

CITY OF OREM – SUMMARY OF RETIREMENT PLANS AND OPTIONS FOR FISCAL YEAR 2021/2022

Participation in the Utah Retirement System (URS) pension plan is mandatory for most employees. The City pays all or a portion depending on which URS plan the employee is eligible to participate in. This valuable benefit provides retirement income based upon salary, length of service and/or contributions. Tier 1 eligible employees are those with hire dates before July 1, 2011 with Orem City or another participating URS entity. Tier 2 eligible employees are those with hire dates on or after July 1, 2011 with Orem City or another participating URS entity.

The following contributions are made to the retirement plans by the City:

TIER 1 AND TIER 2		RETIREMENT SYSTEM	TO UTAH RETIREMENT SYSTEMS			TO ICMARC 401(K)	TOTAL CONTRIBUTIONS
TIER 1 EMPLOYEES		Public Employees Non-Contributory	18.47%			0.00%	18.47%
		Public Safety Employees Non-Contributory	39.48%			0.00%	39.48%
		Firefighters	23.95%			0.00%	23.95%
TIER 2 EMPLOYEES	DEFINED BENEFIT HYBRID	Public Employees Non-Contributory	16.69%			1.21%	17.90%
			Employer	URS 401k	n/a		
		16.07%	.62%				
		Public Safety Employees Non-Contributory	32.29%			0.00%	32.29%
			Employer	URS 401k	Pick Up		
		30.02%	0%	2.27%			
	Firefighters	16.35%			1.55%	17.90%	
		Employer	URS 401k	Pick Up			
	14.08%	0%	2.27%				
	DEFINED CONTRIBUTION	Public Employees Non-Contributory	16.69%			1.21%	17.90%
			Employer	URS 401k	n/a		
		6.69%	10.00%				
Public Safety Employees Non-Contributory		32.29%			0.00%	32.29%	
		Employer	URS 401k	401k (Pick Up)			
16.02%		14.00%	2.27%				
Firefighters	16.35%			1.55%	16.35%		
	Employer	URS 401k	401k (Pick Up)				
0.08%	14.00%	2.27%					

Answers to Frequently Asked Questions about Retirement Plans:

QUESTION	UTAH RETIREMENT SYSTEMS	ICMARC 401(k)
Will there be a deduction from my check?	No. The City will make all contributions	Only if you choose to make contributions in addition to the city's contribution.
How long do I have to work to be vested for a retirement benefit?	Refer to the URS "Retirement System Highlights" brochure for your specific plan for details. Vesting period is four (4) years .	You are 100% vested as soon as the contributions are made to your account.
How often will I receive account statements?	Annually.	Quarterly. You can also check your balance anytime on the ICMARC website when you create your user name and password online.
If I terminate employment before retirement age, is there a cash value that I can withdraw from my retirement accounts?	It depends on the system that you are enrolled in. Refer to the URS "Retirement System Highlights" brochure for your specific plan.	The funds in your account are eligible for withdrawal when you terminate employment, but may be subject to taxes and penalties.
Can I determine how my retirement funds are invested?	No.	Yes, from the investment options available through ICMARC or if you are eligible to establish an ICMARC self-directed Broker Account.
Will my retirement credits/balances rollover to another employer if I leave Orem City?	Yes, if you work for another governmental agency that participates in URS.	Yes, if your new employer has a qualified 401(k) plan, the money can rollover without taxes or penalties.

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 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.*

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)	→	\$40,000
=	
Benefit	→	\$21,000 / Year \$1,750 / 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.*

Early Age Reduction

If you have **fewer than 35 years of service** and retire **before age 65**, your benefit is reduced.

Age	Reduction
64	9.10%
63	17.22%
62	24.50%
61	31.20%
60	36.89%

YOUR CHOICES

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:**

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

*Spouse at the time of retirement

OPTION	1	\$1,750 per month	: : : No Beneficiary Benefit
OPTION	2	\$1,662 per month	: : : Any Beneficiary: Remaining <i>contributory</i> account balance
OPTION	3	\$1,500 per month	: : : Spouse Benefit: \$1,500 per month
OPTION	4	\$1,615 per month	: : : Spouse Benefit: \$807 per month
OPTION	5	\$1,476 per month	: : : Spouse Benefit: \$1,476 per month
<i>If your spouse dies before you, Option 5 reverts to Option 1.</i>			
OPTION	6	\$1,601 per month	: : : Spouse Benefit: \$800 per month
<i>If your spouse dies before you, Option 6 reverts to Option 1.</i>			

Example Only

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 2020–2021 rate is **9.11%**. The difference between **10%** and the pension contribution rate (9.11%), which is 0.89%, is contributed to your 401(k). If the pension contribution rate ever exceeds 10%, you must pay the additional amount above 10%.

