

ADAMS COUNTY RETIREMENT PLAN



Building Your Retirement Security

ADAMS COUNTY BOARD OF RETIREMENT

January 2014

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Dear Retirement Plan Member:

Right now is the best time to plan for an enjoyable retirement. A key element in your consideration should be the Adams County Retirement Plan (Retirement Plan). Through the Retirement Plan, you and your Employer (Adams County, the Rangeview Library District or the Adams County Board of Retirement (Retirement Board)) set aside money while you are working to provide a lifetime income for you during retirement. Together with Social Security and personal savings, the Retirement Plan can help provide a steady, comfortable income for your retirement years.

The information that follows will give you an overview of the Retirement Plan. It will tell you what retirement benefits you can expect to receive when you retire, how these benefits are calculated, and other information about your Retirement Plan membership. If you have questions about the Retirement Plan after reading this booklet, contact the Retirement Office, at the address and phone number above, for more information.

This booklet describes the Retirement Plan in everyday language and tries to avoid the technical language of the Retirement Plan's legal document. If, in our efforts to make the Retirement Plan easy to understand, we have omitted or misstated any of the Retirement Plan's provisions, the Retirement Plan's official legal document must remain the final authority. If you wish, you may examine the legal document in the Retirement Office.

The Retirement Plan described in this booklet is effective January 1, 2014 as amended, unless otherwise noted, and generally relates to members who were hired prior to January 1, 2010.

Adams County Board of Retirement

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If you were hired in Covered Employment before January 1, 2005, or if you meet the 2005 Reemployment Rule described on page 13, you can retire as soon as (1) your age plus your Service (including any purchased service credit) equals 70 or more, or (2) you reach age 55 if you have at least five years of Credited Service (including any purchased service credit). If you were hired in Covered Employment on or after January 1, 2005 and prior to January 1, 2010, or if you meet the 2010 Reemployment Rule described on page 13, you can retire as soon as (1) your age plus your Service (including any purchased service credit) equals 70 or more and your age is at least 50, or (2) you reach age 55 if you have at least 10 years of Credited Service (including any purchased service credit). You can also retire at age 65, or you may retire later. You cannot receive your retirement benefit while you are employed in Covered Employment with an Employer.

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Unless a shorter time frame applies, lawsuits or administrative actions must be brought within two years of the start of benefit payment or refund of contribution accumulation or by January 1, 2016 if related to the January 1, 2014 benefit reductions.

EMPLOYERS AND PLAN ADMINISTRATION

Adams County, the Rangeview Library District and the Retirement Board are the employers in the Retirement Plan. The Retirement Plan is managed by a five-member Retirement Board. Other important administrative information is also covered here.

EMPLOYERS

Adams County (County), the Rangeview Library District (Library District) and the Retirement Board, which is treated as an Employer, are currently the employers (Employers) in the Retirement Plan. Eligible employees of the Library District participate in the Retirement Plan on the same terms as eligible County employees so long as the Library District remains a participating employer.

CONTROL AND ADMINISTRATION

As required by Colorado state law, the Retirement Plan is administered by a five-member Retirement Board, including:

- ▲ The incumbent County Treasurer;
- ▲ Two non-elected employees of the County and/or the Library District, elected by their fellow employees; and
- ▲ Two registered electors of the County, appointed by the County Commissioners.

Duties of the Retirement Board include management of the Retirement Plan, interpreting the Retirement Plan's provisions, and adopting any changes to the Retirement Plan.

The administrative costs and investment expenses related to the Retirement Plan are paid from the retirement fund.

PLAN PERMANENCE

The Retirement Board intends to continue the Retirement Plan indefinitely, but reserves the right to change the Retirement Plan or discontinue it. Any changes to the Retirement Plan must be for the exclusive benefit of the eligible employees of the Employers and their beneficiaries.

If the Retirement Plan ends, you will stop earning benefits, contributions to the retirement fund will stop, and the investments in the retirement fund will be converted to cash. Benefits may be paid in cash or nontransferable annuity contracts. First, members or their beneficiaries will receive the total of their Contribution Accumulation (plus the accumulated value of the amount paid for purchased service credit, if any). Then, any remaining funds will be allocated in accordance with the Retirement Plan document. No funds may be returned to the Employers unless all liabilities to members or their beneficiaries have been satisfied. The Retirement Board will determine when benefits are to be paid.

PLAN YEAR

January 1 - December 31

ASSIGNMENT OF BENEFITS

The Retirement Plan is intended to pay benefits to you and/or your beneficiaries only. Your benefits cannot be used as collateral for loans or be assigned in any other way, except as permitted under Colorado law for child support or for payments made in compliance with a court order due to a legal separation, divorce, or dissolution of a civil union (see "Domestic Relations Orders" on page 46), for restitution for certain crimes, or in the event of a judgment for violations of certain fiduciary duties.

PLAN HIGHLIGHTS

The benefits from the Retirement Plan, along with your Social Security benefits and personal savings, can help provide a comfortable income for you during retirement.

PLANNING FOR RETIREMENT

Planning for your retirement is important. Part of that planning includes having the financial resources to make your retirement years comfortable and secure. The Retirement Plan can help assure a predictable income for your retirement years. The Retirement Plan is flexible enough to meet many of your individual needs, which allows the added security you need to make your retirement financially secure.

With the Retirement Plan, you choose from a number of options to put together the retirement package that is right for you.

WHEN YOU RETIRE

First, you decide when you want to retire:

- ▲ *Normal retirement* begins at age 65 with a full benefit, regardless of your Credited Service;
- ▲ *Special early retirement* provides an unreduced benefit if you terminate employment after the sum of your age and your Service (including any purchased service credit) equals 70 or more (Rule of 70); however, if you were hired in Covered Employment on or after January 1, 2005 and before January 1, 2010, or if you meet the 2010 Reemployment Rule described on page 13, you must *also* reach age 50 before you terminate employment in order to be eligible for special early retirement;
- ▲ *Regular early retirement* can begin as follows:
 - (1) If you were hired in Covered Employment before January 1, 2005, or if you meet the 2005 Reemployment Rule described on page 12, regular early retirement can begin as soon as you reach age 55 and you have completed at least five years of Credited Service; or
 - (2) If you were hired in Covered Employment on or after January 1, 2005 and before January 1, 2010, or if you meet the 2010 Reemployment Rule described on page 13, regular early retirement can begin as soon as you reach age 55 and you have completed at least 10 years of Credited Service; or
- ▲ *Delayed retirement*, working past your normal retirement age, is another option you might prefer.

Your retirement benefit cannot begin until you terminate your employment. You will not receive your retirement benefit if you are employed in Covered Employment with an Employer. See pages 12 and 13 for the definitions of Covered Employment, Credited Service and Service.

YOUR RETIREMENT BENEFIT

Second, you and your spouse (if applicable) choose how you want to receive your benefit:

- ▲ You may receive payments for your lifetime, with the added assurance that at least 120 monthly payments (10 years) will be made. This means that if you die before receiving 120 payments, your beneficiary will receive the remainder of the 120 payments. This form of payment is called the “10-Year Certain and Life Annuity” or “Basic Form of Pension” in the Retirement Plan;
- ▲ You may receive adjusted payments for your lifetime with continued payments to your beneficiary for his or her lifetime equal to 100% or 50% of the adjusted amount. These forms of payment are called “Joint and 100% Survivor Annuity” and “Joint and 50% Survivor Annuity,” respectively;

- ▲ You may receive a benefit similar to the Joint and 100% Survivor Annuity or Joint and 50% Survivor Annuity. This benefit, however, is reduced because if your beneficiary dies before you, the amount of your benefit will “pop up” to the amount of the Basic Form of Pension. These forms of payment are called “Joint and 100% Survivor Annuity with Pop Up” and “Joint and 50% Survivor Annuity with Pop Up,” respectively;
- ▲ You may receive adjusted payments payable throughout the joint lifetime of you and your beneficiary with the provision that after your death, or the death of your beneficiary, 66-2/3% of the adjusted amount will continue to the survivor for the remainder of the survivor’s lifetime. This form of payment is called the “Joint and 66-2/3% Last Survivor Annuity”; or
- ▲ You may receive increased payments for your lifetime only, with no continued payments after your death. This form of payment is called the “Single Life Annuity.”

IF YOU BECOME DISABLED, LEAVE EMPLOYMENT OR DIE

Third, you do not have to worry about losing your benefit if you become disabled, leave employment before you are eligible for retirement or die. The Retirement Plan has provisions to protect your benefits:

- ▲ If you leave employment before becoming eligible for retirement or disability, and before you have completed five years of Continuous Service, you will be entitled to receive a refund of your Contribution Accumulation. Your refund will not be paid while you are employed by an Employer;
- ▲ If you leave employment before becoming eligible for retirement or disability, and you have completed at least five years of Continuous Service, you will be entitled to receive **either**:
 - (1) a deferred vested benefit when you reach retirement age, **or**
 - (2) a refund of at least 100% of your Contribution Accumulation (plus the accumulated value of the amount you paid for purchased service credit, if any).

