

Plan ahead.
Know your options.
Retire with peace of mind.



The Road to Service Retirement

A Guidebook and Checklist for Local 27 Members

Updated Summer 2024



It's Never Too Early to Start Planning for Retirement

This road to retirement checklist is designed to help you plan for and manage your retirement. If you're like most of us, you probably believe that retirement planning is something that you start thinking about when the end of your career is in sight. Nothing could be further from the truth. The secret to a successful retirement is getting started early: it's never too early to start planning and saving for your retirement.

This guide provides a high-level overview of the path to a successful service retirement. You can use the lists in this guide to track your progress toward retirement. When you're ready to retire, the online Quick Guide will walk you through your retirement from the service, help you choose and use your health care benefits, and use the other benefits you've earned during your career with the service.

We all like to dream about the fun things we'll finally have time to do when we retire. Your dreams can come true *if you plan ahead*. Dream your dream, then develop a plan for making it come true. Each of us has a different vision for our dream retirement, and each of us will travel a different path toward retirement.

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Your retirement plan should be designed around your retirement lifestyle goals. It should include your financial and healthcare needs, as well as the needs of the other family members you're responsible for. The plan should also identify all your available sources of retirement income and your other benefits. Here are just a few of the things you'll want to consider:

- Your retirement lifestyle goals.
- Your current health and your long-term health care needs.
- Your current debts.
- Your other financial obligations (caring for immediate and extended family and other financial commitments).

- Your projected income needs in retirement.
- Your current monthly benefits from Social Security, your deferred compensation plan, your other retirement plans, and your investments.
- Opportunities to increase the payout from your deferred compensation plan, as well as opportunities to purchase additional service credits or annuities.

You'll also want to think about estate planning. For example, you'll want to consider the pros and cons of bequeathing your assets through a will vs. a trust. If you decide to create a trust, you'll want to consider the benefits of a living trust vs. an irrevocable trust. A qualified financial advisor can help you understand these options, choose the plan that's right for you and your family, and avoid probate proceedings which can tie up your assets for an extended period.

Investing in Your Future

Retirement planning isn't a one-and-done thing—it's a journey that sometimes takes surprising twists and turns as your dreams, circumstances, and opportunities change, and as the world around us changes. While this guide provides a framework for understanding your retirement journey, it does not include any specific financial planning, investment, or healthcare coverage advice. Many people work with a financial advisor to develop their retirement plan. If you think you might benefit from the services of a financial advisor, make sure that you're clear on which areas of your life you'd like help with (for

Planning ahead for retirement will provide you with options when you need to step away from firefighting.

For fire fighters, retirement is more than just a financial decision. The work we do is stressful. It can take a toll on our mental and physical health, and the health of our relationships with our loved ones. Planning ahead for retirement will provide you with options when you need to step away from firefighting.

We talked to many retired fire fighters while developing this guide. Many are living the retirement life they dreamed about. Some are not. When we asked the retired fire fighters what advice they'd give to active fire fighters, they all said the same thing: It's never too early to start planning for retirement!

example retirement planning, insurance coverage, planning for college, estate planning, and so forth), how the advisor is compensated (fee-only and/or third party commissions), the advisor's credentials and certifications, and how much you want to spend on the advisor's services. Talk to friends and family—and do your own research. Choosing a financial advisor is an important decision that can positively or negatively impact your ability to achieve your long-term financial goals and retire to the lifestyle you envision.

Your Lifetime Retirement Planning Journey

The graphic below outlines your path to retirement, from your start with the service to your retirement. Not everyone follows the same path—when you take certain steps may be dictated by your unique circumstances. You may not do everything we suggest at the time we suggest, but *don't skip steps*. In most cases, it's better late than never. However, delaying certain decisions may come with an economic cost: you may miss an investment opportunity or benefit deadline, so keep this checklist handy and do your best to keep up.



At the Start of Your Career

Set yourself up for a successful retirement on the first day you join the department. It only takes a few small steps to get on the right path, ensure that you're planning for your future, and protect your loved ones.