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.



**Trust • Commitment
Value • Innovation • Excellence**

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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.

Tier 2 Public Employees Defined Contribution Plan

401(k) 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 401(k) Option (**Defined Contribution Plan**) is one of two Tier 2 options that consists of employer 401(k) contributions.

» *Look inside for a brief overview of your retirement benefit*



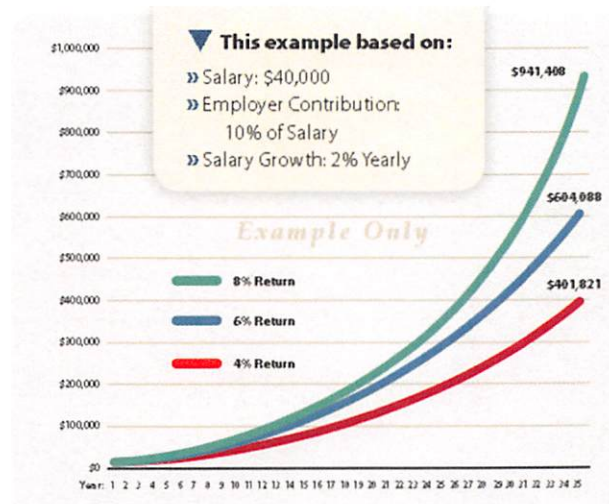
This brochure provides a brief overview of the Tier 2 Public Employees Defined Contribution Plan. Go to www.urs.org for more details about your benefits.

BENEFITS

What's the 401(k) Option?

A 401(k) is a retirement savings plan. With this option, your employer contributes an amount equal to **10%** of your salary into your 401(k). The money you get is based on employer contributions and two other main factors.

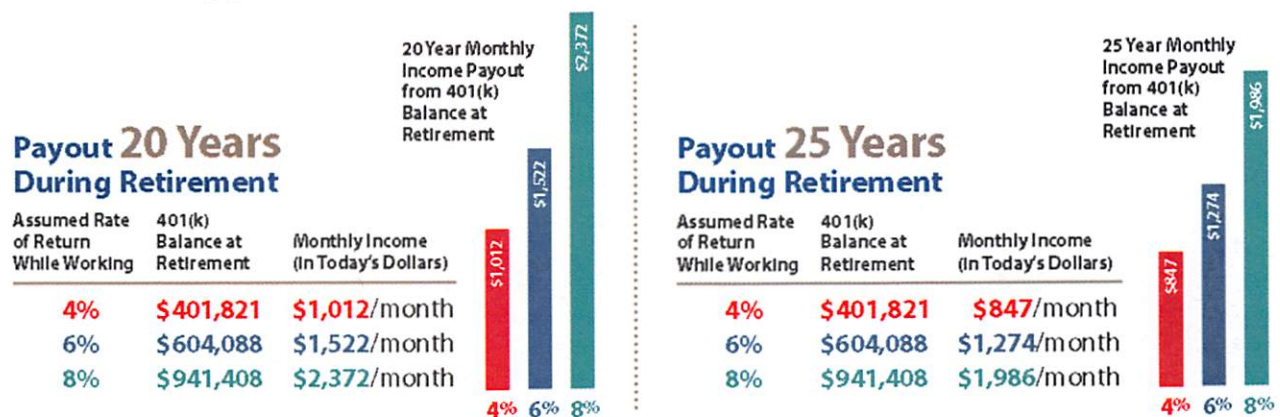
INVESTMENT PERFORMANCE » The way you invest your money and the financial markets will have a big impact on your retirement income.



The investment performance examples shown in this graph illustrate the time value of money and potential outcomes and are not to be considered advice or recommendations, nor are they guarantees of future results. These examples are based on the following assumptions: salary, employer contribution rate, and salary growth assumptions are shown on the graph; employer contributions will be made with each pay period until the time of retirement; contributions are compounded based on 4%, 6%, and 8% hypothetical rates of return, which are net of fees; and no withdrawals are made during the investment period and monies are held over the years reflected in the graph. The assumptions for the investment examples affect the potential return estimates and will not be the same as for your account. Individual account performance varies based on your investment selections, the underlying expenses of those selections, the timing of the investments, any cash flow in or out of the account during the investment period (such as loans or in-service distributions), and on the balances in the account.

