

Tier 2 Public Employees

Hybrid System

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 Retirement System is one of two Tier 2 options that combines a pension benefit and 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).

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

EXAMPLE	
Years of Service	→ 35 Years
x
1.5%	→ 52.5%
x
Average Salary (Average of 5 highest years)	→ \$40,000
=
Benefit	→ \$21,000 / Year \$1,750 / Month

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	9.10%
63	17.22%
62	24.50%
61	31.20%
60	36.89%

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:**

- » \$40,000 final average salary
- » 35 years of service
- » Member age 65 and spouse age 62

*Spouse at the time of retirement

Example Only

OPTION 1	\$1,750 per month	•••••	No Beneficiary Benefit
OPTION 2	\$1,662 per month	•••••	Any Beneficiary: Remaining contributory account balance
OPTION 3	\$1,500 per month	•••••	Spouse Benefit: \$1,500 per month
OPTION 4	\$1,615 per month	•••••	Spouse Benefit: \$807 per month
OPTION 5	\$1,476 per month	•••••	Spouse Benefit: \$1,476 per month
	<i>If your spouse dies before you, Option 5 reverts to Option 1.</i>		
OPTION 6	\$1,601 per month	•••••	Spouse Benefit: \$800 per month
	<i>If your spouse dies before you, Option 6 reverts to Option 1.</i>		

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
for more information.



The 401(k) Component of the Hybrid System

Pension contributions are based on the yearly pension contribution rate. For example, the 2017–2018 year rate is **8.42%**. The difference between **10%** and the pension contribution rate (**8.42%**) is contributed to your 401(k) (**1.58%**). If the pension contribution rate ever exceeds 10%, you must pay the additional amount above 10%.

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.



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