- Review the latest SFFHCT Benefits Enrollment Guide to learn about your healthcare benefits and sign-up.
- Sign up for a WA State Department of Retirement Services (DRS) online account. With an online account, you can view all your retirement accounts that DRS administers. You can use the Online Benefit Estimator to estimate your future monthly benefit. And you can use your online account to verify the accuracy of your service credit.
- Attend one of the monthly Nationwide seminars hosted by the department to learn about the Deferred Compensation program you're automatically enrolled in and the benefits of contributing



more than the minimum mandatory amount to your Deferred Compensation account.

- Look for and attend one of the financial wellness seminars hosted by the union and reach out to the union leadership team if you have questions or concerns.
- Sign-up for online access to your Social Security account.
- Review and update the beneficiary information for your insurance policies.
- Work with a qualified financial advisor to begin working on a retirement plan. Even if you're just starting your career, a qualified advisor can help you lay the foundation for your eventual retirement.
- Create a will (using the services of a qualified attorney or an online tool from a reputable vendor).

Ensure that you're planning for your future and protecting your loved ones.



Every Year You're in the Department

As fire fighters we all know the importance of regular maintenance and checkups. Your retirement plan is no different. Set a date on your calendar to check-in on the health of your retirement plan.

- Check your DRS account balance.
- Review your Deferred Compensation plan results and fund allocations.
 - o If you're not satisfied with your investment returns, get advice from a qualified investment professional on adjusting your fund investments and allocations.
 - o If you're not contributing up to your contribution limit, consider whether you want to increase your contributions.
 - o Ensure your beneficiary information is up to date.
- Check your Social Security account balance to make sure your earnings have been accurately reported.
- Review your will and update it if you've had significant life changes during the past year.
- Review your insurance beneficiaries and update the instructions if you've had significant life changes during the past year.
- Review your retirement plan and update it if you've had significant life changes during the past year or have new retirement goals.



At 20 Years of Service

Celebrate your 20-year service anniversary, then take some time to look ahead and plan.

LEOFF Plan 2 members are eligible to retire at age 53 if they have at least five years of service credit. Options to retire earlier are available, but your benefit will be reduced to reflect that you will be receiving it over a longer period of time.

Twenty years of service is a great time to determine whether there's a significant gap between the retirement of your dreams and the retirement you're on track to afford. Why? Because there's still time to bridge the gap if there is one. Celebrate your 20-year service anniversary, then take some time to look ahead and plan.

- Re-evaluate your retirement plan and goals.
- Visit the DRS site to find and attend a retirement seminar.
- Visit the DRS retirement site to calculate your Final Average Salary (FAS).
- Confirm your current service credits with the DRS.
- If there's a gap between the retirement you want and the retirement you're on track to afford, consider working with a qualified financial advisor or retirement planning specialist to review your current benefits and savings, your retirement plans, and your options for closing the gap.



3 to 5 Years Before Retirement

City of Seattle Voluntary Deferred Compensation Plan

The City of Seattle Deferred Compensation Plan administrator (Nationwide) suggests that you consider the following three to five years before your retirement:



- Last Three Year Catch-up:** Only available the three years before your declared retirement year. Your retirement year can be no earlier than the date in which you are eligible for a full, unreduced pension. Documentation from Seattle City Employees' Retirement System (SCERS) or Washington State Department of Retirement Systems (DRS) for LEOFF 1 or LEOFF 2 is required. Contact

your Deferred Compensation Plan Staff at DeferredCompQuestions@seattle.gov if you wish to participate.

- Investment Diversity and Appropriate Level of Risks:** Is your account allocation invested as you like? Are you comfortable with the level of risk?
- Beneficiary Designation:** Review your beneficiary information on file with Nationwide. Make sure it remains current and reach out to Nationwide to update if necessary.
- Retirement Income Calculator / My Interactive Retirement Planner:** Review your portfolio, including estimates of pension and social security income. Make adjustments to the Deferred Compensation Plan, as needed.



