

**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



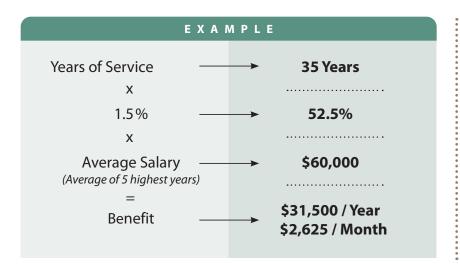
This brochure provides a brief overview of the Tier 2 Public Employees Hybrid Retirement System. Go to www.urs.org for more details about your benefits.

## 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).

Number of Years of Service  $x = \frac{5\%}{5} x$  Average 5 Highest Average 5 Highest 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 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 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%

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

### 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.



- » \$60,000 final average salary
- 35 years of service
- » Member age 65 and spouse age 62
- \*Spouse at the time of retirement

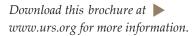
**No Beneficiary** \$2,625 per month **Any Beneficiary:** \$2,493 Remaining contributory per month account balance **Spouse Benefit:** \$2,253 **\$2,253** per month per month **Spouse Benefit:** \$2,425 **\$1,212** per month per month **Spouse Benefit:** \$2,213 **\$2,213** per month per month If your spouse dies before you, Option 5 reverts to Option 1. **Spouse Benefit:** 

\$2,401

per month

### **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.







#### **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 to see the current pension contribution rate, as well as the rate history, and to learn more.

**\$1,200** per month

If your spouse dies before you, Option 6 reverts to Option 1.

### 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 least15 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 | 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 to learn more about URS Savings Plans. Download this brochure for savings plan comparisons and investment options.