You cannot receive your deferred vested benefit while you are in Covered Employment with an Employer. If you elect to receive a refund of your Contribution Accumulation, instead of a deferred vested benefit, your refund will not be paid while you are employed by an Employer. If you elect to receive a refund of your Contribution Accumulation, you may also be eligible to receive a portion of the contributions made by your Employer on your behalf. The portion you may be eligible to receive depends on your date of hire in Covered Employment and your number of completed years of Continuous Service. See “If You Leave – Vested Member Options,” beginning on page 14, for more information;

- ▲ You may receive Credited Service while you are disabled. If you become disabled, please contact your Employer’s Human Resources Department for assistance; and
- ▲ If you are married and do not designate someone other than your spouse as your beneficiary, your spouse may receive either a lump-sum payment or a monthly benefit if you die while working for an Employer. If you are single, or you are married and designate someone other than your spouse as beneficiary, your beneficiary will receive two times your Contribution Accumulation, plus the accumulated value of the amount you paid for purchased service credit, if any, if you die while working for an Employer.

See pages 11 and 12 for the definitions of Continuous Service, Contribution Accumulation, and Credited Service.

LAWFUL PRESENCE IN THE UNITED STATES

At enrollment or when you elect your benefit (if not done at enrollment), you must sign a Lawful Presence Affidavit, and provide appropriate documentation to verify your lawful presence in the United States.

DIRECT PAYMENT OF QUALIFIED HEALTH INSURANCE PREMIUMS

If you are an “eligible retired public safety officer,” you may elect to have your “qualified health insurance premiums” paid directly to the provider after being deducted from your monthly disability benefit or monthly retirement benefit. You may exclude up to \$3,000 of these premiums from your gross income each year. You should consult with a competent tax professional regarding the tax consequences of this election.

You may not exclude from your gross income any health insurance premiums paid by you and reimbursed with distributions from the Retirement Plan. Distributed amounts that qualify for exclusion from your gross income under this provision may not be taken into account in computing the itemized medical expense deduction.

A *public safety officer* is an individual serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, firefighter, chaplain, or as a member of a rescue squad or ambulance crew.

An *eligible retired public safety officer* is an individual who, by reason of disability or attainment of normal retirement age (65), is separated from service as a public safety officer with his or her Employer. If you are a public safety officer and you retire before your normal retirement age, you are not an “eligible retired public safety officer,” unless you retire due to disability.

Qualified health insurance premiums are for coverage for the eligible retired public safety officer, his or her spouse, and/or dependents by an accident or health plan (which may be a self-insured plan) or a qualified long-term care insurance contract. The health plan does not have to be sponsored by the eligible retired public safety officer’s former Employer.

In order to have qualified health insurance premiums deducted from your monthly benefit and paid directly to the provider:

- you must make a written election on a form provided by the Executive Director;
- the election must be made after you separate from service as a public safety officer with the County; and
- the election can apply only to amounts not yet distributed to you from the Retirement Plan.

PARTICIPATION AND CONTRIBUTIONS

Retirement Plan membership is automatic while you are in Covered Employment. You contribute a percentage of your pay with before-tax dollars, and your Employer contributes the same percentage to provide your retirement benefit.

PARTICIPATION

Membership in the Retirement Plan is a condition of "Covered Employment." In other words, employees who are in Covered Employment are required to participate in the Retirement Plan. You automatically participate in the Retirement Plan on the first day of your Covered Employment. (Note, however, that (1) if you were hired before January 1, 1970, you had a choice of joining the Retirement Plan on January 1, 1970, or on the first day of any later month, and (2) if you are a Head Start employee hired before September 1, 1990, you became a member of the Retirement Plan on September 1, 1990, if you were in Covered Employment at that time.)

You are in Covered Employment when you are (1) an elected or appointed County official or deputy, or staff of such person, (2) an employee of an Employer who is in a regular position regularly scheduled to work or budgeted for at least 30 hours each week, or (3) an employee of the Retirement Board who meets these requirements. Any employee of the Retirement Board who meets these requirements is considered an employee of the County for purposes of the Plan.

You are not eligible to participate in the Retirement Plan if you are (1) an employee in a position regularly scheduled to work or budgeted for less than 30 hours each week, (2) a leased employee, (3) an independent contractor, or (4) in a position that does not meet the criteria in the above paragraph, such as a position designated as temporary, seasonal, provisional, regular part-time scheduled to work less than 30 hours per week, project designated full-time, project designated part-time, or an election judge.

CONTRIBUTIONS

You and your Employer share the cost of the benefit you will receive when you retire.

You contribute a specified percentage (as shown below) of your monthly compensation to the retirement fund through before-tax payroll deductions. "Before-tax" means your contribution is deducted from your pay before federal and state withholding taxes are calculated. Social Security taxes and Medicare taxes are still paid on your before-tax contributions to the Retirement Plan (see the example on the following page).

The amount deducted from each of the paychecks you receive will be 8.75% of your monthly compensation in 2014 and 9.00% of your monthly compensation in 2015 and thereafter. Your Employer contributes the same amount you contribute. The rate of contributions is subject to change in the future. You will be notified of any such changes.

CONTRIBUTIONS EXAMPLE

The following example for a member earning \$60,000 a year shows the advantages of contributing to the retirement fund on a before-tax basis. The example uses 2014 Retirement Plan contribution rates and 2013 tax rates, and assumes you are married filing jointly, claim yourself, your spouse, and one child as exemptions, use the standard deduction, and have no other income. This example assumes a child tax credit of \$1,000.

	Sample After-Tax Contributions	Retirement Plan Before-Tax Contributions
Annual Salary	\$60,000	\$60,000
Before-Tax Contribution	<u>0</u>	<u>5,250</u>
Taxable Salary	\$60,000	\$54,750
Federal & Colorado Income Taxes	5,197	4,167
FICA (Social Security and Medicare)	4,590	4,590
After-Tax Contribution	<u>5,250</u>	<u>0</u>
Remaining Income	\$44,963	\$45,993
Tax Savings	\$0	\$1,030

By contributing on a before-tax basis, the sample member above would save approximately \$1,030 per year in taxes. Contributing on a before-tax basis increases your remaining income from what it would have been if your contributions were made on an after-tax basis.

When you receive Retirement Plan benefit payments, you will pay taxes on the money not previously taxed (any contributions you made to the retirement fund before January 1, 1984 were previously taxed), but at a more favorable rate, assuming you are in a lower tax bracket while retired.

You, or your beneficiary, are always assured of receiving the full amount of your Contribution Accumulation (plus the accumulated value of the amount you paid for purchased service credit, if any).

EARNINGS ON YOUR CONTRIBUTIONS

All contributions are deposited in a trust fund and invested. A separate accounting is kept for your contributions, which are credited with interest each month at a rate determined by the Retirement Board. This rate applies to your contributions only, not to the rate earned by the general trust fund. The current annual rate of interest on your contributions is 3%. See the definition of Contribution Accumulation on page 12 for more information.

FACTORS AFFECTING YOUR BENEFIT

Average Monthly Compensation, Break in Service, Career Compensation, Career Monthly Compensation, Compensation, Contribution Accumulation, and Credited Service will affect the amount of your benefit. By understanding these terms, you will know how the Retirement Plan can work for you.

DEFINITIONS

▲ **Average Monthly Compensation** is used to calculate your retirement benefit. Generally, your Average Monthly Compensation is determined by averaging your pay during the 36 highest-paid consecutive calendar months (if you were hired in Covered Employment before January 1, 2005) or during the 60 highest-paid consecutive calendar months (if you were hired in Covered Employment on or after January 1, 2005 and prior to January 1, 2010) within your last 120 months (10 years) of employment with the County and/or the Library District.

If you meet the 2005 Reemployment Rule described on page 13, your Average Monthly Compensation will be determined using your 36 highest-paid consecutive calendar months within your last 120 months (10 years) of employment with the County and/or the Library District.

If you meet the 2010 Reemployment Rule described on page 13, your Average Monthly Compensation will be determined using your 60 highest-paid consecutive calendar months within your last 120 months (10 years) of employment with the County and/or the Library District.

▲ **A Break in Service** occurs if you stop working for your Employer. Some situations **do not** count as a Break in Service, such as:

- a temporary layoff (including a layoff of a Head Start employee because there is no work), with a return to service within one year;
- a formal leave of absence, with a return to service within one year after the leave of absence ends;
- a qualified military leave of absence for service in the uniformed services, including appropriate periods of absence immediately before and after actual service in the uniformed services, with a timely application to and return to service with an Employer, in compliance with federal law;
- not being re-elected as a County official (whether or not due to term limitations), with election to any office of an Employer or employment by an Employer within eight years;
- not being reappointed as an appointed official or deputy, with appointment to any office of an Employer or employment by an Employer within eight years;
- the first 12 months of any employee's absence because of pregnancy, birth or adoption of a child, or caring for the child immediately following birth or adoption;
- a leave of absence taken under the Family and Medical Leave Act of 1993; and
- the period of time during which a member continues to be employed by an Employer, but not in Covered Employment.

Even though these situations do not count as a Break in Service, you **will not** receive Credited Service for time away from active service with your Employer for the above situations, except as required under federal law or as provided in the Retirement Plan. See "Qualified Military Service under USERRA" on page 39 for more information.

If you do not return to service within the time specified by a leave of absence, or within the time required by federal law, the leave of absence will count as a break in service, and you will not earn Continuous Service or Service during your leave of absence, except as required under federal law.

See “Reemployment of Former Members” on pages 17-19 for more information.

