

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

Example Only

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

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

## How Do I Learn More?

### Access your personal accounts at myURS.

Go to [www.urs.org](http://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:

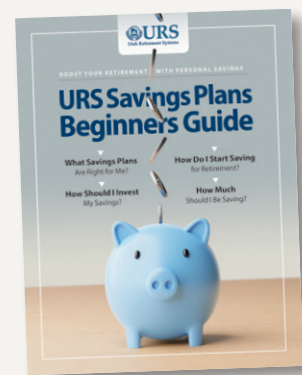
- » Service Credit
- » Beneficiaries
- » Investment Options
- » Savings Plans Statements



## 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



▲ 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.

