

Tier 2 Public Safety and Firefighters Hybrid 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 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 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 to fund the Hybrid Option, which combines a pension and a 401(k).

Important: Benefits will change, effective July 1, 2020. See Pages 3-4.

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

E X A M P L E	
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

Average salary doesn't include allowances and/or overtime pay.

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%

CHANGES IN 2020

Benefit Changes

A bill to enhance Tier 2 Public Safety and Firefighter retirement benefits takes effect beginning July 1, 2020.

	Current Benefit	New Benefit Beginning July 1, 2020
Hybrid Option	1.5% Multiplier	2.0% Multiplier on service earned after July 1, 2020. All service accrued prior to July 1, 2020, will still be multiplied by 1.5%.
	Employer funds benefit at 12% of your pay	Employer funds benefit at 14% of your pay
	Employees currently not required to contribute to fund the pension benefit (because the pension contribution rate is less than the 12% employer cap).	Based on today's pension contribution rate, employees would add about 2.27% of their pay to fund the pension benefit. Employers may choose to pick up their employees' contributions.
401(k) Option	Employer contributes an amount equal to 12% of your salary into your 401(k).	Employer contributes an amount equal to 14% of your salary into your 401(k). Employers may choose to make additional 401(k) contributions.

» It does not open a new window for employees who have worked beyond a year to change their selection between the Hybrid Option and 401(k) Option.

» The choice you make during your first year remains irrevocable.

» It applies to new and current employees in the Tier 2 Public Safety and Firefighter Retirement System, for benefits earned after July 1, 2020. These changes are not retroactive.

CHANGES IN 2020

The New Benefit, Effective July 2020

Here's how the Hybrid Option benefit will change when it takes effect in July 2020.

$$\text{Number of Years of Service} \times 2\% \times \text{Average 5 Highest Years' Salary} = \text{Basic Yearly Pension Benefit}$$

EXAMPLE OF HYBRID PENSION BENEFIT UNDER CHANGES	
Years of Service	→ 25 Years
x
2%	→ 50%
x
Average Salary (Average of 5 highest years)	→ \$40,000
=
Benefit	→ \$20,000 / Year \$1,666 / Month

	+		=	
<p>Would increase from current contribution of 12%.</p>		<p>Individual employers may choose to cover this cost.</p>		<p>Total pension contribution rate.</p>

Applies to years of service accrued after July 1, 2020.

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

In addition to your pension, you may get an employer contribution to a 401(k). The amount is based on the yearly pension contribution rate, which will change throughout your career. For example, the 2019–2020 rate is **11.30%**. The difference between 12% (14% after July 1, 2020; See Page 3) and the pension contribution rate (11.30%), which is **0.70%**, is contributed to your 401(k). 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.



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** 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.