Visit the online Savings Plans Future Values Calculator at www.urs.org/calculators to estimate the future value of your account using customized assumptions.

PAYOUT PERIOD » You choose how to draw from your account in retirement. Your monthly withdrawals will be based on your account balance and how long you need the retirement income from your account to last.



The payout examples above illustrate hypothetical monthly payments from your account based on the following assumptions: a 20- and 25-year payout period; initial account balances at the time of retirement based on 4%, 6%, and 8% hypothetical rates of return and taken from the graph above; a 4% hypothetical rate of return during the payout period, which is net of fees; 2% annual inflation rate; and, besides the monthly payment shown, no additional withdrawals or contributions are made during the payout period. The assumptions for the example payouts will not be the same as for your account. For this reason, potential payouts from your account will not match those shown in the tables and will vary based on the balance in your account, investment selections, the underlying expenses of those selections, the timing of the investments, and cash flow in or out of the account during the investment and payout periods.

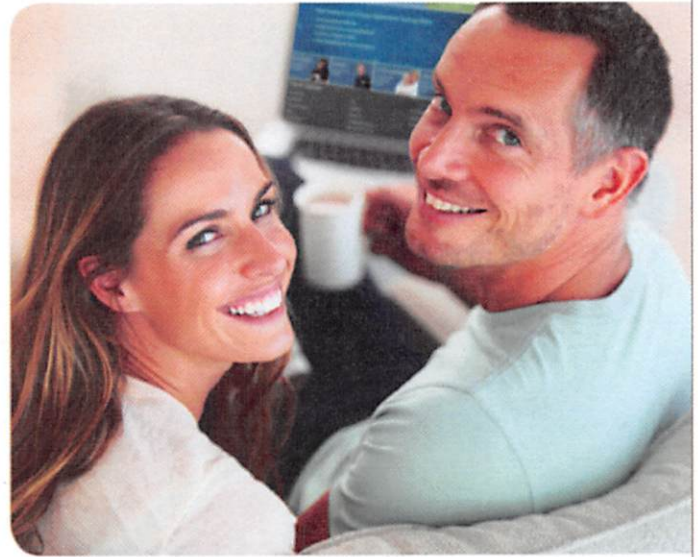
FAQS

When Can I **Withdraw My Money?**

You can withdraw your money after you have terminated employment. However, depending on your age, you may be subject to a 10% IRS early-withdrawal penalty.

You can avoid the early-age penalty by meeting one of the following criteria:

- » Age 59½
- » Work until the calendar year you turn 55
- » Payout based on life expectancy



What Are My **Payout Options?**



- » **Leave funds** with URS
- » **Roll over funds** to another account
- » **Withdraw** funds
 - › Lump-sum distribution
 - › Partial distribution as desired
 - › Periodic payment
 - » Monthly* » Semi-annually*
 - » Quarterly* » Annually*

**Age 70½ Minimum Distribution Requirement*

IRS requires annual minimum withdrawals at age 70½ unless you are still employed.

Death Benefits

- » Your beneficiary may get a payment of 75% of your highest annual salary.
- and**
- » Your beneficiaries will receive your vested account balance.

Important Legal Notice

Investing is an important decision. Read the Summary Plan Description and Investment Fund Fact Sheets in their entirety for more information and consider all investment objectives, risks, charges, and expenses before investing in URS Savings Plans. All investing is subject to risk, and you assume all investment risks, including potential for loss of principal as well as responsibility for any federal and state tax consequences.

No Guarantees. The URS Savings Plans investments described in this publication are not insured; are not a deposit or obligation of, nor guaranteed by, any financial institution; and are not guaranteed by URS or any government agency. Because you make the investment decisions about your account, the plan's sponsor, trustees, and others associated with the investments are not responsible or liable for your investment performance.

Performance. Past performance does not guarantee future results. The value of your investment may vary depending on market conditions and the performance of the investment option you select. It could be more or less than the amount you contribute; in short, your investment could lose value.

Consult an advisor. The information provided in this document does not contain financial, investment, tax, or legal advice and cannot be construed as such or relied upon for those purposes. Please consult your own investment, tax, or legal advisors for qualified professional advice in these areas.