- ▲ **Career Compensation** is used in a formula to calculate your retirement benefit. Generally, your Career Compensation is the total Compensation paid to you on or after January 1, 2014 for Service in Covered Employment with an Employer on or after January 1, 2014.
- ▲ **Career Monthly Compensation** may also be used in a formula to calculate your retirement benefit. Generally, your Career Monthly Compensation is determined by dividing the total Compensation paid to you on or after January 1, 2014 for Service in Covered Employment with an Employer on or after January 1, 2014 by the number of months, including fractional months, of your Service in Covered Employment on or after January 1, 2014 for which Compensation was received.
- ▲ **Compensation** is your normal regular salary or hourly wage rate (up to federal limits), including any military supplemental pay (if included on your Form W-2), your contributions to the retirement fund, and your contributions to any salary reduction plan, deferred compensation plan, or qualified transportation plan, such as a plan to pay for parking on a pre-tax basis (the Employers do not currently have such plans). Compensation does not include bonuses, severance pay, overtime pay, extra pay, pay for the period beginning at 12:00 a.m. on September 24, 2008 and ending at 11:59 p.m. September 30, 2008, workers’ compensation, payment in lieu of accrued vacation and sick leave, or Employer contributions to the retirement fund or other benefit plans.

Compensation also includes: differential wage payments (beginning January 1, 2009); Compensation paid within 2½ months of your severance from employment or the end of the year, if later, which, absent a severance from employment, would have been paid to you; and back pay which represents wages and compensation that otherwise would have been included for the time period to which the back pay relates.

- ▲ **Component A Benefit** is the retirement benefit attributed to the Credited Service earned prior to January 1, 2014 and Average Monthly Compensation.
- ▲ **Component B Benefit** is the retirement benefit attributed to Career Compensation earned on or after January 1, 2014 or, in some circumstances, the Credited Service earned on or after January 1, 2014 and Career Monthly Compensation.
- ▲ **Continuous Service** is the period of time that is used to determine whether or not you are vested if your employment ends before you are eligible for retirement or disability. In addition, if you receive a refund of your Contribution Accumulation, the amount of your refund will be based on your years of Continuous Service.

You earn Continuous Service while you are (1) serving as an elected or appointed County official or deputy, or staff of such person, (2) employed by an Employer in a regular position regularly scheduled to work or budgeted to work at least 30 hours each week, or (3) employed by the Retirement Board, provided you meet these requirements.

You **will not** earn Continuous Service during any Break(s) in Service. See “Reemployment of Former Members” on pages 17-19 for more information.

The Continuous Service used to determine whether or not you are vested if your employment ends before you are eligible for retirement or disability **will** include the periods of absence listed on page 10 that do not count as Breaks in Service.

The Continuous Service used to figure any refund of Contribution Accumulation you may receive **will not** include the periods of absence listed on page 10 unless you are in Covered Employment. See “If You Leave – Lump-Sum Option,” beginning on page 14, for more information.

If you are reemployed after a qualified military leave of absence covered by the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended (USERRA), your Continuous Service while on qualified military leave will be determined according to the Retirement Plan provisions and USERRA provisions. See “Qualified Military Service under USERRA” on page 39 for more information.

Your Continuous Service will not be increased by any previous service credit you purchase. See “Purchasing Previous Service” on page 34 for more information.

- ▲ **Contribution Accumulation** means the total of your Pre-2014 Contribution Accumulation and Post-2013 Contribution Accumulation. The Pre-2014 Contribution Accumulation means the total of your contributions (made by payroll deductions) to the retirement fund prior to January 1, 2014, plus interest. The Post-2013 Contribution Accumulation means the total of your contributions (made by payroll deductions) to the retirement fund on or after January 1, 2014, plus interest. The Contribution Accumulation does not include any amounts paid to purchase previous service credit. Various rates of interest have been credited on member contributions to the retirement fund over the years. The current annual interest rate is 3%. The Retirement Board reviews this rate periodically and makes adjustments as necessary.
- ▲ **County** refers to Adams County.
- ▲ **Covered Employment** means the class or classes of employees eligible to participate in the Retirement Plan and includes (1) any elected or appointed County official or deputy, or staff of such person, (2) any person employed by an Employer in a regular position regularly scheduled to work or budgeted for at least 30 hours each week, and (3) an employee of the Retirement Board who meets these requirements. Classes of employees that do not meet the above criteria, such as employees in positions designated as temporary, seasonal, provisional, regular part-time scheduled to work less than thirty (30) hours per week, project designated full-time, project designated part-time, and election judges, are not eligible to participate in the Retirement Plan.
- ▲ **Credited Service** is the period of time used in your retirement benefit calculation. In addition, if your employment ends before you are eligible for normal retirement or special early retirement, Credited Service may also be used to determine whether or not you can receive your benefit before age 65.

You earn Credited Service while you are (1) serving as an elected or appointed County official or deputy, or staff of such person, (2) employed by an Employer in a regular position regularly scheduled to work or budgeted to work at least 30 hours each week, or (3) employed by the Retirement Board, provided you meet these requirements. If you are not a Head Start employee, your Credited Service counts from the later of January 1, 1965, or your first day in Covered Employment. If you are a Head Start employee, your Credited Service counts from the later of September 1, 1990, or your first day in Covered Employment. You may also receive Credited Service while you are disabled. See “If You Become Disabled” on page 42 for more information.

If you were employed by the County on January 1, 1970, and you elected not to become a Retirement Plan member on the date you were first eligible, your Credited Service counts only from the date you became a Retirement Plan member.

You will not earn Credited Service during any Break(s) in Service. See “Reemployment of Former Members” on pages 17-19 for more information.

You will not earn Credited Service during the periods of absence listed on page 10, except as required under federal law or as provided in the Retirement Plan.

Credited Service under the Retirement Plan cannot be increased by overtime. Credited Service does not include any period of service when you are (1) covered by another retirement plan funded by an Employer, other than Social Security, (2) on an approved unpaid leave of absence for which no contribution is made to the retirement fund, or (3) employed by an Employer, but not in Covered Employment.

If you take a qualified military leave of absence covered by USERRA, you may receive Credited Service for the period of time you were on qualified military leave. See "Qualified Military Service under USERRA" on page 39 for more information.

Credited Service also includes all previous service credit you have purchased, if any. See "Purchasing Previous Service" on page 34 for more information.

- ▲ **Employer** means the County, the Library District and/or the Retirement Board.
- ▲ **Library District** refers to Rangeview Library District.
- ▲ **2005 Reemployment Rule** means you were hired in Covered Employment with an Employer before January 1, 2005, and were later hired or rehired in Covered Employment with an Employer on or after January 1, 2005 AND you either (1) left your Contribution Accumulation in the retirement fund when your employment first ended, or (2) repaid your Contribution Accumulation, with interest, within 60 days after your hire or rehire date. You may repay your Contribution Accumulation, with interest, only if you are hired or rehired in Covered Employment within two years after your termination date.
- ▲ **2010 Reemployment Rule** means you were hired in Covered Employment with an Employer on or after January 1, 2005 and before January 1, 2010, and were later hired or rehired in Covered Employment with an Employer on or after January 1, 2010 AND you either (1) left your Contribution Accumulation in the retirement fund when your employment first ended, or (2) repaid your Contribution Accumulation, with interest, within 60 days after your hire or rehire date. You may repay your Contribution Accumulation, with interest, only if you are hired or rehired in Covered Employment within two years after your termination date.
- ▲ **Retirement Board** refers to the Adams County Board of Retirement.
- ▲ **Service** is the period of time that is used to determine if you qualify for special early retirement.

You earn Service while you are (1) serving as an elected or appointed County official or deputy, or staff of such person, (2) employed by an Employer in a regular position regularly scheduled to work or budgeted to work at least 30 hours each week, or (3) employed by the Retirement Board, provided you meet these requirements. Service also includes all previous service credit you have purchased, if any. See "Purchasing Previous Service" on page 34 for more information.

You will not earn Service during any Break(s) in Service. See "If You Leave - Reemployment of Former Members" on pages 17-19 for more information.

You will continue to earn Service during the periods of absence listed on page 10 that do not count as Breaks in Service, except you will **not** earn Service for any period of time during which you continue to be employed by an Employer, but not in Covered Employment.

If you take a qualified military leave of absence covered by USERRA, your Service while on military leave will be determined according to the Retirement Plan provisions and USERRA provisions. See "Qualified Military Service under USERRA" on page 39 for more information.

- ▲ **USERRA** means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

IF YOU LEAVE

Leaving employment after five years of Continuous Service entitles you to a deferred vested benefit, payable at age 65 (or possibly earlier, but with a reduced benefit). Otherwise, you will receive your Contribution Accumulation, plus the accumulated value of the amount you paid for purchased service credit, if any.

NONVESTED MEMBER BENEFIT

If you have less than five years of Continuous Service when your employment ends, and you are not eligible for a retirement, death or disability benefit, you will receive a refund of your Contribution Accumulation. You will not be able to receive your refund while you are employed by an Employer.

If you elect to have the refund of your Contribution Accumulation sent directly to you, you will receive your payment within 90 to 120 days after your last day of work or the date you file your refund application with the Retirement Board or Office, whichever is later. If you choose a direct rollover of your Contribution Accumulation, payment will be made within 90 to 120 days from your last day of work or the date you file your refund application with the Retirement Board or Office, whichever is later. See "Forms of Benefit Payments - Direct Rollovers" on page 30.