- ❑ **Outstanding Loans:** Make sure you understand the consequences of not paying off a plan loan by your retirement date. If you have taken a loan and fail to repay the balance, there are costs associated with the loan default.
- ❑ **Leave Conversion:** Converting vacation and other accrued leaves may help you defer a larger than usual portion of your final year compensation into the plan. This may save you money on taxes. Plan ahead to maximize your ability to do this.
- ❑ **On-going Education:** Attend the semi-monthly “Lunch and Learn” sessions and other

educational sessions offered by Nationwide and the Deferred Compensation Office. These opportunities can help you learn more about Social Security, retiree health care costs, investment basics and other helpful topics.

- ❑ **Returning to Work?** Your ability to take a withdrawal from the Plan may be affected if you return to work for the city. It is important you coordinate with Nationwide and Plan Staff if you intend to start taking withdrawals and return to work.



1 to 2 Years Before Retirement

A successful retirement takes research, planning, and lots of discussion with family members, financial and health advisors, and close friends. Start learning about your retirement benefits and options early so you can make informed decisions when you face important deadlines. Now is the time ask questions, explore alternatives, and take the time you need to think things through for yourself.

At least a year before your planned retirement date, visit the following sites for updated retirement information from these key agencies and providers:

- WA State Department of Retirement Systems (DRS) (additional information below)
- City of Seattle (additional information below)
- LEOFF Plan 2
- Social Security
- Medicare

The Seattle Fire Fighters HealthCare Trust (SFFHCT) has two retirement guides: a retirement guide for those under age 65 and a guide for those age 65 and above.



While you'll be dealing with several different agencies as you plan your retirement and eventually retire, one of the most important is the Washington State Department of Retirement Systems (DRS). Once you've decided on your retirement date, familiarize yourself with the DRS website, sign up for access (if you haven't already done so), and explore their helpful educational resources.

Start learning about your retirement benefits and options early so you can make informed decisions when you face important deadlines.



Department of Retirement Systems (DRS)



- Sign up to access your retirement account at www.drs.wa.gov. With an online account, you can view all your retirement accounts that DRS administers. You can use the Online Benefit Estimator to estimate your future monthly benefit. And you can use your online account to verify the accuracy of your service credit.
- Review your plan guide for retirement eligibility rules.
- Explore “catch-up” savings options. Find out which annuity and service credit purchase options are available to you. Or contact the DRS to find out more.
- Explore distribution options of for your retirement savings accounts to maximize tax benefits.
- Plan for your health care coverage during retirement, as well as life insurance and/or long-term care insurance. Learn which options are available to you.
- Visit the DRS site for free retirement planning resources including videos and live webinars.



6 to 12 Months Before Your Retirement Date

Retiring can be fun if you give yourself time to mix the work with planning for the fun things you're going to do once you actually retire.

The year leading up to your retirement is often filled with research, discussions, planning, decisions, and paperwork (or its online equivalent). It can feel overwhelming, but like most big projects, breaking the work around retirement into a series of small project helps. Many find it helpful to schedule time each week to chip away at the work and decision-making required. Retiring can be fun if you give yourself time to mix the work with planning for the fun things you're going to do once you actually retire.

Department of Retirement Systems (DRS)