Also Note: This brochure refers to the Tier 2 Public Employees Hybrid Retirement System as the "Hybrid Option" and the Tier 2 Public Employees Defined Contribution Plan as the "401(k) Option". Go to www.urs.org for more details about your benefits.



Utah Retirement Systems

URS Savings Plans Dept.

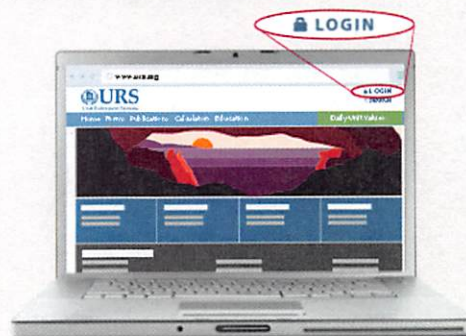
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How Do I Learn More?

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:

- » 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



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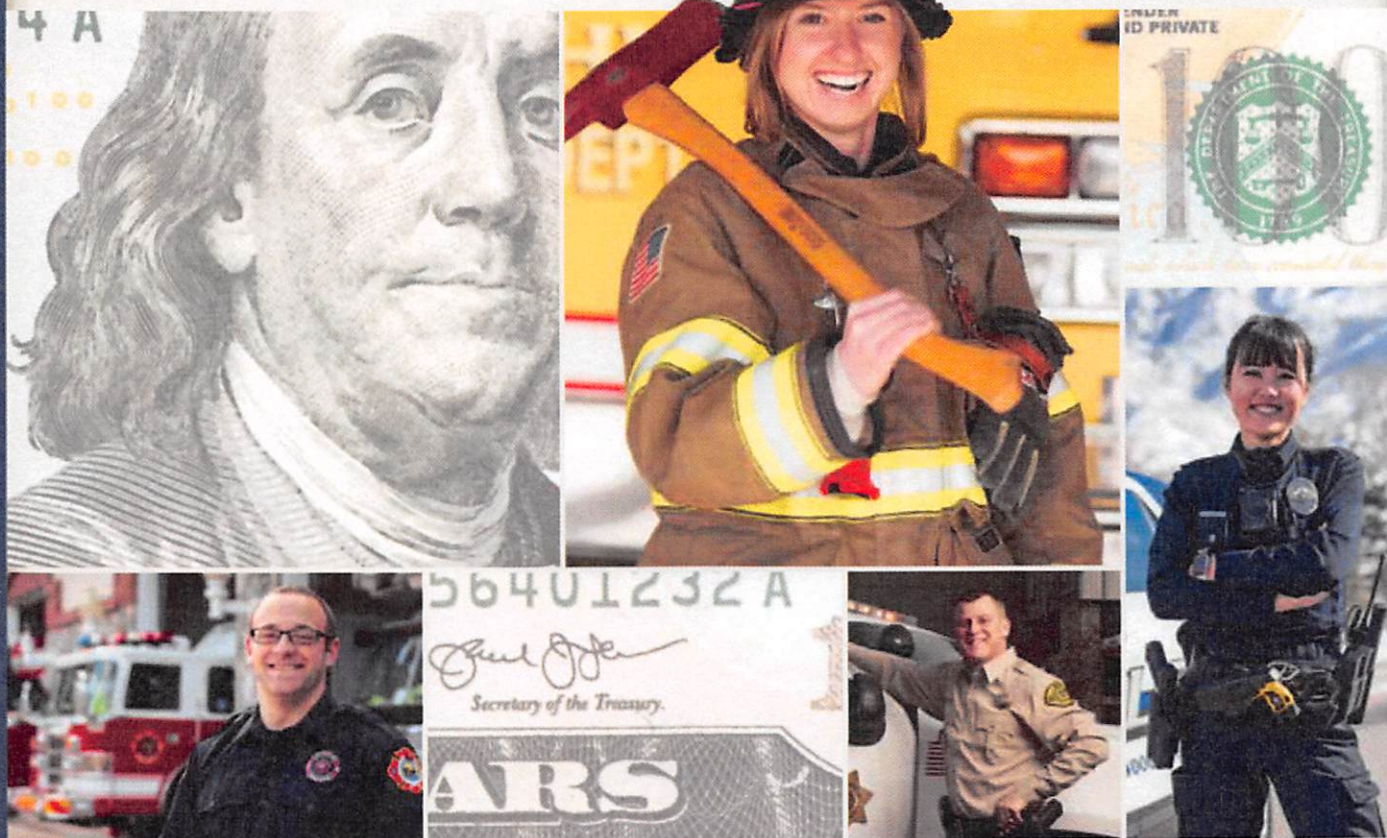
Tier 2 Public Safety and Firefighter Hybrid System

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 Firefighter Hybrid Retirement System. Go to www.urs.org for more details about your benefits.

