

## Tier 1 Contributory 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 life too.

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



This brochure provides a brief overview of Tier 1 Contributory 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?

$$\text{Number of Years of Service} \times 2\% \times \text{Average 5 Highest Years' Salary} = \text{Basic Yearly Pension Benefit}$$

**Estimating your basic retirement benefit is simple.**

Just follow the formula above. Use our calculators at [www.urs.org](http://www.urs.org) for a more detailed estimate.

## EXAMPLE

Years of Service	→	<b>30 Years</b>
x		.....
2%	→	<b>60%</b>
x		.....
Average Salary	→	<b>\$60,000</b>
(Average of 5 highest years)		.....
=		
Benefit	→	<b>\$36,000 / Year</b>
		<b>\$3,000 / Month*</b>

*Note: Any service credit earned prior to July 1, 1975, may be calculated differently. If you have service credit before 1989, you may get an additional 3% added to your pension benefit.*

## Cost-of-Living Adjustment (COLA)

You'll get a 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%.



## 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
- » **62** with at least **10** years of service\*
- » **60** with at least **20** years of service\*
- » **Any age** with at least **30** years of service

*\*Early age reduction if you retire under age 65 with fewer than 30 years.*

## ELIGIBILITY

## Early Age Reduction

If you have **fewer than 30 years of service** and retire **before age 65**, your benefit is reduced. You'll get 3% less for every year between age 60 and 65.

# PAYOUTS

## What Are My Payout Options?

When you apply for retirement, you'll choose among **several payout options**. For example, Option 1 is the maximum benefit payable to you, but it pays nothing after your death. Other options will pay your spouse\* after your death, but **decrease your monthly 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 example based on:

- » \$60,000 final average salary
  - » 30 years of service
  - » Member age 62 and spouse age 60
- \*Spouse at the time of retirement

### ADJUSTED MONTHLY BENEFIT BASED ON PLSO

		12-Month PLSO Amount: \$36,000		24-Month PLSO Amount: \$72,000	
» 30 years of service » Member age 62 and spouse age 60 *Spouse at the time of retirement					
OPTION 1	\$3,000 per month No Beneficiary Benefit	\$2,787 per month No Beneficiary Benefit	\$2,577 per month No Beneficiary Benefit		
OPTION 2	\$2,850 per month Any Beneficiary: Remaining contributory account balance	\$2,647 per month Any Beneficiary: Remaining contributory account balance	\$2,448 per month Any Beneficiary: Remaining contributory account balance		
OPTION 3	\$2,634 per month Spouse Benefit: \$2,634 per month	\$2,447 per month Spouse Benefit: \$2,447 per month	\$2,263 per month Spouse Benefit: \$2,263 per month		
OPTION 4	\$2,805 per month Spouse Benefit: \$1,402 per month	\$2,606 per month Spouse Benefit: \$1,303 per month	\$2,409 per month Spouse Benefit: \$1,204 per month		
OPTION 5	\$2,594 per month Spouse Benefit: \$2,594 per month	\$2,410 per month Spouse Benefit: \$2,410 per month	\$2,228 per month Spouse Benefit: \$2,228 per month		
If your spouse dies before you, Option 5 reverts to Option 1.					
OPTION 6	\$2,782 per month Spouse Benefit: \$1,391 per month	\$2,585 per month Spouse Benefit: \$1,292 per month	\$2,390 per month Spouse Benefit: \$1,195 per month		
If your spouse dies before you, Option 6 reverts to Option 1.					

Example Only

# OPTIONS

## 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.

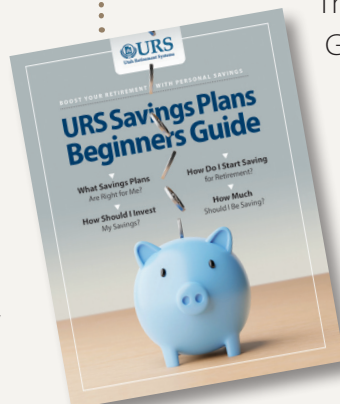


## Death Benefits

**If you die before retiring:**

- » Your beneficiary may get a payment of 75% of your highest annual salary and
- » Your spouse will get a monthly lifetime benefit if you have been married at least six months, and
- » you qualify for retirement, but are not yet retired, or
- » you have at least 25 years of service

*If a monthly spousal benefit doesn't apply, your beneficiary will get the balance of your contributory account.*



## 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. You'll need your URS Member Number and Social Security number to create an account.

## 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.

◀ Learn how to get started saving for retirement. Go to [www.urs.org/us/beginners](http://www.urs.org/us/beginners) or follow the QR code to read this guide.



**www.urs.org**

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SAVINGS PLANS