

# University of Washington Retirement Benefits Overview for Northwest Hospital Employees

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Employee retirement plans are part of the total compensation package, and the University of Washington (UW) offers excellent opportunities to save for retirement.

Northwest Hospital (NWH) and the UW are currently working on “position mapping” to identify how positions will likely transition to UW employment on January 1, 2020. Until that process has progressed to where details can be shared, please use this overview for more information regarding UW retirement plans.

## ELIGIBILITY TO PARTICIPATE

The UW is a public employer operating under state laws, and these laws define an employee’s basic retirement plan eligibility.

Eligibility is determined by a combination of UW job class, position type (faculty, professional staff, classified staff), the Full-time Equivalent (FTE or percentage of position) and the expected length of the position (on-going, temporary, project, etc.). In addition, if an employee participated in any UW or Washington state public retirement plan in the past, it may affect the retirement plan in which they participate at the UW. The UW will work with the Department of Retirement Systems (DRS) to ensure that these employees are offered the correct retirement plan based on their prior plan participation. There is no need for transitioning employees to contact DRS at this time.

This fall, employees transitioning to UW will receive formal notice of their retirement options (if applicable) and the deadline by which they must make a plan election. Plan choice elections are permanent, so it is important to learn about the plans and make an election by the deadline. The UW will provide benefits orientations and on-site assistance to give more in-depth information about the full UW benefits package. There will also be presentations available by the UW retirement vendors.

Eligibility determinations for employees coming to the UW during the transition will be effective January 1, 2020.

## EMPLOYEE & EMPLOYER CONTRIBUTIONS

All the basic retirement plans at the UW require both an employee and an employer contribution. The rate of the contributions is defined by the plan or by the legislature. As employees learn about the different plans, they will see how the contributions are used to fund future retirement benefits.

## KEY RETIREMENT TERMS

As you navigate the UW retirement options, the following are important terms to know:

- **Eligibility to retire**  
Retiring from the UW means retiring under the age and years of service rules of their plan. Eligibility varies by plan.
- **Service Credit**  
Service credit is the time that state employees participate in their UW retirement plan and, depending on the plan, plays a key role in how retirement benefit vesting is calculated. A NWH employee's current NWH retirement plan service cannot be transferred or grandfathered into UW or state retirement plans, according to state laws.
- **Vesting**  
Vesting is when an employee has earned the right to a future retirement benefit. A participant must be vested to be eligible to retire under the rules of their retirement plan. Each plan has a definition for how long it takes to vest.

## IDENTIFYING A RETIREMENT PLAN

Based on eligibility, plan options at UW fall within the Public Employees' Retirement System (PERS), the UW Retirement Plan (UWRP) and/or the Teachers' Retirement System (TRS) Plan:

- Positions transitioning to UW that are currently represented by SEIU or WSNA and work a scheduled FTE of .5 or above at UW may likely be classified as **"UW classified staff."** UW classified staff positions, which are anticipated to normally work 70 or more hours per month in five out of 12 months, are generally eligible to elect either PERS Plan 2 or 3.
- Non-union positions transitioning to UW of .5 FTE or greater may likely be placed into either the **"UW professional staff" or "UW Classified Non-Union"** category. UW professional staff positions of 50% or greater and six or more months in length are generally eligible to elect between the UWRP 403(b) and PERS 3. UW classified non-union

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- NWH providers who are offered a position to the UW faculty of .5 FTE or greater will be in the **“UW faculty/physicians”** category. [UW faculty/physicians](#) with positions of 50% or greater and six or more months in length are generally eligible to elect between the UWRP 403(b) and TRS 3.

## VOLUNTARY UW RETIREMENT SAVINGS PLANS

The UW Voluntary Investment Program (VIP) 403(b) and the state of Washington Deferred Compensation Program (DCP) 457(b) are unmatched optional retirement savings programs, which can provide even more opportunities to save. More information will be provided in future updates, and you may learn more about [optional retirement plans](#) on UW's website.

(<https://hr.uw.edu/benefits/retirement-plans/optional-retirement-plans/>)

## LEARN ABOUT THE PLANS

Learn more about the retirement plans, which you will likely have access to based on your position mapping:

- PERS 2/3 Plan Choice Booklet: [Choose Your Retirement Plan](#)  
(<https://www.drs.wa.gov/choice/assets/MultiPCB.pdf>)
- PERS 2/3 Plan Choice Video: [Welcome to Plan 2 or Plan 3](#)  
(<https://vimeo.com/user32359536/retirement-planning/video/106305805>)
- TRS 3 [Member Handbook](#) (Note: See the PERS 2/3 video linked above for TRS 3 information)  
(<https://www.drs.wa.gov/member/handbooks/trs/plan-3/default.htm>)
- UWRP [Plan Summary](#)  
(<https://hr.uw.edu/benefits/retirement-plans/uw-retirement-plan/>)

## POST-RETIREMENT BENEFITS FOR UW RETIREES

There are some great retiree benefits available to those who establish eligibility, vest and retire from one of the plans available at the UW:

- PEBB Retiree Medical & Dental
- Sick leave 25% cash out into a tax-free VEBA Medical Spending Account (staff only)
- Retiree Husky Card

- Free Retiree parking on UW Seattle campus (limitations apply)
- UW Retirement Association (UWRA) membership (first year free)
- UW Husky discounts
- PERS 2 and 3 and TRS 3 retirees have a built-in cost-of-living adjustment (COLA) each July 1 of up to 3%

### CURRENT NWH 401(K) AND 403(B) RETIREMENT PLANS

As was communicated last December, NWH retirement accounts will close to new contributions on December 31, 2019. NWH employees will be notified of options for their existing account balance and, in early 2020, those who transition to UW will be able to move their balance. Options will be:

- Rollover savings into the UW VIP 403(b) program\*
- Rollover savings into an Individual Retirement Account (IRA)
- Receive cash distribution of retirement savings (tax implications and an early withdrawal penalty may apply)

To help choose and carry out options, Fidelity (the record keeper for both NWH and UW plans) will offer individual, on-site assistance beginning in fall 2019.

This letter is for informational purposes only and does not constitute an implied or express contract, guarantee or assurance of UW employment or any right to an employment-related benefit or procedure. UW reserves the right to change or modify employee benefits as permitted by law.

### QUESTIONS?

Send questions about future UW benefits to [uwnwhben@uw.edu](mailto:uwnwhben@uw.edu).

*\*The UW VIP is an unmatched, voluntary 403(b) retirement savings program offering both tax-deferred and Roth (after tax) savings. With a strong selection of low-cost investments as well as low administrative fees, the UW VIP accepts rollovers and, like the NWH plans, uses Fidelity as Record Keeper.*