p>Step 4 – Compute your Option 1 (Single Life) benefit. The Option 1 (Single Life) benefit provides you with the highest monthly benefit. However, payments stop upon your death and do not continue to a survivor. The formula for your Option 1 monthly benefit is: 1% x Service Credit Years x AFC 4. Your Option 1 benefit amount:</p>		$1\% \times 30 \times \$3,340 =$ \$1,002 per mo.
<p>Complete the next step only if you will provide for a survivor. There are three survivor options available. Under each of these options, your Option 1 benefit is reduced in order to provide a continuing payment to a survivor after your death. If you choose one of the survivor options and your designated survivor dies before you, your benefit will be adjusted to the higher Option 1 payment level. Be sure to notify DRS to initiate this adjustment.</p>		
<p>Step 5 – Adjust your benefit for a survivor option. Determine the age difference between you (the member) and your survivor (rounded to the nearest year). Then use Table 1 on page 3 to find the reduction factors to apply. 5a. The age difference between you and your survivor:</p>		Your age is 65; your survivor's age is 63. You are 2 years older

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Option 2 (Joint and 100% Survivor) – When you die your survivor receives a benefit equal to 100% of your benefit. 5b. Your Option 2 benefit amount:		$\$1,002 \times 0.761 =$ $\$763$ per mo. (survivor gets \$763)
Option 3 (Joint and 50% Survivor) – When you die your survivor receives a benefit equal to 50% of your benefit 5c. Your Option 3 benefit amount:		$\$1,002 \times 0.864 =$ $\$865$ per mo. (survivor gets \$433)
Option 4 (Joint and 66.67% Survivor) – When you die your survivor receives a benefit equal to 66.67% of your benefit. 5d. Your Option 4 benefit amount:		$\$1,002 \times 0.827 =$ $\$829$ per mo. (survivor gets \$553)
<p>Complete the next step only if you will retire before normal retirement at age 65. When you retire early, your benefit is reduced to reflect that you will receive it over a longer period of time. The amount of the impact depends on your service credit, the date you retire, your age and the early retirement factor used.</p>		
<p>Step 6: Adjust your benefit for early retirement. If your age at retirement in Step 1 is less than 65, use Table 2 on page 3 to find the early retirement factor (ERF) to apply. Multiply the benefit amount as determined in Step 4 or Step 5 by this factor.</p> <p>6. Your adjusted benefit amount:</p>		<p>Assume you retire at age 60 with 25 years of service and your Option 1 benefit is \$800.</p> <p>$\\$800 \times 0.588 =$ $\\$470$ per mo.</p>
<p>Inflation Protection for Inactive Members Complete this section if you will separate from service before age 65 with at least 20 service credit years and you will delay receiving a benefit. The following steps show how to calculate the Option 1 benefit amount. If you will select a survivor option at retirement or you will retire before age 65, you will need to further adjust your benefit by the appropriate reduction factors. (See steps 5 and 6 above.)</p>		
<p>Step 1 – Determine your service credit and AFC at the time you separate from service. 1a. Your service credit at the time of separation: 1b. Your AFC at the time of separation:</p>		<p>22 years \$3,000</p>
<p>Step 2 – Compute your Option 1 (Single Life) benefit. Use the following formula for computing your Option 1 monthly benefit: $1\% \times \text{Service Credit Years} \times \text{AFC}$ 2. Your Option 1 benefit amount:</p>		<p>$1\% \times 22 \times \\$3,000 =$ $\\$660$ per mo.</p>
<p>Step 3 – Determine the factor for delayed retirement. 3a. The age you plan to retire: 3b. Your age at separation from service: 3c. The difference in years (3a – 3b): 3d: The compounding factor (from Table 3):</p>		<p>65 – 57 8 1.2709</p>
<p>Step 4 – Adjust your benefit. Determine the increase to your benefit by multiplying your Option 1 benefit amount by the compounding factor. 4. Your adjusted Option 1 benefit amount (2 x 3d):</p>		<p>$\\$660 \times 1.2709 =$ $\\$838$ per mo.</p>