BENEFITS

What's the **Hybrid Option**?

Your employer contributes an amount equal to 14% of your salary to fund the Hybrid Option, which combines a pension and, in some cases, a 401(k). A pension provides a lifetime income stream based on the formula below.

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

EXAMPLE	
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

Service earned before July 1, 2020, will be multiplied by 1.5%.

When Can I Retire?

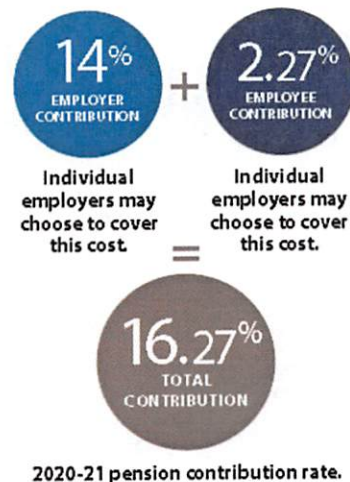
Your pension eligibility depends on your age and years of service. Here are the minimum qualifications:

- » 65 with at least 4 years of service
- » Any age with at least 25 years of service
- » 62 with at least 10 years of service*
- » 60 with at least 20 years of service*

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

Benefit Costs

The total cost of the benefit is 16.27% of your salary. Employers are required to pay 14%. You may have to pay the costs beyond the 14% unless your employer chooses to pick up the employee costs. If the pension contribution rate, which may vary year to year, ever goes below 14%, you may get a 401(k) contribution.



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

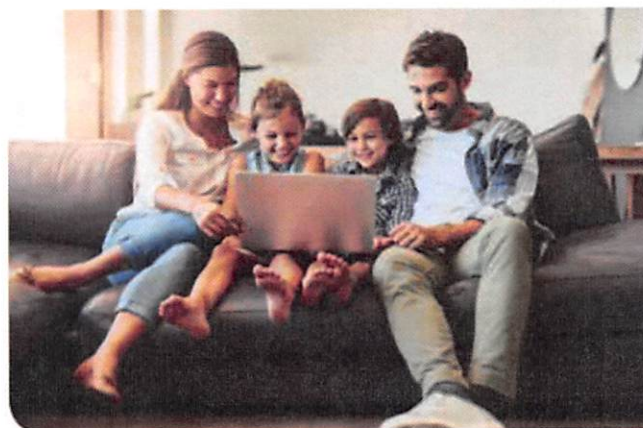
Example Only

OPTION 1	\$1,666 per month	••• No Beneficiary Benefit
OPTION 2	\$1,583 per month	••• Any Beneficiary: Remaining <i>contributory</i> account balance
OPTION 3	\$1,395 per month	••• Spouse Benefit: \$1,395 per month
OPTION 4	\$1,519 per month	••• Spouse Benefit: \$759 per month
OPTION 5	\$1,371 per month	••• Spouse Benefit: \$1,371 per month
	<i>If your spouse dies before you, Option 5 reverts to Option 1.</i>	
OPTION 6	\$1,505 per month	••• Spouse Benefit: \$752 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.

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The 401(k) Component of the Hybrid System

In addition to your pension, you could in the future 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 2020–2021 rate is **16.27%**. If the pension contribution rate, which is based what's needed to keep the system sound, ever falls below the rate your employer pays to fund the benefit, the difference would be contributed into your 401(k).



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

- » Your beneficiary may get a payment of 75% of your highest annual salary **and**
- 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.