There is a 90 to 120 day delay before you receive your Contribution Accumulation in order for the Retirement Board to determine that you incur a true termination of employment, meaning you are not employed in any capacity by an Employer for at least 90 days.

VESTED MEMBER OPTIONS

If you have at least five years of Continuous Service when your employment ends, and you are not eligible for a retirement, death or disability benefit, you have two options:

- ▲ You can receive at least 100% of your Contribution Accumulation (plus the accumulated value of the amount you paid for purchased service credit, if any) in one lump sum and give up your right to any other benefits under the Retirement Plan.

OR

- ▲ You can leave your Contribution Accumulation (plus the accumulated value of the amount you paid for purchased service credit, if any) on deposit in the retirement fund and become a "deferred vested member."

If you are an elected County official, you become 100% vested in your earned benefit, regardless of your years of Continuous Service, if you are not re-elected to the same County office, elected to another County office, or hired by an Employer within 30 days after your term of office expires.

Lump-Sum Option

If you choose the lump-sum option, you will receive a lump-sum refund at least equal to your Contribution Accumulation, which is the amount of your contributions to the retirement fund, plus interest.

Depending on your completed years of Continuous Service and your date of hire in Covered Employment, you may receive up to 200% (two times the amount) of your Pre-2014 Accumulation, as shown in the following table plus 100% of your Post-2013 Contribution Accumulation. (You will also receive the accumulated value of the amount you paid for purchased service credit, if any.) The years of Continuous Service used to determine your lump-sum refund **do not** include any period of employment that is not Covered Employment.

Important Note: Any previous service credit you purchase does not increase your years of Continuous Service. See “Purchasing Previous Service” on page 34 for more information.

If you (1) were hired in Covered Employment before January 1, 2005, or (2) meet the 2005 Reemployment Rule described on page 13, you will receive the percentage of your Pre-2014 Contribution Accumulation shown in the second column of the first table plus 100% of your Post-2013 Contribution or Accumulation. If you were (1) hired in Covered Employment on or after January 1, 2005 and prior to January 1, 2010, or (2) meet the 2010 Reemployment Rule described on page 13, you will receive the percentage of your Pre-2014 Contribution Accumulation shown in the third column of the first table plus 100% of your Post-2013 Contribution or Accumulation.

Completed Years of Continuous Service at Termination	Percentage of Pre-2014 Contribution Accumulation to be Refunded	
	Hired Before January 1, 2005 or Meet 2005 Reemployment Rule	Hired on or After January 1, 2005 and Before January 1, 2010 or Meet 2010 Reemployment Rule
Fewer than 5	100%	100%
5	110	100
6	125	110
7	140	120
8	155	130
9	170	140
10	185	150
11	200	160
12	200	170
13	200	180
14	200	190
15 or more	200	200

For example, suppose you were hired in Covered Employment on January 1, 2004, and after you have earned 11 years of Continuous Service your last date of employment is December 31, 2014. On your last day of employment, your Pre-2014 Contribution Accumulation totals \$28,100 and your Post-2013 Contribution Accumulation totals \$3,500, you will receive a lump-sum refund of 200% of \$28,100 plus 100% of \$3,500 for a total lump sum refund benefit of \$59,700.

Similarly, suppose you were hired in Covered Employment on January 1, 2006, and after you have earned 11 years of Continuous Service your last date of employment is December 31, 2016. On your last day of employment, your Pre-2014 Contribution Accumulation totals \$24,300 and your Post-2013 Contribution Accumulation totals \$13,100, you will receive a lump-sum refund of 160% of \$24,300 plus 100% of \$13,100 for a total lump sum refund benefit of \$51,980.

If you elect the lump-sum refund, you give up your right to any other benefits from the Retirement Plan.

If you are married and elect the lump-sum refund (giving up your rights to a deferred vested benefit), your spouse must agree in writing to your election (see “Spousal Consent” on page 29).

If you elect to have your lump-sum refund payment sent directly to you, you will receive your payment between 90 to 120 days after your last day of work or the date you file your refund application with the

Retirement Office, whichever is later. If you choose a direct rollover of your lump-sum refund, payment will be made between 90 to 120 days from your last day of work or the date you file your refund application with the Retirement Office, whichever is later. See "Forms of Benefit Payments - Direct Rollovers" on page 30.

You will not be able to receive your lump-sum refund while you are employed by an Employer.

There is a 90 to 120 day delay before you receive your lump-sum refund in order for the Retirement Board to determine that you incur a true termination of employment, meaning you are not employed in any capacity by an Employer for at least 90 days.

Deferred Vested Member Option

If you leave your Contribution Accumulation (plus the amount you paid for purchased service credit, if any) on deposit in the retirement fund, you will become a "deferred vested member." As a deferred vested member in the Retirement Plan, you have the right to receive a retirement benefit at age 65. The amount of your retirement benefit (a) for your Component A Benefit will be based on your Average Monthly Compensation and Credited Service earned prior to January 1, 2014 and (b) for your Component B Benefit will be based on your Career Compensation or Career Monthly Compensation earned on or after January 1, 2014. See "Normal Retirement Benefits" beginning on page 23.

If you (1) were hired in Covered Employment before January 1, 2005, or (2) meet the 2005 Reemployment Rule described on page 13, you may request to have your retirement benefit begin as early as age 55.

If you (1) were hired in Covered Employment on or after January 1, 2005 and prior to January 1, 2010, or (2) meet the 2010 Reemployment Rule described on page 13, and you have less than 10 years of Credited Service when your employment ends, your retirement benefit will begin at age 65. If you have 10 or more years of Credited Service, you may request to have your retirement benefit begin as early as age 55.

You may not, however, request your retirement benefit to begin if you are in Covered Employment with an Employer.

If your benefit begins before age 65, it will be reduced because payments are expected to be made over a longer period of time (see table on page 26 under "Early Retirement Benefits - Regular Early Retirement Benefit").

Important Note: *Some early distributions may be subject to a 10% penalty tax, as well as income tax withholding. If your distribution can be rolled over but instead, it is paid to you in cash, it is subject to 20% federal withholding tax on the taxable portion of your distribution (state tax withholding may also apply). The payment is taxed in the year in which you receive it, unless within 60 days, you roll it over into an "Eligible Retirement Plan." If you do not roll it over, special tax rules may apply. See "Forms of Benefit Payments - Direct Rollovers" on page 30.*

If you are employed by the County as a qualified public safety employee and you are at least 50 years of age by the end of the calendar year in which you separate from service, the taxable portion of your distributions will not be subject to the 10% penalty tax for early withdrawal.

A "qualified public safety employee" is an employee of the County whose principal duties include services requiring specialized training in the area of police protection, firefighting services, or emergency medical services for any area within the jurisdiction of the County.

REEMPLOYMENT OF FORMER MEMBERS

Return to Covered Employment Before a Two-Year Break in Service

If you leave your Contribution Accumulation in the retirement fund when your employment ends, and you are hired or rehired by an Employer before you have a two-year Break in Service, you will not lose the Credited Service, Continuous Service and Service you earned during your first employment period.

For example, assume your employment ends, you leave your Contribution Accumulation in the retirement fund, and you are rehired one year after your employment ended. Assume you had eight years of Credited Service during your first employment period. When you are rehired, you will still have eight years of Credited Service from your first employment period. If you receive five years of Credited Service during your second employment period, your monthly benefit will be recalculated using 13 years of Credited Service (8 years original + 5 years additional).

If you elect a refund of your Contribution Accumulation when your first employment period ends, and you are hired or rehired by an Employer before you have a two-year Break in Service, you will lose the Credited Service, Continuous Service and Service you had earned during your first employment period, unless you restore your prior Credited Service, Continuous Service and Service by repaying the retirement fund. You must repay the retirement fund the amount you received from the retirement fund when you left, plus interest from the date you received your refund to the date you repay the retirement fund. The repayment is due within 60 days after the date you are hired or rehired. Lump-sum repayment amounts may be repaid (1) in cash, (2) by a trustee-to-trustee transfer from a Section 403(b) annuity and/or an eligible Section 457(b) plan maintained by a governmental employer, or (3) by a combination of cash and/or a trustee-to-trustee transfer from one or more eligible plans.

If you repay the retirement fund in this situation, your Contribution Accumulation will be increased by the portion of your repayment that reflects 100% of your Contribution Accumulation at the time of your original distribution, plus interest that you repay on this portion. Amounts you repay for any previous service credit you purchased during your first employment period will be accounted for separately from your regular Contribution Accumulation account. Any additional amounts you repay are a repayment of your Employer's contributions and will not be allocated to you.

Return to Covered Employment After a Two-Year Break in Service

If you are hired or rehired by an Employer after you have had a two-year Break in Service, you will lose your prior Credited Service (except to the extent your prior Credited Service is used in the calculation of your deferred vested benefit if you did not take a refund of your Contribution Accumulation). If you did not take a refund of your Contribution Accumulation when your employment first ended, you will not lose your prior Continuous Service and Service. See pages 11 and 13 for the definitions of Continuous Service and Service.

If you had at least five years of Continuous Service when your employment first ended, but you were not eligible for retirement or disability, your benefit from the Retirement Plan will be determined as follows:

1. **If you are not eligible for retirement** when your employment ends again, you will be a deferred vested member and your monthly benefit will be equal to the sum of the monthly benefit you had earned in your first employment period and the monthly benefit you earn in your second employment period.

