

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).

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

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



How the Pension Contribution Rate Impacts Your Benefit

The total cost of the Hybrid Option benefit varies based on the yearly pension contribution rate. For **2024-25**, the amount required to fund it is **10.7%** of your salary. Employers are required to pay **10%**. This means, effective July 2024, you'll have to pay **0.7%** of your salary to fund this benefit. In the history of the system, since 2011, this will be the first time that costs exceed 10%. If the pension contribution rate drops below 10% in the future, you may get a 401(k) contribution. Learn more at www.urs.org/rates.

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

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.