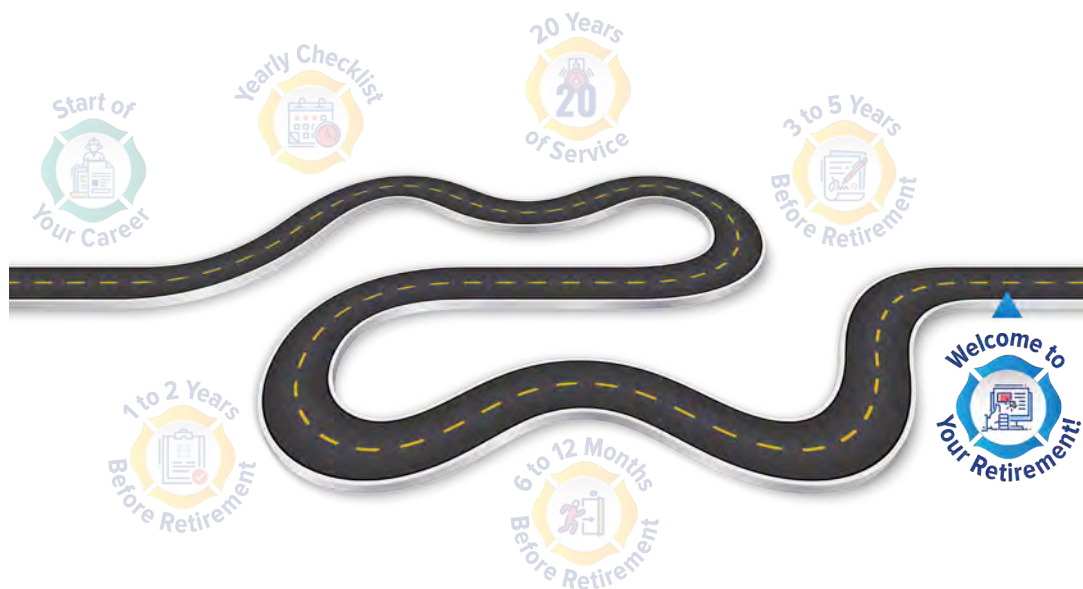
The DRS recommends that you do the following 3 to 12 months before your planned retirement date:

- Request an official estimate of your monthly benefit payment. You can do this securely through your online account or by calling DRS.
- Complete payment of any outstanding optional service credit invoices.
- Decide on your post-retirement healthcare coverage.
- Decide how to distribute your other retirement savings to avoid minimum distribution penalties and minimize your tax liability.
- Decide when you should apply for Medicare and retirement benefits available through the Social Security Administration.
- Notify the DRS of your intended retirement date through your online account.
- Contact the DRS to ask about deferring lump sum Deferred Compensation Plan payments for any unused leave.



Welcome to Your Retirement!

Congratulations! Retirement is a big step, but we've worked hard to make as easy as possible. Our online [Guide to Service Retirement](#) walks you through your retirement benefits, the steps you need to take to retire, and the decisions you'll need to make along the way. We hope your glide path to retirement is smooth and easy!



Key Contacts for Fire Fighters and Retirees

CITY OF SEATTLE, DEPARTMENT OF HUMAN RESOURCES

Website: seattle.gov/human-resources

Contact Name: David Blackmon

Email: david.blackmon@seattle.gov

Phone: 206-684-7928

DEFERRED COMPENSATION PROGRAM (DCP)

Website: drs.wa.gov/plan/dcp

Phone: 888-327-5596

NATIONWIDE

Website:

seattledcp.com/rsc-web-preauth/index.html

Contact: Ms. Susan Wilson

Email: wils931@nationwide.com

Office: 206-447-1924

Mobile: 206-399-8367

SEATTLE FIRE DEPARTMENT

Website: seattle.gov/fire

Contact Name: Dori Towler

Title: Personnel Specialist, Supervisor

Email: Dori.Towler@seattle.gov

Phone: 206-386-1471

SEATTLE FIRE FIGHTERS HEALTHCARE TRUST (SFFHCT)

Website: sffu.simon365.com

Email: sffhct@vimly.com

Phone: 206-859-2693

SEATTLE FIRE FIGHTERS LOCAL 27

Email: info@iaff27.org

Phone: 206-285-1271

RETIREMENT SECURITY FUND (RSF) AMERIFLEX RETIREE HRA

Website:

<https://participant.myameriflex.com/#/login/>

Phone: 888-868-3539

Email: service@myameriflex.com

For help with RSF eligibility and contributions, [contact the HealthCare Trust.](#)

WA STATE DEPARTMENT OF RETIREMENT SERVICES (DRS)

Website: drs.wa.gov

Email: recep@drs.wa.gov

Phone: 360-664-7000 or toll-free 1-800-547-6657

Glossary of Healthcare Related Acronyms and Terms

Allowed Amount

Maximum amount on which payment is based for covered healthcare services. This may be called an “eligible expense,” “payment allowance”, or “negotiated rate.” If your provider charges more than the allowed amount, you may have to pay the difference. (See Balance Billing.)

Appeal

A request for your health insurer or plan to review a decision or a grievance again.

