

## Tier 1 Firefighters Retirement System

# Pension Basics

Your URS pension gives you stable income throughout your retirement. After you retire, your pension pays you monthly for the rest of your life and possibly your spouse's.

» *Look inside to estimate how much your pension will pay*



*This brochure provides a brief overview of Tier 1 Firefighters Retirement System pension benefits. Go to [www.urs.org](http://www.urs.org) for more details about your pension or to download the URS Pension Basics brochure that applies to you.*

# BENEFITS

## How Much Will My Pension Pay Me?

Estimating your basic retirement benefit is simple. Just follow the formula below. Use our calculators at [www.urs.org](http://www.urs.org) for a more detailed estimate.

$$\begin{aligned}
 &\text{Years of Service (up to 20 years)} \times 2.5\% \times \text{Average 3 Highest Years' Salary} \\
 &\quad + \\
 &\text{Years of Service (after 20 years)} \times 2\% \times \text{Average 3 Highest Years' Salary} \\
 &= \text{Basic Yearly Pension Benefit}
 \end{aligned}$$

### EXAMPLE

<b>Years of Service</b>	
Up to 20 Years x 2.5% →	<b>50%</b> (20 yrs. x 2.5%)
+	
After 20 Years x 2% →	<b>10%</b> (5 yrs. x 2.0%)
	<b>= 60%</b>
x	.....
Average Salary* →	<b>\$40,000</b>
(Average of 3 highest years)	.....
=	
Benefit	<b>\$24,000 / Year</b>
	<b>\$2,000 / Month</b>

\*Average salary doesn't include allowances and/or overtime pay.

If you have service credit before 1989, you may get an additional 3% added to your pension benefit.

## When Can I Retire?

Your pension eligibility depends on your age and years of service. Here are the minimum qualifications:

- » **65** with at least **4** years of service
- » **60** with at least **10** years of service
- » **Any age** with at least **20** years of service

# ELIGIBILITY

### Cost-of-Living Adjustment (COLA)

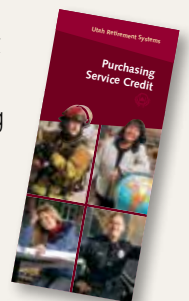
You'll get an annual cost-of-living adjustment (COLA) on the anniversary of your retirement date, equal to the rate of inflation, based on the consumer price index. This increase is a simple COLA limited to an annual maximum of 4%.



### Purchasing Service Credit

Increase the amount of service credit you have and increase your retirement benefit by reinstating and/or purchasing service credit.

Download this ► brochure at [www.urs.org](http://www.urs.org) for more information.



# PAYOUTS

## What Are My Payout Options?

Upon your death, your spouse will get an automatic continuing monthly lifetime payment of 75% of your benefit.



### Partial Lump-Sum Option (PLSO)

At retirement, you can choose to get a **lump-sum payment** equal to 12 months or 24 months of your lifetime monthly retirement benefit. By choosing a lump-sum payment, you accept a permanently reduced lifetime monthly benefit. This Partial Lump-Sum Option (PLSO) is fully taxable and may be subject to a 10% IRS penalty under certain circumstances.

▼ **This example based on:**

- » \$40,000 final average salary
- » 25 years of service
- » Member age 62 and spouse age 60

ADJUSTED MONTHLY BENEFIT BASED ON PLSO

	Basic	12-Month PLSO \$24,000	24-Month PLSO \$48,000
<b>Basic Monthly Benefit</b>	<b>\$2,000</b> per month	<b>\$1,868</b> per month	<b>\$1,738</b> per month
<b>Reduced Payment to Spouse</b> <i>(75% of Basic Monthly Benefit)</i>	<b>\$1,500</b> per month	<b>\$1,401</b> per month	<b>\$1,303</b> per month

## How Do I Learn More?

**Access your personal accounts at myURS.**

View information such as: years of service credit, beneficiaries, statements, and much more. You can also contribute to and manage URS Retirement Savings Plans. To create an account, go to **www.urs.org** and click "LOGIN" in the upper-right corner, then click "Create myURS Account." You'll need your URS account number and Social Security number.



Example Only



# What Are My **Death Benefits?**

## ACTIVE MEMBERS

### Division A (with Social Security Coverage)

Line-of-Duty	Not in Line-of Duty
<p><b>Less than 20 years of service:</b>  <b>Your spouse gets</b> a payment equal to six months of your final average salary and a monthly benefit (30% of final average salary).</p> <p><b>20 years or more (considered retired):</b>  <b>Your spouse gets</b> 75% of your retirement benefit.</p>	<p><b>Less than 10 years of service:</b>  <b>Your beneficiary gets</b> \$1,000 lump sum or refund of contributions.</p> <p><b>10 years or more:</b>  <b>Your spouse gets</b> \$500 lump sum and a monthly benefit (2% of final average salary for every year of service, up to 30%).</p> <p><b>20 years or more (considered retired):</b>  <b>Your spouse gets</b> 75% of your retirement benefit.</p>

### Division B (without Social Security Coverage)

Line-of-Duty	Not in Line-of Duty
<p><b>Less than 20 years of service:</b>  <b>Your spouse gets</b> a payment equal to six months of your final average salary and a monthly benefit (37.5% of final average salary).</p> <p><b>Your dependent children get</b> \$75 per month (if you have at least 5 years of service).</p> <p><b>20 years or more (considered retired):</b>  <b>Your spouse gets</b> 75% of your retirement benefit.</p>	<p><b>Less than 5 years of service:</b>  <b>Your spouse gets</b> refund of contributions and 50% of last 12 months' salary.</p> <p><b>5 years or more:</b>  <b>Same as Line-of-Duty.</b></p>

For surviving spouse benefits, you must have been married for at least six months prior to death.

## Supercharge Your Retirement

**Don't rely on your pension alone** for a comfortable retirement. URS Savings Plans offer an outstanding way to supplement your retirement and secure your financial future. The key is to start saving early and consistently. Go to [www.urs.org](http://www.urs.org) to start saving today.



[www.urs.org](http://www.urs.org)

801-366-7770 | 800-695-4877