**Table 1:
Survivor Option Factors**

	Age Difference (years)	Option 2 (100%)	Option 3 (50%)	Option 4 (66.67%)
Member Younger	-15	0.936	0.967	0.956
	-14	0.932	0.965	0.953
	-13	0.927	0.962	0.950
	-12	0.923	0.960	0.947
	-11	0.918	0.957	0.944
	-10	0.914	0.955	0.941
	-9	0.909	0.952	0.937
	-8	0.903	0.949	0.933
	-7	0.898	0.946	0.930
	-6	0.893	0.943	0.926
	-5	0.887	0.940	0.922
	-4	0.880	0.936	0.917
	-3	0.868	0.929	0.908
	-2	0.862	0.926	0.903
	-1	0.841	0.913	0.888
	0	0.802	0.890	0.859
Member Older	1	0.780	0.877	0.842
	2	0.761	0.864	0.827
	3	0.753	0.859	0.821
	4	0.746	0.854	0.815
	5	0.738	0.849	0.809
	6	0.731	0.845	0.803
	7	0.724	0.840	0.797
	8	0.717	0.835	0.792
	9	0.710	0.831	0.786
	10	0.704	0.826	0.781
	11	0.697	0.822	0.776
	12	0.691	0.817	0.771
	13	0.686	0.813	0.766
	14	0.680	0.809	0.761
	15	0.675	0.806	0.757
16	0.670	0.802	0.752	
17	0.665	0.799	0.748	
18	0.660	0.795	0.744	
19	0.655	0.792	0.740	
20	0.651	0.789	0.737	

**Table 2:
Early Retirement Factors**

Retirement Age	At least 10 yrs service	30 yrs or more service	
		3% ERF	2008 ERF*
55	0.358	0.70	0.80
56	0.395	0.73	0.83
57	0.435	0.76	0.86
58	0.481	0.79	0.89
59	0.531	0.82	0.92
60	0.588	0.85	0.95
61	0.652	0.88	0.98
62	0.724	0.91	1.00
63	0.805	0.94	1.00
64	0.896	0.97	1.00

* If you retire on or after September 1, 2008 with 30 years or more of service credit, you can choose the early retirement factor (ERF) to use at retirement. You can either use the:

- 3% ERF that reduces your benefit by 3% for each year before age 65 that you retire. If you wait at least 30 calendar days after retiring, you can return to work for a DRS-covered employer for up to 867 hours per year without impacting your benefit; or
- 2008 ERF that provides a smaller benefit reduction, however if you return to work in any capacity for a DRS-covered employer before age 65 you will not receive your benefit for any month in which you work. These factors were established by legislation which ended gain sharing. If a court of law decides the repeal of gain sharing is invalid, the factors and return to work rules in place before passage of the law will apply.

**Table 3: Factors
for Delayed Retirement**

Years Delayed	Compounding Factor
1	1.0304
2	1.0618
3	1.0941
4	1.1273
5	1.1616
6	1.1969
7	1.2334
8	1.2709
9	1.3095
10	1.3494
11	1.3904
12	1.4327
13	1.4763
14	1.5212
15	1.5674

General Information

This page provides a summary of some of the general provisions of your retirement plan. For details, please refer to your Member Handbook.

Retirement Eligibility

You are eligible for	At
Normal retirement	Age 65 if you have at least: <ul style="list-style-type: none">• 10 service credit years, or• 5 service credit years provided at least 12 months were earned after age 44, or• 5 service credit years earned in Plan 2 before September 1, 2000 and transferred to Plan 3.
Early retirement	Age 62, with an unreduced benefit, if you have at least 30 service credit years Age 55, with a reduced benefit, if you have at least 10 service credit years

How Service Credit Is Accumulated

You earn	When you work in an eligible position and
12 months of service credit	begin work in September, receive pay in at least 9 months of the school year, are paid for at least 810 hours during the school year
6 months of service credit	begin work in September, receive pay in at least 9 months of the school year, are paid for at least 630 hours but less than 810 hours during the school year

Note: If you are actively employed during the school year you choose to retire, you must retire on September 1 (with a separation date of August 31) to receive a full year of service credit. If you don't qualify for service credit under the rules above, you earn service credit on a monthly basis.

You earn	When you work in an eligible position and
1 month of service credit	receive pay for at least 90 hours in a month
½ month of service credit	receive pay for at least 70 but less than 90 hours in a month
¼ month of service credit	receive pay for less than 70 hours in a month

Average Final Compensation

Your AFC is the monthly average of your 60 consecutive highest-paid service credit months. Payments for any type of severance pay, such as lump-sum payments for deferred sick leave, vacation or annual leave are not included.

Inflation Protection for Inactive Members

If you have earned at least 20 service credit years and separate from service before age 65, your retirement benefit is increased 3 percent for each year you delay receiving benefits until age 65. The section on page 2 provides instructions for how to estimate your benefit under this scenario.