For example, assume:

- (a) your employment ends January 15, 2011 after you are vested but before you are eligible for retirement;
- (b) you leave your Contribution Accumulation in the retirement fund;
- (c) you are rehired on January 15, 2014, three years after your employment ended; and

(d) when your employment ends again, you are still not eligible for retirement.

Assume also that your benefit, based on your first employment period, was \$400 per month and that your benefit, based on your second employment period, is \$200 per month. When you reach age 65, you will be entitled to receive a monthly benefit of \$600 (\$400 + \$200). You may be able to elect a reduced benefit that begins earlier than age 65.

2. ***If you are eligible for retirement*** when your employment ends again, you will receive the benefit you had earned before your employment first ended as a deferred vested member and the benefit you earn after your date of rehire as a retiree. You may not be able to receive both benefits at the same age. Also, if you receive your benefits before you are age 65, your benefit as a deferred vested member may be reduced more than your benefit as a retiree.

For example, assume:

- (a) your employment ends on January 15, 2011 after you are vested but before you are eligible for retirement;
- (b) you leave your Contribution Accumulation in the retirement fund;
- (c) you are rehired on January 15, 2014 three years after your employment ended; and
- (d) when your employment ends again, you are age 50 with 20 years of Service, making you eligible for special early retirement. "Special early retirement" is described on page 20.

Assume also that your benefit, based on your first employment period, was \$400 per month and that your benefit, based on your second employment period, is \$800 per month. When you retire at age 50 you can start to receive your monthly benefit of \$800 right away. But, depending on your Credited Service, if applicable, earned during your first period of employment, you may not be able to start your benefit of \$400 per month until you are age 65 (or age 55 on a reduced basis).

In this case, you may need to file two benefit election forms with the Retirement Office. When you retire, you will file one benefit election form for the benefit you earned during your second employment period. You may need to file a second benefit election form for the benefit you earned during your first employment period when you are eligible to receive that benefit. See "When You Can Retire – When Payments Begin" on page 22 and "Forms of Benefit Payments - Obtaining Your Benefits" on page 33 for more information on receiving your payments and filing your benefit election forms.

If you leave your Contribution Accumulation in the retirement fund when your employment ends, and you are hired or rehired two or more years later, you will not be able to request a refund of your initial Contribution Accumulation if you become eligible for special early retirement (see "When You Can Retire - Special Early Retirement - Rule of 70" on page 20).

Reemployment of Retirees

If you retire and later you are hired or rehired in Covered Employment by an Employer, your monthly benefit payments will stop. Your last monthly benefit payment will be prorated to reflect the portion of the month that you were retired.

When you retire again, your monthly benefit will be recalculated using your additional Credited Service and Compensation, and will be reduced to reflect the previous retirement benefit payments that you received prior to your normal retirement date.

If you are hired or rehired in Covered Employment after you retire, the benefit election form you filed when you first retired will be void. You must file a new benefit election form when you again retire. See "When You Can Retire – When Payments Begin" on page 22 and "Forms of Benefit Payments - Obtaining Your Benefits" on page 33.

If you retire and incur a true termination of employment, and are hired or rehired by an Employer, but not in Covered Employment, your monthly benefit payments will continue without interruption while you are reemployed. Whether or not you have incurred a true termination of employment is based on the facts and circumstances, but generally you will be considered to have incurred a true termination of employment if you are not employed by an Employer in any capacity (including as an independent contractor) for at least 90 days.

WHEN YOU CAN RETIRE

If you were hired in Covered Employment before January 1, 2005, or if you meet the 2005 Reemployment Rule described on page 13, you can retire as soon as (1) your age plus your Service (including any purchased service credit) equals 70 or more, or (2) you reach age 55 if you have at least five years of Credited Service (including any purchased service credit). If you were hired in Covered Employment on or after January 1, 2005 and prior to January 1, 2010, or if you meet the 2010 Reemployment Rule described on page 13, you can retire as soon as (1) your age plus your Service (including any purchased service credit) equals 70 or more and your age is at least 50, or (2) you reach age 55 if you have at least 10 years of Credited Service (including any purchased service credit). You can also retire at age 65, or you may retire later. You cannot receive your retirement benefit while you are employed in Covered Employment with an Employer.

This section summarizes normal retirement, special early retirement, regular early retirement and delayed retirement. The following sections of this booklet provide details about these retirement options.

NORMAL RETIREMENT

Your normal retirement date is the first day of the calendar month on or after your 65th birthday.

SPECIAL EARLY RETIREMENT - RULE OF 70

If you:

- (1) were hired in Covered Employment before January 1, 2005, or
- (2) meet the 2005 Reemployment Rule described on page 13,

you can retire and begin receiving full benefit payments when your age plus your Service (including any purchased service credit) at the time your employment ends equals 70 or more. You cannot, however, receive your benefit if you are in Covered Employment with an Employer.

If you:

- (1) were hired in Covered Employment on or after January 1, 2005 and prior to January 1, 2010, or
- (2) meet the 2010 Reemployment Rule described on page 13,

you can retire and begin receiving full benefit payments when your age plus your Service (including any purchased service credit) at the time your employment ends equals 70 or more and your age is at least 50 at the time your employment ends. You cannot, however, receive your benefit if you are in Covered Employment with an Employer.

For example, assume you are age 48 and have 22 years of Service with your Employer. If you were hired in Covered Employment before January 1, 2005, you would meet the requirements for special early retirement because your age plus your Service equals 70 ($48 + 22 = 70$). If you were hired in Covered Employment on or after January 1, 2005 and before January 1, 2010, you would **not** meet the requirements for special early retirement because you had not reached age 50. In this case, you would have to work until age 50 to meet the requirements for special early retirement. When you reach age 50, you will have 24 years of service and you will meet the requirements for special early retirement because your age plus your Service equals 70 or more ($50 + 24 = 74$) and your age is at least 50 at the time your employment ends.

Usually, if you retire and begin receiving payments before age 65, the amount of your benefit is reduced because payments are expected to be made over a longer period of time. However, under special early retirement, you can receive your total earned benefit without reduction for early payment.

If you retire before age 65, your earned benefit will be less than it would have been if you had continued to work, because you will have fewer years of service and less Compensation. Under special early retirement, however, your earned benefit will not be reduced to reflect payment before age 65 even though you will likely receive this benefit for a longer period of time.

See "Early Retirement Benefits," beginning on page 25, for more information.

REGULAR EARLY RETIREMENT

If you:

- (1) were hired in Covered Employment before January 1, 2005, or
- (2) meet the 2005 Reemployment Rule described on page 13,

you can retire any time after you reach age 55 and have at least five years of Credited Service (including your purchased service credit, if any).

If you:

- (1) were hired in Covered Employment on or after January 1, 2005 and before January 1, 2010, or
- (2) you meet the 2010 Reemployment Rule described on page 13,

you can retire any time after you reach age 55 and have at least 10 years of Credited Service (including your purchased service credit, if any).

You may begin receiving benefit payments when you retire, or you can wait and begin receiving payments at any time between the time you retire and age 65. You cannot, however, receive your benefit if you are in Covered Employment with an Employer.

If you decide to begin receiving your benefit payments before age 65, your monthly payments will be reduced because they will likely be paid over a longer period of time. (Special early retirement, described above, is an exception to this reduction rule.)

If you retire before age 65, your earned benefit will be less than it would have been if you had continued to work, because you will have fewer years of service. See "Early Retirement Benefits - Regular Early Retirement Benefit," beginning on page 25, for more information about how regular early retirement will affect the amount of your benefit payments.

DELAYED RETIREMENT

You may delay your retirement by continuing to work past age 65. If you delay your retirement, you must file a written designation of a beneficiary for survivor benefits that will be payable if you were to die while still employed. Retirement benefit payments will begin once you actually retire. All benefit payments will be made in accordance with federal regulations governing minimum distribution requirements.

MAXIMUM BENEFITS

In accordance with federal regulations, the Retirement Plan has provisions detailing the maximum benefit you can receive. Your retirement benefit for 2014 cannot exceed \$210,000 annually, or \$17,500 monthly. The maximum annual benefit may be increased in future years (in \$5,000 increments) in accordance with a cost of living index if the cumulative change in the index is at least \$5,000.

Your benefit may be limited if you retire at a young age. For example, if you were hired on or after January 1, 2005 and prior to January 1, 2010, you can retire with an unreduced benefit as early as age 50 with 20 or more years of service under special early retirement (Rule of 70). In accordance with federal regulations, the maximum benefit payable in 2013, to a member age 50, is approximately \$95,027 annually or approximately \$7,919 monthly.

WHEN PAYMENTS BEGIN

If you are eligible for retirement, you must file a notice of intent to retire form with the Retirement Office at least 45 days before the date you would like payment of your benefit to begin. You must also make a benefit election, in writing, and file the benefit election form with the Retirement Office within 30 days before the date you would like payment of your benefit to begin. The date you choose for your benefit to begin is called your "pension commencement date" and must be the first day of a calendar month. You will not receive your first actual payment until the first day of the calendar month after your pension commencement date. Your first payment will include the first and second months' benefit payments. Except as discussed below, no benefit payments will be made prior to the date you file a benefit election form with the Retirement Office.

