

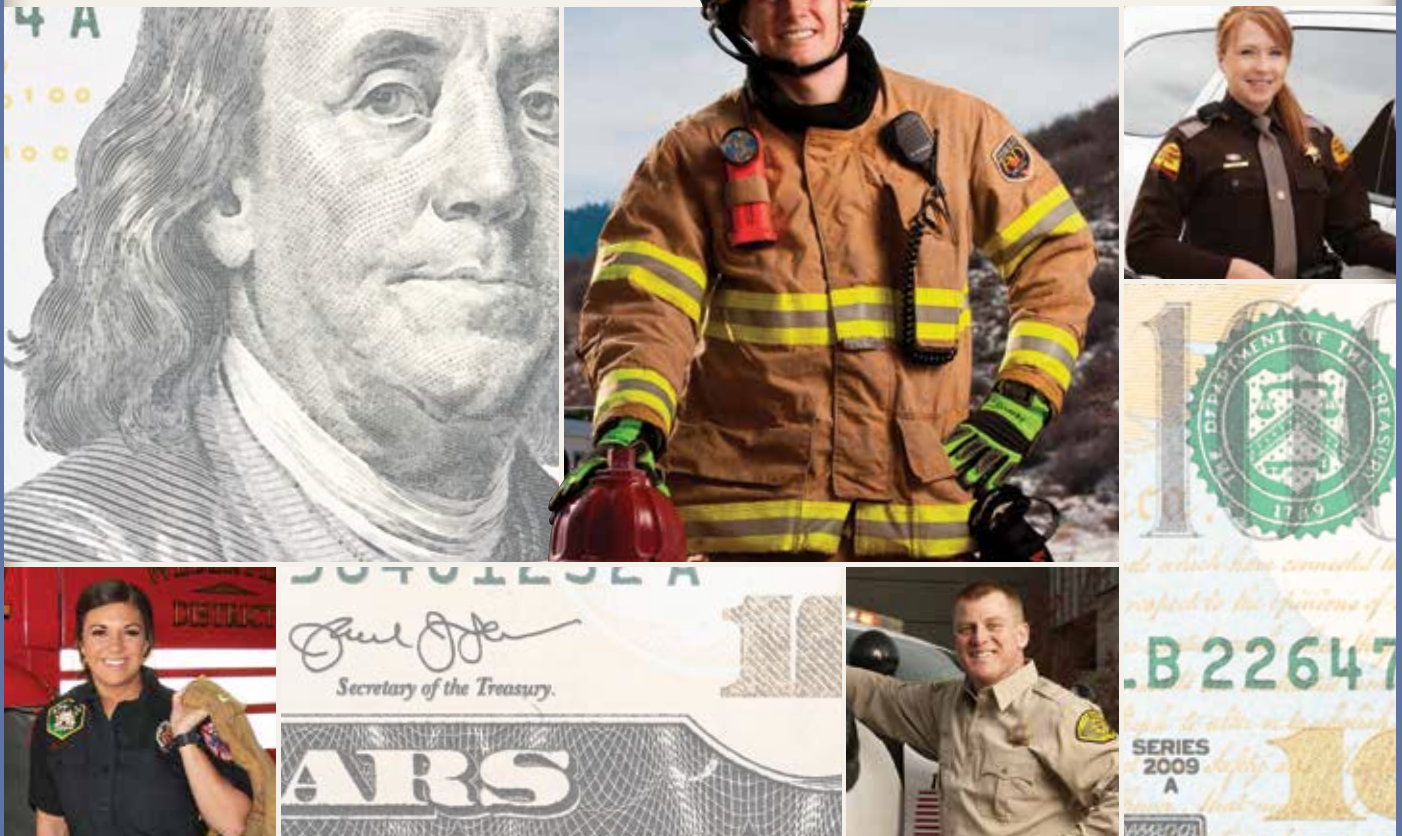
## Tier 2 Public Safety and Firefighters

# 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 Safety and Firefighters 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 12% 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	→ 25 Years
x	.....
1.5%	→ 37.5%
x	.....
Average Salary (Average of 5 highest years)	→ \$40,000
=	.....
Benefit	→ \$15,000 / Year \$1,250 / 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 **25** years of service

\*Early age reduction if you retire under age 65 with fewer than 25 years.

# ELIGIBILITY

### Early Age Reduction

If you have **fewer than 25 years of service** and retire **before age 65**, your benefit is reduced.

Age	Reduction
64	9.31%
63	17.60%
62	24.99%
61	31.61%
60	37.55%

# 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**.

\*Spouse at the time of retirement.



▼ **This example based on:**

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

Example Only

OPTION 1	<b>\$1,250</b> per month	•••••	<b>No Beneficiary Benefit</b>
OPTION 2	<b>\$1,187</b> per month	•••••	<b>Any Beneficiary:</b> Remaining <b>contributory</b> account balance
OPTION 3	<b>\$1,046</b> per month	•••••	<b>Spouse Benefit:</b> <b>\$1,046</b> per month
OPTION 4	<b>\$1,139</b> per month	•••••	<b>Spouse Benefit:</b> <b>\$569</b> per month
OPTION 5	<b>\$1,028</b> per month	•••••	<b>Spouse Benefit:</b> <b>\$1,028</b> per month
	<i>If your spouse dies before you, Option 5 reverts to Option 1.</i>		
OPTION 6	<b>\$1,128</b> per month	•••••	<b>Spouse Benefit:</b> <b>\$564</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.



### 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 **10.74%**. The difference between **12%** and the pension contribution rate (**10.74%**) is contributed to your 401(k) (**1.26%**). If the pension contribution rate ever exceeds 12%, you must pay the additional amount above 12%.

WWW.URS.ORG

### Death Benefits

» 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

### Line-of-Duty Death Benefits

#### Less than 20 years service

» Your spouse gets a lump-sum equal to six months of your final average salary and an allowance equal to 30% of your final average salary.

#### More than 20 years service

» Your spouse gets a benefit equivalent to what would have been payable to you under Payout Option 1.



Utah Retirement Systems

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

### Hybrid Retirement System

801-366-7770 | 800-695-4877

### Savings Plans

801-366-7720 | 800-688-4015

## 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



▲ 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.