

WAC 415-112-555 What is the TRS Plan 1 minimum allowance? RCW 41.32.4851 entitles certain TRS Plan 1 retirees and beneficiaries to a minimum monthly allowance. Subsection (3) of this section provides the amount of the minimum allowance and explains how it may be adjusted.

(1) **Do I qualify for the minimum allowance?** Except as provided in subsection (2) of this section:

(a) You qualify if your current monthly allowance, excluding any amount you receive for an additional (optional) annuity based on extra contributions, is less than the minimum allowance calculated under subsection (3) of this section, and:

(i) You have twenty-five or more years of TRS Plan 1 service credit and have been retired at least twenty years; or

(ii) You have twenty or more years of TRS Plan 1 service credit and have been retired at least twenty-five years.

(b) You qualify if you are a TRS Plan 1 member's survivor beneficiary under WAC 415-112-504 and your current monthly allowance is less than the minimum allowance calculated under subsection (3) of this section, provided:

(i) The member had twenty-five or more years of TRS Plan 1 service credit and retired at least twenty years ago; or

(ii) The member had twenty or more years of TRS Plan 1 service credit and retired at least twenty-five years ago.

(2) **Do I qualify if I am receiving a temporary disability benefit?** You do not qualify to receive the minimum allowance provided by this rule if you are currently receiving a temporary disability benefit under RCW 41.32.540.

(3) **How much is the minimum allowance in RCW 41.32.4851, and how is it adjusted?**

(a) **Minimum allowance.** The minimum allowance prior to July 1, 2006, was \$1000. On July 1, 2006, and each July 1 thereafter, the minimum allowance increases by three percent, rounded to the nearest cent.

(b) **Adjustment.** The minimum allowance in (a) of this subsection will be adjusted each July by the same factors that were otherwise used in the calculation of your monthly allowance, including, but not limited to:

(i) Annuity withdrawal;

(ii) Early retirement;

(iii) Automatic cost-of-living (COLA) increases chosen at retirement;

(iv) Joint survivor option chosen at retirement;

(v) Survivor percentage. See Example 2 in this subsection.

Example 1: Bob retired in August 1986 with twenty-five years of service credit. Bob chose benefit option three, so that his wife, Betty, would receive a monthly allowance equal to 50% of his allowance after his death. In August 2006, Bob became eligible for the minimum allowance, calculated as follows:

Minimum allowance in August 2006		\$1,030.00
=		
Minimum allowance, actuarially reduced for benefit option three	$\$1,030 \times 0.87$ (This is an example of an actuarial factor for illustration purposes only. Actuarial factors periodically change.) =	\$896.10

Example 2: When Bob died in August 2009, Betty's allowance was calculated using the minimum allowance in effect on the date of Bob's death. The minimum allowance was adjusted by the same factors used to calculate Bob's allowance at retirement and also by the survivor percentage (50%) chosen when Bob retired.

Minimum allowance in August 2009	(includes a 3% per year increase)	\$1,125.51
Actuarially reduced for benefit option three =	$\$1,125.51 \times 0.87 =$	\$979.19

Betty's adjusted minimum allowance

(50% of the allowance Bob was receiving)

\$489.60

(4) **If the minimum allowance is less than my current monthly allowance, will my monthly allowance be reduced?** The department will compare the amount of the minimum allowance calculated under subsection (3) of this section with your current monthly allowance. You will always receive the higher of the two benefits.

(5) **If I qualify for the minimum allowance, when will I begin to receive it?**

(a) If your eligibility is based on meeting the requirements of subsection (1)(a)(i) or (b)(i) of this section, and:

(i) You were eligible on July 1, 2004, you began receiving the minimum allowance in effect at that time, in lieu of your regular monthly allowance, in July 2004.

(ii) You become eligible after July 1, 2004, you will begin receiving the minimum allowance, in lieu of your regular monthly allowance, the month in which you qualify.

(b) If your eligibility is based on meeting the requirements of subsection (1)(a)(ii) or (b)(ii) of this section, and:

(i) You were eligible on July 1, 2006, you began receiving the minimum allowance in effect at that time, in lieu of your regular monthly allowance, in July 2006.

(ii) You become eligible after July 1, 2006, you will begin receiving the minimum allowance, in lieu of your regular monthly allowance, the month in which you qualify.

(6) **Will I receive cost-of-living adjustments (COLAs)?** You will not receive the uniform COLA (based on your years of service credit) while you are receiving the minimum allowance.

(7) **How long will I continue to receive the minimum allowance?** You will receive the minimum allowance calculated under subsection (3) of this section for your lifetime or until your regular retirement allowance, plus COLAs and other eligible adjustments, exceeds your minimum allowance. At that time you will automatically start receiving the higher benefit.

Example:

	Regular Allowance (including COLAs and other eligible adjustments)	Adjusted Minimum Allowance	Actual Amount Paid
July 1, 2006	\$882.38 (allowance + COLAs)	\$896.10 (\$1,030 x .87)	\$896.10
July 1, 2007	\$914.63 (\$882.38 + COLA)	\$922.98 (\$1,060.90 x .87)	\$922.98
July 1, 2008	\$946.88 (\$914.63 + COLA)	\$950.67 (\$1,092.73 x .87)	\$950.67
July 1, 2009	\$979.13 (\$946.88 + COLA)	\$979.19 (\$1,125.51 x .87)	\$979.19
July 1, 2010	\$1,011.38 (\$979.13 + COLA)	\$1,008.57 (\$1,159.28 x .87)	\$1,011.38 (reverts to regular allowance including COLAs)

[Statutory Authority: RCW 41.50.050(5). WSR 13-18-034, § 415-112-555, filed 8/28/13, effective 10/1/13; WSR 07-10-013, § 415-112-555, filed 4/20/07, effective 5/21/07. Statutory Authority: RCW 41.50.050(5) and 41.32.4851. WSR 04-20-004, § 415-112-555, filed 9/23/04, effective 10/24/04.]