For example, assume you are eligible for retirement, and you file a benefit election form on February 15 requesting your benefit to begin on March 1. Your first retirement benefit payment will be made on April 1 and will include both your payment for March and your payment for April. Each payment after your first retirement benefit payment will be for only one month.

In some situations, you may need to file more than one benefit election form with the Retirement Office. See "If You Leave - Return to Covered Employment after a Two-Year Break in Service," beginning on page 17, for an example of when you may need to file two benefit election forms.

If you terminate employment and do not file your benefit election form with the Retirement Office prior to your 65th birthday or the date you terminate employment if you work past age 65, you may not receive more than six retroactive monthly benefit payments.

Even if you do not file a benefit election form, you will receive your benefit beginning April 1 of the calendar year following the year in which you reach age 70-1/2 or retire, whichever is later.

NORMAL RETIREMENT BENEFITS

The amount of your monthly benefit payment depends on your Credited Service, Average Monthly Compensation, Career Compensation and Career Monthly Compensation at retirement. These factors are used in a formula to calculate your benefit.

NORMAL OR DELAYED RETIREMENT

The Retirement Plan uses a formula to calculate your monthly benefit at normal retirement (age 65) and at delayed retirement (after age 65). Effective January 1, 2014, your monthly benefit is comprised of two parts: the Component A Benefit and the Component B Benefit. The formula for your Component A Benefit uses your years of Credited Service and your Average Monthly Compensation during the later years of your career (when your pay should normally be highest). The calculation of your Average Monthly Compensation depends on your date of hire. See "Factors Affecting Your Benefit – Definitions" beginning on page 10 for the definitions of Average Monthly Compensation and Credited Service. The formula for your Component B Benefit uses your Career Compensation earned on or after January 1, 2014 and, in some cases, your Career Monthly Compensation and Credited Service earned on or after January 1, 2014.

The formula for calculating your normal or delayed retirement benefit is the sum of your Component A Benefit and the sum of your Component B Benefit:

Monthly Benefit* = Component A Benefit + Component B Benefit

Component A Benefit = 2.5% x Average Monthly Compensation x Years of Credited Service

Component B Benefit = 1.75% x Career Compensation ÷ 12**

** The minimum monthly benefit amount you can receive is \$25 per month per year of Credited Service. For example, if you have 10 years of Credited Service, your minimum monthly benefit will be \$250.*

*** Your Component B Benefit will be the greater of this calculation and 1.75% of your Career Monthly Compensation multiplied by Credited Service attributable to the period beginning on or after January 1, 2014 if you (a) have a period of disability that begins or continues during the period beginning on or after January 1, 2014 for which you have received Credited Service, (b) have purchased service credit that is to be treated as Credited Service for a period beginning on or after January 1, 2014, or (c) had a leave of absence for Qualified Military Service that began or continued on or after January 1, 2014 and you have repaid any makeup contributions.*

Your normal retirement benefit, as calculated above, may not exceed 80% of your average monthly compensation during any consecutive 12-month period in which you receive your highest average monthly compensation.

EXAMPLES

Hired in Covered Employment Before January 1, 2005

Mike has worked for the County and has been a member of the Retirement Plan since July 1, 1988. He will be 65 on June 16, 2015, plans to work through June 30, 2015, and retire effective July 1, 2015. He estimates his monthly pay to be at its highest continuous level in his last three years (36 months) of employment, with an Average Monthly Compensation of \$4,500.

Mike's Credited Service from July 1, 1988, through December 31, 2013 is 25.5 years. Mike estimates that he will earn \$81,000 in Career Compensation between January 1, 2014 and his last day of work on June 30, 2015.

Mike's Monthly Retirement Benefit					=	
Component A Benefit	2.5% x	\$4,500 x Average Monthly Compensation	25.5 Credited Service through Dec. 31, 2013		=	\$2,868.75
		+				
Component B Benefit	1.75% x	\$81,000 ÷ Career Compensation	12		=	<u>\$118.13</u>
Mike's Monthly Retirement Benefit						<u>\$2,986.88</u>

Hired in Covered Employment On or After January 1, 2005 and Before January 1, 2010

Beth has worked for the Library District and has been a member of the Retirement Plan since January 1, 2005. She will be 65 on December 15, 2031, plans to work through December 31, 2032, and retire effective January 1, 2032. She estimates her monthly pay to be at its highest continuous level in her last five years (60 months) of employment, with an Average Monthly Compensation of \$4,000.

Beth's Credited Service from January 1, 2005, through December 31, 2013 is 9 years. Beth estimates that she will earn \$662,995 in Career Compensation between January 1, 2014 and her last day of work on December 31, 2032.

Beth's Monthly Retirement Benefit					=	
Component A Benefit	2.5% x	\$4,000 x Average Monthly Compensation	9 Credited Service through Dec. 31, 2013		=	\$ 900.00
		+				
Component B Benefit	1.75% x	\$662,995 ÷ Career Compensation	12		=	<u>\$966.87</u>
Beth's Monthly Retirement Benefit						<u>\$1,866.87</u>

The numbers provided for the calculations are based, in part, on complex calculations. If you have questions regarding your particular situation, please contact the Executive Director for more information.

EARLY RETIREMENT BENEFITS

If you retire under regular early retirement, and your benefit payments begin before age 65, your benefit will be reduced. If you retire under special early retirement, you may receive unreduced benefits payable immediately.

If you:

- (1) were hired in Covered Employment before January 1, 2005, or
- (2) meet the 2005 Reemployment Rule described on page 13,

you may choose to retire any time after you reach age 55 and have at least five years of Credited Service, including any purchased service credit. You may receive a regular early retirement benefit starting at any time between the time you retire and age 65. Or, if your age plus your Service (including any purchased service credit) equals 70 or more when your employment ends, you may choose to retire and begin receiving a special early retirement benefit.

If you:

- (1) were hired in Covered Employment on or after January 1, 2005 and before January 1, 2010, or
- (2) meet the 2010 Reemployment Rule described on page 13,

you may choose to retire any time after you reach age 55 and have at least 10 years of Credited Service, including any purchased service credit. You may receive a regular early retirement benefit starting at any time between the time you retire and age 65. Or, if your age plus your Service (including any purchased service credit) equals 70 or more, and you are at least age 50 when your employment ends, you may choose to retire and begin receiving a special early retirement benefit.

You cannot, however, receive your benefit while you are in Covered Employment with an Employer.

REGULAR EARLY RETIREMENT BENEFIT

The formula for calculating your regular early retirement benefit is the same as the normal retirement benefit formula described in the previous section. The Component A Benefit formula uses your Average Monthly Compensation as of your actual retirement date and your Credited Service as of January 1, 2014. The Component B Benefit formula uses your Career Compensation earned after January 1, 2014. The amount calculated for the Component A Benefit and Component B Benefit will be payable at age 65.

Regular early retirement benefit payments may begin at age 65. Or, you may elect to begin your payments any time on or after your regular early retirement date, and before your normal retirement date, but the amount of your monthly benefit will be reduced to reflect the longer period of time that payments are expected to be made. If you:

- (1) were hired in Covered Employment before January 1, 2005, or
- (2) meet the 2005 Reemployment Rule described on page 13,

your benefit will be multiplied by the percentage shown in the second column in the table below, depending on your age when your benefit starts.

If you:

- (1) were hired in Covered Employment on or after January 1, 2005 and before January 1, 2010, or
- (2) meet the 2010 Reemployment Rule described on page 13,

your benefit will be multiplied by the percentage shown in the third column in the table below, again depending on your age when your benefit starts.

Age	Percent of Age-65 Benefit Payable	
	Hired Before January 1, 2005 or Meet 2005 Reemployment Rule	Hired On or After January 1, 2005 and Before January 1, 2010 or Meet 2010 Reemployment Rule
65	100%	100%
64	98	96
63	96	92
62	94	88
61	91	83
60	88	78
59	85	73
58	82	68
57	79	63
56	76	58
55	73	53

EXAMPLES

Hired in Covered Employment Before January 1, 2005

Don, who was hired in Covered Employment by the County before January 1, 2005, is age 55 with 12 years of Credited Service. He decides to retire early and elects to start his regular early retirement benefit right away. Don has no purchased service credit. We will assume his monthly benefit payable at age 65 is \$1,250.00. His regular early retirement benefit will be reduced for early payment and, at age 55, Don will receive payments of 73% (column 2 of the table) of his age-65 benefit, or \$912.50 per month.

Hired in Covered Employment On or After January 1, 2005 and Before January 1, 2010

Carla, who was hired in Covered Employment by the Library District after January 1, 2005 and before January 1, 2010, is age 58 with 10 years of Credited Service. She decides to retire early and elects to start her regular early retirement benefit right away. Carla has no purchased service credit. We will assume her monthly benefit payable at age 65 is \$1,250.00. Her regular early retirement benefit will be reduced for early payment and, at age 58, Carla will receive payments of 68% (column 3 of the table) of her age-65 benefit, or \$850.00 per month.

SPECIAL EARLY RETIREMENT BENEFIT

Your benefit will be determined using the normal retirement formula. Since your service, and probably your pay, will be less if you retire early, your benefit will be lower than it would be if you continued to work until age 65. However, your calculated benefit amount will not be reduced for early payment even though you will likely receive this benefit for a longer period of time.