Retirement Benefits (Pension)

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Savings Plans

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Tier 2 Public Safety and Firefighter DC Plan

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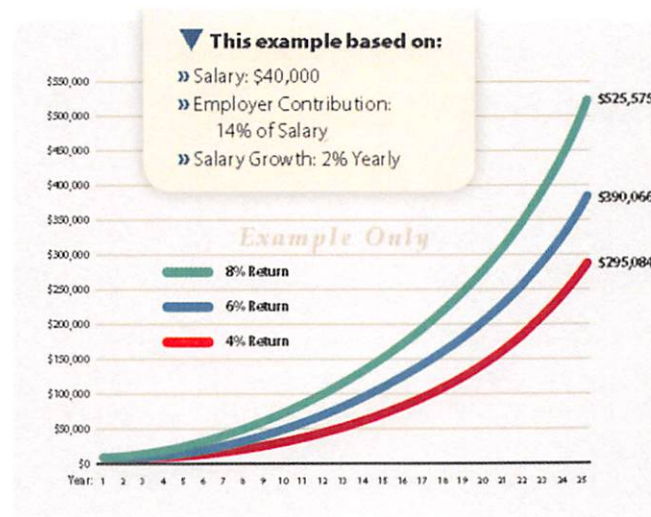
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BENEFITS

What's the 401(k) Option?

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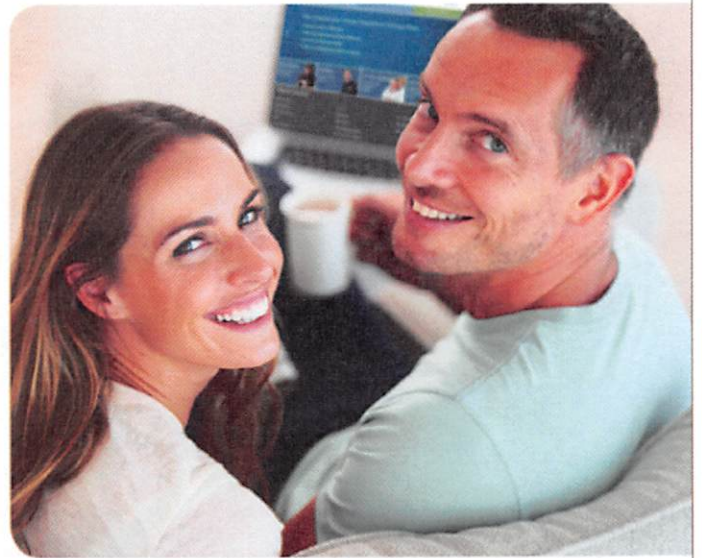
PAYOUTS

When Can I **Withdraw My Money?**

You can withdraw your money after you have terminated employment. However, depending on your age, you may be subject to a 10% IRS early-withdrawal penalty.

You can avoid the early-age penalty by meeting one of the following criteria:

- » Age 59½
- » Work until the calendar year you turn 55
- » Payout based on life expectancy



What Are My **Payout Options?**



- » **Leave funds** with URS
- » **Roll over funds** to another account
- » **Withdraw** funds
 - › Lump-sum distribution
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No Guarantees. The URS Savings Plans investments described in this publication are not insured; are not a deposit or obligation of, nor guaranteed by, any financial institution; and are not guaranteed by URS or any government agency. Because you make the investment decisions about your account, the plan's sponsor, trustees, and others associated with the investments are not responsible or liable for your investment performance.

Performance. Past performance does not guarantee future results. The value of your investment may vary depending on market conditions and the performance of the investment option you select. It could be more or less than the amount you contribute; in short, your investment could lose value.

Consult an advisor. The information provided in this document does not contain financial, investment, tax, or legal advice and cannot be construed as such or relied upon for those purposes. Please consult your own investment, tax, or legal advisors for qualified professional advice in these areas.

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URS Savings Plans Dept.
801-366-7720 | 800-688-4015

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SUMMARY OF DEFERRED COMPENSATION PLANS

The City of Orem does not participate in Social Security and employees may be subject to the "Windfall Act." As part of the Social Security Replacement Program, employees may choose to participate in Orem City's optional matching Deferred Compensation (457) Plan. Employees may elect to contribute a percentage of their gross pay and the city will match the employee's contribution with an equal amount, as outlined below:

PLAN	MASS MUTUAL	ICMA RC
Minimum Contribution	1% per pay period	
Maximum Contribution	25% of gross earnings, including city's match, up to \$8,500 per year.	
City's Match	5.50% if hired before 4/1/86 4.00% if hired after 3/31/86	
Withdrawal Penalty	None	
Transfer of Funds	No limit subject to specific plan and/or IRS guidelines	
Telephone Transfers	Yes	
Telephone Account Information	Yes	
Internet Access to Account Information	Yes	
Quarterly Statements	Yes	
Newsletter	No	Yes
24-Hour Rate Line	Yes	

Employees who choose to enroll in a Deferred Compensation Plan must decide which plan to enroll in and how to invest the contributions.

