

TRS PLAN 3 REPORT May 1999

Visit RC on the Internet at: <http://www.icmarc.org/trs3>

When can I withdraw funds from my TRS 3 account?

Each quarter you receive a statement telling how much your TRS Plan 3 account is worth. You can transfer funds between a variety of investment options any time you wish. But when can you access the funds?

In order to withdraw all or part of your money from TRS Plan 3, you must first terminate TRS-covered employment. Once this has occurred, obtain a *TRS Plan 3 Request for Payment of Defined Contributions* forms packet and submit the appropriate forms to DRS in Olympia. The forms packet is available by calling DRS toll-free at (800) 547-6657. If you call from the Olympia area, the number is 664-7000. You can also request the form by email at recep@drs.wa.gov or through the regular mail: DRS, PO Box 48380, Olympia, WA 98504-8380.

When you withdraw your money, the IRS requires DRS to withhold 20 percent for income taxes. If you are under age 59 1/2, the IRS adds a 10 percent penalty for early withdrawal. If you choose, you can avoid paying taxes by rolling your funds into a qualified retirement account. Keep in mind that you are not required to withdraw your investments when you leave TRS. You have the option to retain your TRS Plan 3 portfolio until you are age 70 1/2.

TRS PLAN 3 WSIB TOTAL ALLOCATION PORTFOLIO (TAP)¹

AS OF 3/31/1999

AVERAGE ANNUAL RETURNS

	1st Qtr 1999	1-Year	3-Year	5-Year
TOTAL ALLOCATION PORTFOLIO	2.68%	8.11%	15.30%	15.00%

¹ The Washington State Investment Board (WSIB) periodically reviews and adjusts the TAP Fund's asset allocation. Over the last five years, the TAP Fund has shifted to a more aggressive asset mix. These returns reflect the actual asset mixes during the time periods shown.

TRS PLAN 3 SELF-DIRECTED FUNDS

AS OF 3/31/1999

	1st Qtr 1999	1-Year	3-Year	5-Year
TRS PLAN 3 SMALL STOCK INDEX	-5.7%	-17.2%	7.5%	10.9%
TRS PLAN 3 U.S. STOCK MARKET INDEX	3.6%	13.2%	N/A	N/A
TRS PLAN 3 LARGE STOCK INDEX	4.9%	18.2%	27.7%	25.9%
TRS PLAN 3 INTERNATIONAL STOCK INDEX	1.1%	6.4%	8.2%	8.5%
TRS PLAN 3 MONEY MARKET	1.2%	5.3%	5.4%	5.3%
TRS PLAN 3 BOND MARKET	-0.6%	5.8%	7.3%	7.4%

The TRS Plan 3 Self-Directed Funds' inception dates were in May 1997. Investment returns for periods prior to that date were constructed using the underlying State Street Global Advisors Funds' gross return and deducting current fees and expenses associated with each fund as if the fund had been in existence for the respective three and five year periods. The U.S. Stock Market Index Fund commenced September 1996 and has no investment performance history prior to that date.

All returns are net of fees. Self-Directed funds are valued daily; your account balance and rate of return will vary accordingly. Past performance is no guarantee of future results. For more information about the funds please see the *TRS Plan 3 Investment Guide*.

Returns on the TAP Fund cover the period ending 3/31/1999. Returns for the Self-Directed Funds cover the period ending 3/31/1999.

Depending on the program in which you are invested, you also have a variety of options in how you receive payment. For instance, if your investments are in the Self-Directed program, you can purchase an annuity that guarantees a set amount for life, or you can ask for a periodic payment from your account. At the present time, investments in WSIB's Total Allocation Portfolio can only be withdrawn as a lump sum. DRS and the ICMA Re-

tirement Corporation (RC) work to provide members with a reasonable amount of flexibility in how they receive payments. If you wish to talk to someone about payment options, call RC at (888) 711-TRS3 (8773).

Applying for service credit for substitute teaching?

Since you received this newsletter with your TRS Plan 3 Quar-

terly Statement, you are already a TRS Plan 3 member. But did you know that when you work as a substitute teacher in a Washington public school, you qualify for service credit any time you teach in a Washington public school during the school year?

When can I apply?

You can apply for service credit on or after September 1 following the school year in which you earned the service credit.

What documents do I file?

To apply for service, you submit two types of documents:

1. Quarterly reports from each school district in which you worked during the school year, (School districts are required to provide these reports to you), and
2. A *Member Information Form* -- You must submit this form for each school year you apply for substitute service credit.

Please send these documents to DRS in Olympia. The address: DRS, attn: TRS Substitute Credit, PO Box 48380, Olympia, WA 98504-8380. Be sure to provide DRS with your mailing address and Social Security number.

Where can I obtain a *Member Information Form*?

This form can be picked up at any school district personnel office, downloaded from the DRS Website at www.wa.gov/DRS/forms/index.htm, or requested by

calling DRS at (800) 547-6657 or (360) 664-7000.

How do I know how much I owe?

After receiving your quarterly reports and *Member Information form*, DRS will calculate your contributions and send you a bill. There is a six-month period ending on the last day of February in the following school year during which payment can be made without penalty (e.g., if you are applying for service earned in the 1998-1999 school year, the non-penalty deadline for payment is February 28, 2000). Bills paid after the deadline will include interest prospectively on employers' contributions. All bills must be paid in full, partial payments are not permissible.

If you know a substitute teacher who has never been a TRS member and would like to take part in the plan, advise them to follow these steps:

1. To qualify as a TRS Plan 3 member, a substitute must work a minimum of 70 hours in at least five separate months within a single school year. After qualifying, a TRS Plan 3 member can earn service credit for any amount of time spent as a substitute teacher during a school year.
2. Obtain and complete the following forms:
 - Enrollment Form
 - Beneficiary Form
 - Member Information FormThese forms can be picked

up at any school district personnel office, downloaded from the DRS Website at www.wa.gov/DRS/forms/index.htm, or requested by calling DRS at (800) 547-6657 or (360) 664-7000.

3. Obtain Quarterly Statements from all school districts where you worked in the last school year.
4. Submit copies of all the Quarterly Statements and the three completed forms to DRS on or after September 1, following the school year for which you are applying.
5. DRS will review the data and determine if the substitute teacher meets eligibility criteria. After the review, the substitute teacher will be notified of eligibility and provided a billing for member contributions.

NOTE: Regardless of whether service occurs in permanent or substitute positions, or any combination of both, total service credit earned can not exceed one service credit month per calendar month, or one service credit year per school year.