EXAMPLE

Sharon, who was hired in Covered Employment by the County before January 1, 2010, elects to take early retirement at age 60 with 10.5 years of Service and Credited Service. Sharon has no purchased service credit. She wants to begin receiving monthly benefits right away. Her monthly retirement benefit payable at age 65 is determined to be \$1,250.00. Normally, this amount would be reduced if it were paid beginning at age 60. However, Sharon is eligible for special early retirement because the sum of her age and her Service when she ends her employment is 70 or more ($60 + 10.5 = 70.5$). Therefore, Sharon's monthly benefit beginning at age 60 remains \$1,250.00.

To be eligible for the special early retirement benefit, you must meet one of the age and service combinations shown in the table below when your employment ends. If you:

- (1) were hired in Covered Employment before January 1, 2005, or
- (2) meet the 2005 Reemployment Rule described on page 13,

you must meet the service requirement shown in the second column of this table, depending on your age when your employment ends.

If you:

- (1) were hired in Covered Employment on or after January 1, 2005 and before January 1, 2010, or
- (2) meet the 2010 Reemployment Rule described on page 13,

you must meet the service requirement shown in the third column of the table, again depending on your age when your employment ends.

Special Early Retirement (Rule of 70) Age and Service Required for Unreduced Benefit		
Age	Minimum Service Required	
	Hired Before January 1, 2005 or Meet 2005 Reemployment Rule	Hired On or After January 1, 2005 and Before January 1, 2010 or Meet 2010 Reemployment Rule
45	25	N/A
46	24	
47	23	
48	22	
49	21	
50	20	20
51	19	19
52	18	18
53	17	17
54	16	16
55	15	15
56	14	14
57	13	13
58	12	12
59	11	11
60	10	10
61	9	9
62	8	8
63	7	7
64	6	6

EXAMPLES

Hired in Covered Employment Before January 1, 2005

Steve, who was hired in Covered Employment by the County before January 1, 2005, is age 47. He has 18 years of Service with the County, plus he purchased five years of service credit, giving him a total of 23 years of Service (18 + 5). Column 2 of the table above shows that Steve has met the age-plus service requirement, making him eligible for special early retirement. Steve can retire at age 47 and begin his benefit right away. Under special early retirement, his age-65 benefit will not be reduced for early payment.

Hired in Covered Employment On or After January 1, 2005 and Before January 1, 2010

Susan, who was hired in Covered Employment by the Library District on or after January 1, 2005 and before January 1, 2010, is age 47. She has 23 years of Service with the Library District. Column 3 of the table above shows that special early retirement is not available at age 47. Even though the sum of Susan's age and her Service equals 70 (47+ 23), Susan will have to continue working until age 50 to be eligible for special early retirement.

FORMS OF BENEFIT PAYMENTS

There are several forms of benefit payments available to you.

The Retirement Plan has several ways in which your monthly benefit can be paid. When you get ready to retire, you must elect a form of payment, in writing, within 30 days before you want your benefit to begin. You may change the option you have elected, but this change must also be made within 30 days before the first payment is due. Benefit election forms must be filed with the Retirement Board, through the Retirement Office. See "Obtaining Your Benefits" on page 33.

- ▲ **Spousal Consent:** If you are married and want to receive benefit payments in any form *other than* the Joint and 100% Survivor Annuity (Option 2 below), Joint and 50% Survivor Annuity (Option 3 below), or Joint and 66-2/3% Last Survivor Annuity (Option 4 below) with your spouse as beneficiary, your spouse must agree in writing to that form of payment and to the fact that he or she understands the effect of his or her consent. Also, if your employment ends after you have five or more years of Continuous Service, but before you are eligible for retirement or disability, and you want to receive a refund of your Contribution Accumulation, your spouse, if you are married, must agree in writing to the refund and to the fact that he or she understands the effect of his or her consent. The agreement must be notarized by a notary public or witnessed by a Retirement Plan representative. However, spousal consent is not required if you provide documentation to the Retirement Board verifying that you have a spouse (1) who cannot be located, (2) from whom you are legally separated, (3) who has abandoned you, or (4) who is incapacitated. The Retirement Office has forms for this alternate designation. ***Payment cannot begin until a properly completed benefit election form is received and payments have been approved by the Retirement Board.***

Forms of Benefit Payments:

- ▲ **Option 1 (10-Year Certain and Life Annuity):** This is the "Basic Form of Pension" under the Retirement Plan. This benefit is a monthly payment to you for your lifetime. If you die before receiving 120 payments (10 years), your beneficiary will receive the remainder of the 120 payments. For example, if you die after receiving payments for 48 months, your beneficiary will receive the remaining 72 payments (120 minus 48 = 72). ***This is the form of payment for the benefit amount calculated by the Retirement Plan's benefit formula.***

There are six optional forms of benefit payment, listed below. You may elect to receive one of the following forms of payment instead of the Basic Form of Pension:

- ▲ **Option 2 (Joint and 100% Survivor Annuity):** This benefit is an adjusted monthly payment to you for your lifetime. If you die before your beneficiary, the same adjusted benefit amount will be paid to your beneficiary for his or her lifetime. After your death and upon the death of your beneficiary, payments will stop. If your designated beneficiary dies before you, payments will stop when you die. The Joint and 100% Survivor form of payment, with the spouse as beneficiary, is one of the three forms of payment that married members may elect without spousal consent. If you designate someone other than your spouse as a beneficiary and your beneficiary is more than 10 years younger than you, you may not be permitted to elect Option 2.
- ▲ **Option 3 (Joint and 50% Survivor Annuity):** The Joint and 50% Survivor benefit pays an adjusted benefit to you for your lifetime. After your death, 50% of the adjusted benefit will continue to your beneficiary for his or her lifetime. After your death and upon the death of your beneficiary, payments will stop. If your designated beneficiary dies before you, payments will stop when you die. The Joint and 50% Survivor form of payment, with the spouse as beneficiary, is one of the three forms of payment that married members may elect without spousal consent.
- ▲ **Option 4 (Joint and 66-2/3% Last Survivor Annuity):** This option pays an adjusted benefit to you during the time both you and your beneficiary are alive. After the death of either you or your

beneficiary, 66-2/3% of the adjusted benefit will continue to the survivor for his or her lifetime. Upon the death of the survivor, payments will stop. The Joint and 66-2/3% Last Survivor form of payment, with the spouse as beneficiary, is one of the three forms of payment that married members may elect without spousal consent. If you designate someone other than your spouse as a beneficiary and your beneficiary is 25 or more years younger than you, you may not be permitted to elect Option 4.

- ▲ **Option 5 (Joint and 100% Survivor Annuity with Pop Up):** This option is the same as Option 2 except that, if your beneficiary dies before you, the amount of your benefit will “pop up” to the amount of the Basic Form of Pension. If your beneficiary dies before you have received 120 monthly payments, you will be guaranteed the remainder of the 120 monthly payments. If you are married, your spouse must consent to this form of payment. If you designate someone other than your spouse as a beneficiary and your beneficiary is more than 10 years younger than you, you may not be permitted to elect Option 5.
- ▲ **Option 6 (Joint and 50% Survivor Annuity with Pop Up):** This option is the same as Option 3 except that, if your beneficiary dies before you, the amount of your benefit will “pop up” to the amount of the Basic Form of Pension. If your beneficiary dies before you have received 120 monthly payments, you will be guaranteed the remainder of the 120 monthly payments. If you are married, your spouse must consent to this form of payment.
- ▲ **Option 7 (Single Life Annuity):** You may choose to receive an increased benefit during your lifetime with no payments made after your death. If you are married, your spouse must consent to this form of payment.

Effect on Benefit Amount if Optional Payment Chosen (Assume 10-Year Certain and Life Annuity = \$1,000 per Month)						
Ages at Retirement	Joint & 100% Survivor	Joint & 50% Survivor	Joint & 66-2/3% Last Survivor ¹	Joint and 100% Survivor With Pop Up ²	Joint and 50% Survivor With Pop Up ²	Single Life
Member 65 Beneficiary 65	\$906 906	\$972 486	\$997 665	\$884 884	\$959 480	\$1,049 None
Member 65 Beneficiary 60	871 871	952 476	951 634	855 855	942 471	1,049 None
Member 65 Beneficiary 55	839 839	932 466	916 611	827 827	925 463	1,049 None
Member 65 Beneficiary 70	941 941	992 496	1,050 700	913 913	976 488	1,049 None

1. The lower benefit amount is paid to the survivor. The survivor may be either the member or the beneficiary.
2. If the beneficiary dies before the member, the member's benefit will “pop up” to the amount of the 10-Year Certain and Life Annuity, which is \$1,000 per month in this example.

Forms of Benefit Payments When Not Eligible to Retire and Survivor Payments:

- ▲ **Refund of Contributions:** This option is discussed on page 14.
- ▲ **Survivor Benefits:** This option is discussed on page 44.
- ▲ **Direct Rollovers:** If you elect to receive a lump-sum payment from the Retirement Plan, you (or your surviving spouse or spouse/former spouse who is listed as your alternate payee pursuant to a

domestic relations order) may elect to **directly** roll over the distribution into an Eligible Retirement Plan, as described below. A rollover cannot be made to a SIMPLE IRA or an education IRA.

The minimum amount for a direct rollover is \$200. If the direct rollover amount is at least \$500, the recipient may elect to have a portion of the direct rollover paid directly to an Eligible Retirement Plan (described below) and have a portion of the rollover amount exceeding \$500 paid directly to the recipient.

