

HYBRID Retirement Options

Option	Retiree Lifetime Pension	Beneficiary Benefit	Pop up Benefit for Retiree	Refund of Contributions	Refund Amount
Maximum Allowance	Yes	No	No	No	None
Option 1	Yes	No	No	No	None
Option 2	Yes	Yes (100%)	Yes	No	None
Option 3	Yes	Yes (50%)	Yes	No	None
Option 4 (5 & Max)	Yes	No	No	Yes	Pre-1987 or 50%
Option 4 (5 & 1)	Yes	No	No	Yes	Pre-1987 or 50%
Option 4 (5 & 2)	Yes	Yes (100%)	Yes	Yes	Pre-1987 or 50%
Option 4 (5 & 3)	Yes	Yes (50%)	Yes	Yes	Pre-1987 or 50%
Option 5	Yes	No	No	Yes	100%

Notes:

- Changes in retirement option selections are permissible prior to the effective date of retirement; however, the law prohibits any changes thereafter.
- In the event a member dies after filing a retirement application but before the member's retirement date, or if death occurs within one year of retirement, the designated beneficiary may elect to receive the survivor benefit for the option selected by the member, or the ordinary death benefit (lump sum payment or Option 2 survivor benefit).
- For Options 2* and 3 or combinations with Options 4 (5 & 2)* or 4 (5 & 3), should a beneficiary predecease the retiree, the retiree's pension will be converted to the corresponding Maximum Allowance (**Pop up** feature), instead of remaining at the reduced amount and another beneficiary cannot be named.
- Pensions are increased by 2.5% on the original amount each year on July 1, following the calendar year of retirement.

OPTIONS WITH NO REFUND

The following options offer a higher monthly pension because member's contributions are not refunded.

Maximum Allowance - *Highest lifetime monthly pension with no refund*

- No lifetime survivor benefit
- Trust, Estate, or multiple beneficiaries possible with changes allowed after retirement
- In the event of the retiree's death, beneficiary will be paid the difference between the retiree's unrefunded contributions at retirement and the retirement pension paid prior to death

Option 1 - *Reduced lifetime monthly pension with no refund (short-term insurance)*

- Short-term (not lifetime) insurance (coverage depletes after approximately 10 years)
- Large benefit if death occurs shortly after retirement
- Trust, Estate, or multiple beneficiaries possible with changes allowed after retirement
- In the event of the retiree's death, beneficiary will be paid the difference between the initial insurance reserve and the retirement pension paid prior to death

Option 2 * - *Reduced lifetime monthly pension for retiree with no refund and 100% continuing pension for beneficiary in the event of retiree's death*

- Beneficiary cannot be changed after retirement
- If the beneficiary predeceases the retiree, the retiree's pension will "pop up" to the Maximum Allowance

Option 3 - *Reduced lifetime monthly pension for retiree with no refund and 50% continuing pension for beneficiary in the event of retiree's death*

- Beneficiary cannot be changed after retirement
- If the beneficiary predeceases the retiree, the retiree's pension will "pop up" to the Maximum Allowance

REFUND OPTIONS

Members with at least 10 years of credited service qualify for any one of the following refunds:

- Nontaxable pre-1987 contributions
- 50% of contributions
- 100% of contributions (Option 5 only)

Option 4 (5 & Maximum) - *Highest lifetime monthly pension with partial refund*

- No lifetime survivor benefit (see Maximum Allowance)

Option 4 (5 & 1) - *Reduced lifetime monthly pension with partial refund*

- Short term insurance reserve (see Option 1)

Option 4 (5 & 2) * - *Reduced lifetime monthly pension for retiree with partial refund and 100% continuing pension for beneficiary in the event of retiree's death*

- Beneficiary cannot be changed after retirement
- If the beneficiary predeceases the retiree, the retiree's pension will "pop up" to the corresponding Option 4 (5 & Maximum) based on the amount of the retiree's refund

Option 4 (5 & 3) - *Reduced lifetime monthly pension for retiree with partial refund and 50% continuing pension for beneficiary in the event of retiree's death*

- Beneficiary cannot be changed after retirement
- If the beneficiary predeceases the retiree, the retiree's pension will "pop up" to the corresponding Option 4 (5 & Maximum) based on the amount of the retiree's refund

Option 5 - *Lowest lifetime monthly pension for retiree with maximum refund of contributions*

- No lifetime survivor benefit
- 100% refund of contributions (and interest) with possible tax consequences
- Multiple beneficiaries with changes allowed after retirement