

# WEA Pre-Retired Seminar Glossary

**A F C (average final compensation)** – average of highest paid consecutive service credit for a specified period of time—For TRS Plan 1 members, it is the highest 2 consecutive years, from July 1 to June 30. For PERS 1 members, it is the highest 24 consecutive months. For all Plan 2 and Plan 3 members, it is the highest 60 consecutive months.

**ANUNITY** –guaranteed payment purchased with the idea of maintaining a steady income stream—This can be for a defined period of time or for a lifetime.

**Beneficiary** – recipient of what is left of an account after the owner dies

**Deferred Compensation Program (DCP)** – retirement investment plan using pre-taxed dollars available through the state as well as investment companies

**Defined benefit** – money received monthly from the state upon retirement

**Defined contribution (Plan 3 only)** – money the employee contributes towards a retirement account available to them upon retirement or severing of service

**D R S (Department of Retirement Systems)** – governmental agency that oversees the retirement system

**Long-term care** – arrangements to provide care for people who no longer can care for themselves

**Medicaid** – federal/state medical insurance program for people with very limited incomes—There are severe monetary restrictions.

**Medicare** – federal medical insurance program that usually begins at age 65—It normally pays 80% of the allowable procedures.

**P E B B (Public Employees Benefits Board)** –department of the Washington State Health Care Authority offering medical insurance programs subsidized by the state for its retirees

**Pension** – money received monthly from the state upon retirement

**Retire** – stop working at current state employment and start receiving a monthly state benefit

**S C Y (service credit years)** – number of years that money is contributed to the state retirement system

**Secondary insurance (for Medicare)** – pays some or all of the amount remaining after Medicare payment as well as costs for procedures approve by the provider

**Sever/separate** – stop working at current state employment and delay receiving a monthly state benefit

**Supplementary insurance (for Medicare)** – pays some or all of the amount remaining after the Medicare payment

**Survivor** – person receives all or part of a retiree’s contributions or monthly state benefit depending upon option selected

**V E B A** – investment account funded by the money from sick leave cash out that can be used to pay for qualified medical expenses