

## Tier 2 Public Employees Hybrid Retirement System

# Hybrid Option

You're in the Tier 2 Retirement System if you began employment or first became eligible for URS **on or after July 1, 2011**.

The Hybrid Option (**Hybrid Retirement System**) is one of two Tier 2 options that combines a pension benefit and possible 401(k).

» *Look inside for a brief overview of your retirement benefit*



This brochure provides a brief overview of the Tier 2 Public Employees Hybrid Retirement System.  
Go to [www.urs.org](http://www.urs.org) for more details about your benefits.

## BENEFITS

What is the **Tier 2 Hybrid** Benefit?

**Your employer contributes an amount equal to 10% of your salary** into the Hybrid Retirement System which combines a pension and a 401(k).

$$\text{Number of Years of Service} \times 1.5\% \times \text{Average 5 Highest Years' Salary} = \text{Basic Yearly Pension Benefit}$$

## EXAMPLE

Years of Service	→	<b>35 Years</b>
x		.....
1.5 %	→	<b>52.5%</b>
x		.....
Average Salary (Average of 5 highest years)	→	<b>\$60,000</b>
=		.....
Benefit	→	<b>\$31,500 / Year</b> <b>\$2,625 / Month</b>

**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 2.5%.

**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 **35** years of service

*\*Early age reduction if you retire under age 65 with fewer than 35 years.*

## ELIGIBILITY

**Early Age Reduction**

If you have **fewer than 35 years of service** and retire **before age 65**, your benefit is reduced.

Age	Reduction
64	8.98%
63	17.03%
62	24.25%
61	30.76%
60	36.62%



## 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**.



## ▼ This example based on:

- » \$60,000 final average salary
- » 35 years of service
- » Member age 65 and spouse age 62

\*Spouse at the time of retirement

OPTION 1	<b>\$2,625</b> per month	No Beneficiary Benefit
OPTION 2	<b>\$2,493</b> per month	Any Beneficiary: Remaining <b>contributory</b> account balance
OPTION 3	<b>\$2,253</b> per month	Spouse Benefit: <b>\$2,253</b> per month
OPTION 4	<b>\$2,425</b> per month	Spouse Benefit: <b>\$1,212</b> per month
OPTION 5	<b>\$2,213</b> per month	Spouse Benefit: <b>\$2,213</b> per month
	If your spouse dies before you, Option 5 reverts to Option 1.	
OPTION 6	<b>\$2,401</b> per month	Spouse Benefit: <b>\$1,200</b> per month
	If your spouse dies before you, Option 6 reverts to Option 1.	

**Purchasing Service Credit**

**Increase the amount of service credit you have** — and increase your retirement benefit — by reinstating and/or purchasing service credit. For example, you can eliminate any early age reduction by purchasing up to five years of future service.

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

**How the Pension Contribution Rate Impacts Your Benefit**

The total cost of the Hybrid Option benefit varies based on the yearly pension contribution rate. Employers are required to pay the equivalent of **10%** of your salary to fund your benefit. If the pension contribution rate exceeds 10%, you'll have to pay the difference as a payroll deduction. If the pension contribution rate is lower than 10%, you'll get the difference in the form of an employer 401(k) contribution. Go to [www.urs.org/rates](http://www.urs.org/rates) to see the current pension contribution rate, as well as the rate history, and to learn more.

Example Only

WWW.URS.ORG

## 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 15 years of service.



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### Hybrid Retirement System

801-366-7770 | 800-695-4877

### Savings Plans

801-366-7720 | 800-688-4015

**www.urs.org**

## How Do I Learn More?

### Access your personal accounts at myURS.

Go to **www.urs.org** and click “LOGIN” in the upper-right corner. You’ll need your URS account number to create a new account and view information such as:

- » Service Credit
- » Beneficiaries
- » Investment Options
- » Savings Plans Statements



## How Do I Save More?

**Don’t rely on your employer’s contribution alone for a comfortable retirement. Save on your own through payroll deduction.**

- » URS Savings Plans offer an outstanding way to supplement your retirement and secure your financial future
- » Contribute to and manage URS Savings Plans through myURS (see above)
- » Start saving as soon as possible
- » Save consistently
- » Increase the amount you save over time



▲ Go to [www.urs.org](http://www.urs.org) to learn more about URS Savings Plans. Download this brochure for savings plan comparisons and investment options.