Balance Billing

When a provider bills you for the difference between the provider’s charge and the allowed amount. For example, if the provider’s charge is \$100 and the allowed amount is \$70, the provider may bill you for the remaining \$30. A preferred provider may not balance bill you for covered services.

Co-Insurance

Your share of the costs of a covered healthcare service, calculated as a percentage (for example, 20%) of the allowed amount for the service. You pay co-insurance plus any deductibles you owe. For example, if the health insurance or plan’s allowed amount for an office visit is \$100 and you’ve met your deductible, your co-insurance payment of 20% would be \$20. The health insurance or plan pays the rest of the allowed amount.

Complications of Pregnancy

Conditions due to pregnancy, labor, and delivery that require medical care to prevent serious harm to the health of the mother or the fetus. Morning sickness and a non-emergency caesarean section aren’t complications of pregnancy.

Co-Payment

A fixed amount (for example, \$15) you pay for a covered healthcare service, usually when you receive the service. The amount can vary by the type of covered healthcare service.

Deductible

The amount you owe for healthcare services that your health insurance or plan covers before your health insurance or plan begins to pay. For example, if your deductible is \$1,000, your plan won’t pay anything until you’ve met your \$1,000 deductible for covered healthcare services subject to the deductible. The deductible may not apply to all services.

Durable Medical Equipment (DME)

Equipment and supplies ordered by a healthcare provider for everyday or extended use. Coverage for DME may include equipment and supplies such as oxygen equipment, wheelchairs, crutches, or blood testing strips for diabetics.

Emergency Medical Condition

An illness, injury, symptom, or condition so serious that a reasonable person would seek care right away to avoid severe harm.

Emergency Medical Transportation

Ambulance services for an emergency medical condition.

Emergency Room Care

Emergency services you get in an emergency room.

Emergency Services

Evaluation of an emergency medical condition and treatment to keep the condition from getting worse.

EOB

Explanation of Benefits

Excluded Services

Healthcare services that your health insurance or plan doesn't pay for or cover.

Grievance

A complaint that you communicate to your health insurer or plan.

Habilitation Services

Healthcare services that help a person keep, learn, or improve skills and functioning for daily living. Examples include therapy for a child who isn't walking or talking at the expected age. These services may include physical and occupational therapy, speech-language pathology and other services for people with disabilities in a variety of inpatient and/or outpatient settings.

Health Insurance

A contract that requires your health insurer to pay some or all your healthcare costs in exchange for a premium.

HMO

Healthcare Maintenance Organization

Home Healthcare

Healthcare services a person receives at home.

Hospice Services

Services to provide comfort and support for persons in the last stages of a terminal illness and their families.

Hospitalization

Care in a hospital that requires admission as an inpatient and usually requires an overnight stay. An overnight stay for observation could be outpatient care.

Hospital Outpatient Care

Care in a hospital that usually doesn't require an overnight stay.

HRA

Health Reimbursement Arrangement

In-Network Co-Insurance

The percentage (for example, 20%) you pay of the allowed amount for covered healthcare services to providers who contract with your health insurance or plan. In-network co-insurance usually costs you less than out-of-network co-insurance.

In-Network Co-payment

A fixed amount (for example, \$15) you pay for covered healthcare services to providers who contract with your health insurance or plan. In-network co-payments usually are less than out-of-network co-payments.

LEOFF

Law Enforcement Officers and Firefighters

LTD

Long-Term Disability

Medically Necessary

Healthcare services or supplies needed to prevent, diagnose, or treat an illness, injury, condition, disease or its symptoms and that meet accepted standards of medicine.

MERP

The Medical Expense Reimbursement Plan

Network

The facilities, providers, and suppliers your health insurer or plan has contracted with to provide healthcare services.

Non-Preferred Provider

A provider who doesn't have a contract with your health insurer or plan to provide services to you. You'll pay more to see a non-preferred provider. Check your policy to see if you can go to all providers who have contracted with your health

insurance or plan, or if your health insurance or plan has a “tiered” network and you must pay extra to see some providers.