MEDICARE COVERAGE:

Employees hired after March 31, 1986 will be covered by Medicare. Contribution rates are as follows:

CITY PARTICIPATION	EMPLOYEE PARTICIPATION
1.45% of earnings	1.45% of earnings



Windfall Elimination Provision

Your Social Security retirement or disability benefits can be reduced

The Windfall Elimination Provision can affect how we calculate your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any retirement or disability pension you get from that work can reduce your Social Security benefits.

When your benefits can be affected

This provision can affect you when you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes **and** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if:

- You reached 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amounts if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2017, the first \$885 of average monthly earnings is multiplied by 90 percent; earnings between \$885 and \$5,336 by 32 percent; and the balance by 15 percent. The sum of the three amounts equals the PIA which is then decreased or increased depending

on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, workers age 62 in 2017, with average earnings of \$3,000 per month could receive a benefit at FRA of \$1,473 (49 percent) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of \$8,000 per month, the benefit starting at FRA could be \$2,620 (32 percent) plus COLAs. However, if either of these workers start benefits earlier, we'll reduce their monthly benefit.

Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For people who reach 62 or become disabled in 1990 or later, we reduce the 90 percent factor to as little as 40 percent.

Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983;
- You were employed on December 31, 1983, by a nonprofit organization that didn't withhold Social Security taxes from your pay at first, but then began withholding Social Security taxes;
- Your only pension is for railroad employment;
- The only work you performed for which you didn't pay Social Security taxes was before 1957; or
- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce widows or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

Social Security years of substantial earnings

If you have 30 or more years of substantial earnings, we don't reduce the standard 90 percent factor in our formula. See the first table that lists substantial earnings for each year.

The second table shows the percentage used to reduce the 90 percent factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90 percent factor to between 45 and 85 percent. To see the maximum amount we could reduce your benefit, visit www.socialsecurity.gov/retire2/wep-chart.htm.

A guarantee

The law protects you if you get a low pension. We won't reduce your Social Security benefit more than half of your pension for earnings after 1956 on which you didn't pay Social Security taxes.

Contacting Social Security

The most convenient way to contact us anytime, anywhere is to visit www.socialsecurity.gov. There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement 1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.

Year	Substantial earnings
1937–1954	\$900
1955–1958	\$1,050
1959–1965	\$1,200
1966–1967	\$1,650
1968–1971	\$1,950
1972	\$2,250
1973	\$2,700
1974	\$3,300
1975	\$3,525
1976	\$3,825
1977	\$4,125
1978	\$4,425
1979	\$4,725
1980	\$5,100
1981	\$5,550
1982	\$6,075
1983	\$6,675
1984	\$7,050
1985	\$7,425
1986	\$7,875
1987	\$8,175
1988	\$8,400
1989	\$8,925
1990	\$9,525

Year	Substantial earnings
1991	\$9,900
1992	\$10,350
1993	\$10,725
1994	\$11,250
1995	\$11,325
1996	\$11,625
1997	\$12,150
1998	\$12,675
1999	\$13,425
2000	\$14,175
2001	\$14,925
2002	\$15,750
2003	\$16,125
2004	\$16,275
2005	\$16,725
2006	\$17,475
2007	\$18,150
2008	\$18,975
2009–2011	\$19,800
2012	\$20,475
2013	\$21,075
2014	\$21,750
2015–2016	\$22,050
2017	\$23,625

Years of substantial earnings	Percentage
30 or more	90 percent
29	85 percent
28	80 percent
27	75 percent
26	70 percent
25	65 percent
24	60 percent
23	55 percent
22	50 percent
21	45 percent
20 or less	40 percent



Securing today
and tomorrow

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RETIREMENT HEALTH SAVINGS PLAN

The Retirement Health Savings Plan (RHSP) is offered by the city through ICMA-Retirement Corporation as a tax-free benefit for eligible employees.

The plan will allow you to accumulate funds to pay for medical expenses after you leave employment with the city for any reason.

PLAN FEATURES

- Fully vested at the time of enrollment.
- Orem City will make annual contributions to your RHSP after three years of employment.
- ICMA-RC's Vantagepoint Mutual Funds offer a full range of investment choices providing tax-free investment growth.
- Medical expense reimbursements from your RHSP are tax-free when used by you or your dependents for qualified medical expenses.
- Medical benefit claims processing and payment will be handled by a third-party claims administrator.