Out-of-Network Co-Insurance

The percentage (for example, 40%) you pay of the allowed amount for covered healthcare services to providers who do not contract with your health insurance or plan. Out-of-network co-insurance usually costs you more than in-network co-insurance.

Out-of-Network Co-Payment

A fixed amount (for example, \$30) you pay for covered healthcare services from providers who do not contract with your health insurance or plan. Out-of-network co-payments usually are more than in-network co-payments.

OOP

Out of Pocket

Out-of-Pocket Limit

The most you pay during a policy period (usually a year) before your health insurance or plan begins to pay 100% of the allowed amount. This limit never includes your premium, balance-billed charges, or healthcare your health insurance or plan doesn't cover. Some health insurance or plans don't count all your co-payments, deductibles, co-insurance payments, out-of-network payments, or other expenses toward this limit.

PCY

Per Calendar Year

Physician Services

Healthcare services a licensed medical physician (M.D. – Medical Doctor or D.O. – Doctor of Osteopathic Medicine) provides or coordinates.

Plan

A benefit your employer, union, or other group sponsor provides to you to pay for your healthcare services.

PPO

Preferred Provider Organization

Preauthorization

A decision by your health insurer or plan that a healthcare service, treatment plan, prescription drug, or durable medical equipment is medically necessary. Sometimes called prior authorization, prior approval, or precertification. Your health insurance or plan may require preauthorization for certain services before you receive them, except in an emergency. Preauthorization isn't a promise your health insurance or plan will cover the cost.

Preferred Provider

A provider who has a contract with your health insurer or plan to provide services to you at a discount. Check your policy to see if you can see all preferred providers or if your health insurance or plan has a “tiered” network and you must pay extra to see some providers. Your health insurance or plan may have preferred providers who are also “participating” providers. Participating providers also contract with your health insurer or plan, but the discount may not be as great, and you may have to pay more.

Premium

The amount that must be paid for your health insurance or plan. You and/or your employer usually pay it monthly, quarterly, or yearly.

Prescription Drug Coverage

Health insurance or plan that helps pay for prescription drugs and medications.

Prescription Drugs

Drugs and medications that by law require a prescription.

Primary Care Physician

A physician (M.D. – Medical Doctor or D.O. – Doctor of Osteopathic Medicine) who directly provides or coordinates a range of healthcare services for a patient.

Primary Care Provider

A physician (M.D. – Medical Doctor or D.O. – Doctor of Osteopathic Medicine), nurse practitioner, clinical nurse specialist or physician assistant, as allowed under state law, who provides, coordinates, or helps a patient access a range of healthcare services.

Provider

A physician (M.D. – Medical Doctor or D.O. – Doctor of Osteopathic Medicine), healthcare professional or healthcare facility licensed, certified, or accredited as required by state law.

Reconstructive Surgery

Surgery and follow-up treatment needed to correct or improve a part of the body because of birth defects, accidents, injuries, or medical conditions.

Rehabilitation Services

Healthcare services that help a person keep, get back, or improve skills and functioning for daily living that have been lost or impaired because a person was sick, hurt, or disabled. These services may include physical and occupational therapy, speech-language pathology, and psychiatric rehabilitation services in a variety of inpatient and/or outpatient settings.

RSF

Retirement Security Fund

SBC

Summary of Benefits and Coverage

Skilled Nursing Care

Services from licensed nurses in your own home or in a nursing home. Skilled care services are from technicians and therapists in your own home or in a nursing home.

Specialist

A physician specialist focuses on a specific area of medicine or a group of patients to diagnose, manage, prevent, or treat certain types of symptoms and conditions. A non-physician specialist is a provider who has more training in a specific area of healthcare.

Trust Office

The contract administrator hired by the SFF Board of Trustees to administer day to day operations of the SFF HealthCare Trust.

UCR (Usual, Customary and Reasonable)

The amount paid for a medical service in a geographic area based on what providers in the area usually charge for the same or similar medical service. The UCR amount sometimes is used to determine the allowed amount.

Urgent Care

Care for an illness, injury, or condition serious enough that a reasonable person would seek care right away, but not so severe as to require emergency room care.

VEBA

Voluntary Employees' Beneficiary Association