A direct rollover means that the distribution is not paid to you, but is instead directly paid to an Eligible Retirement Plan. An Eligible Retirement Plan includes: a traditional IRA; a Roth IRA, a plan qualified under Section 401(a) of the Internal Revenue Code (including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan); a Section 403(a) annuity plan; a Section 403(b) tax-sheltered annuity; and an eligible Section 457(b) plan maintained by a governmental employer. Payments lasting for your lifetime, and/or your beneficiary's lifetime, or for a period of 10 years or more are not eligible to be directly rolled over.

After-tax contributions may be rolled in a direct trustee-to-trustee transfer to a defined contribution plan that accepts the rollover and that separately accounts for the portion of the distribution which is excludable from gross income or to a traditional IRA. After-tax contributions may be rolled: (i) in a direct trustee-to-trustee transfer to a plan qualified under Section 401(a) of the Internal Revenue Code (including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan), or a Section 403(b) tax-sheltered annuity that accepts the rollover and that provides separate accounting for the portion of the distribution which is excludable from gross income; (ii) to a traditional IRA; or (iii) directly to a Roth IRA.

A direct rollover can be done in one of two ways:

- Mailing a check to the trustee of the receiving plan payable to the trustee (not to you); or
- Giving you a check payable to the trustee of the receiving plan and instructing you to deliver the check to the trustee. The receiving plan or trustee must receive the direct rollover within 60 days of the date you receive the direct rollover. This may also apply to a nonspouse designated beneficiary but only if the check is made payable to the inherited IRA.

By directly rolling over your payment to an Eligible Retirement Plan:

- 20% of the taxable portion of the distribution for tax purposes is not required to be withheld; and
- You will not pay income taxes on the distribution amount (including the additional 10% tax on the taxable portion of an early distribution, if otherwise applicable). However, your payment will be taxed later when you take it out of the Eligible Retirement Plan.

Note: The taxable portion of your distribution that is directly rolled over to a Roth IRA or rolled over to a Roth IRA in a 60-day rollover is taxable at the time of the distribution. You should review the Special Tax Notice and consult with a competent tax professional regarding any distributions from the Plan.

- ▲ **Payments to Your Former or Surviving Spouse or Former Partner in a Civil Union:** Similar rules that apply to payments you receive under the Retirement Plan generally also apply to payments made to your former spouse (as an alternate payee under a domestic relations order) or to your surviving spouse. A former partner in a civil union who does not qualify as an alternate payee under the Code may not receive a distribution through the Retirement Plan until you (or a beneficiary) receive a distribution.

- ▲ **Payments to Your Beneficiary Who Is Not Your Surviving Spouse:** If your beneficiary is not your surviving spouse, he or she may choose a direct rollover of any portion of his or her lump-sum payment from the Retirement Plan to an inherited IRA or an inherited Roth IRA. The Executive Director is required to withhold, for federal income taxes, 20% of the taxable portion of your nonspouse beneficiary's distribution that is not directly rolled over.
- ▲ **Minimum Payment:** In all cases, the minimum amount of benefits payable to you and/or your beneficiary (or your estate if your beneficiary dies before you) is the total of your Contribution Accumulation at your retirement date, plus the accumulated value of the amount you paid for purchased service credit, if any. If the monthly payment to you or your beneficiary is less than \$100 per month, payments may be made less often (such as quarterly) so that the periodic amount is at least \$100.

You should review the Special Tax Notice and consult with a competent tax professional regarding any distributions from the Plan.

BENEFICIARY DESIGNATIONS

You may name your spouse or any other person (including certain trusts maintained for the benefit of one or more designated beneficiaries) to receive your benefit in case of your death, subject to the spousal consent rules described at the beginning of this section. You may change your beneficiary designation at any time before payments begin, subject to spousal consent, but **the change will only be effective when it is received by the Retirement Office.**

If your beneficiary change is due to marriage, civil union, divorce, dissolution of a civil union, or death, you must provide the Retirement Office with a copy of your marriage or civil union certificate, divorce decree (with appropriate exhibits), decree for the dissolution of a civil union (with appropriate exhibits), or death certificate.

When you begin to participate in the Retirement Plan, you will designate a beneficiary for your Contribution Accumulation, plus the accumulated value of the amount you paid for purchased service credit, if any. You will also designate a beneficiary for your retirement benefit if you continue working beyond age 65.

When you retire and select the form of retirement benefit payments you want, you will designate a beneficiary for survivor benefits. All beneficiary designations for married members are subject to the spousal consent rules described at the beginning of this section.

If you are considering naming a minor child as beneficiary, you should name (1) the trustee under your will, if you have a trust set up for your minor child under your will, or (2) an adult as custodian for your minor child under the Colorado Uniform Transfers to Minors Act. A benefit cannot be paid directly to a minor child from the Retirement Plan.

If your beneficiary is deemed by Retirement Plan representatives to be incapable of personally receiving and giving a valid receipt of payment, payment from the Retirement Plan will be made to a duly appointed guardian or other legal representative of such person or, if none, to any person or institution then contributing toward or providing for the care and maintenance of your beneficiary. Any such payment will be payment for the account of your beneficiary and a complete discharge of any liability of the Retirement Plan, the Retirement Board, its designees and the employees and agents of the Retirement Board. However, the Retirement Board and/or its designees reserve the right to obtain periodic evidence that your beneficiary is still living.

OBTAINING YOUR BENEFITS

When you decide to retire, you should notify the Retirement Office **within 30 days before you want payments to begin**. The Retirement Office is located at:

Adams County Government Center
4430 South Adams County Parkway
Suite C3406
Brighton, Colorado 80601
(720) 523-6167
www.acretirement.org

You must fill out a benefit election form indicating the type of retirement benefit you want to receive and when you want payments to begin. In certain situations, you may have to fill out more than one benefit election form. Also, you will name a beneficiary(ies) for any survivor benefits that may become payable. At this time, you should be sure the Retirement Office has your correct address.

If your employment ends after you have at least five years of Continuous Service, but before you are eligible for retirement or disability, you will need to make an election as to whether you will leave your Contribution Accumulation in the retirement fund and become a deferred vested member, or whether you will take a refund of your Contribution Accumulation, plus the accumulated value of the amount you paid for purchased service credit, if any. The Retirement Office will provide you with an election form when your employment ends.

If your employment ends after you are eligible for retirement or disability, you are not eligible to receive a refund of your Contribution Accumulation. You must elect a monthly annuity. See "Forms of Benefit Payments," beginning on page 29, for more information.

It is your responsibility to notify the Retirement Office of your correct address after your employment ends so that payments or correspondence will be sent to you directly and without delay.

PURCHASING PREVIOUS SERVICE

When you have at least five years of Continuous Service you may be eligible to “purchase service credit” related to your employment with a previous public or private employer. Any service credit you purchase will be used to increase your years of Credited Service (used to determine the amount of your benefit and when a reduced benefit can begin) and Service (used to determine when your unreduced benefit can begin).

If you are hired in Covered Employment prior to January 1, 2010 or if you meet either the 2005 Reemployment Rule described on page 13 or the 2010 Reemployment Rule described on page 13, once you have at least five years of Continuous Service you are eligible to increase your retirement benefit by “purchasing service credit” related to your previous employment with a public or private employer. You may purchase service credit under the following conditions:

- ▲ You must be in Covered Employment when you make your election to purchase service credit and, except in the limited circumstances described on page 36 under “Special Rules,” you must complete your purchase of service credit while you are in Covered Employment;
- ▲ You may purchase up to five years of service credit for any full-time, nonvested previous employment with any public or private employer in the U.S. or its territories;
- ▲ You must provide written notice that the service credit to be purchased has not been, and will not be, used by your previous employer to calculate a retirement benefit under that employer’s plan;
- ▲ You must provide written notice that the service credit to be purchased has not been, and will not be, used by any other retirement program (excluding Social Security) for purposes of benefit eligibility or benefit amount;
- ▲ If you are purchasing service credit under the “Regular Purchase of Service” provisions described below, you must elect to purchase service credit within two years after completing five years of Continuous Service; and
- ▲ You may only make one election to purchase service credit under the “Regular Purchase of Service” provisions described below.

Your cost to purchase service credit depends on the number of years of Continuous Service you have and when you make your election to purchase service credit.

REGULAR PURCHASE OF SERVICE

If you meet the requirements above and you have at least five years of Continuous Service, but less than seven years of Continuous Service, you may purchase service credit for your Component A Benefit under the regular purchase of service provisions, as follows:

One month of service credit may be purchased for each full month of full-time, nonvested, noncovered previous employment. Your cost to purchase service credit depends on the calendar year in which you make your election to purchase service credit, as shown in the following table:

Calendar Year in which You Elect to Purchase Service Credit	Your Cost for One Month of Service Credit as a % of the Greater of Your Monthly Rate of Compensation or 12-Month Average Compensation
2014	17.5
2015 and later	18.0

EXAMPLES

Letter Dated December 31, 2013

Pam completes five years of Continuous Service in 2013. Her letter from the Retirement Board is dated December 13, 2013. Pam makes her election to purchase service credit in 2015 before she has completed seven years of Continuous Service. Her monthly rate of Compensation is \$4,000 and her average monthly Compensation during her highest 12 consecutive months out of her last 36 consecutive months of work is \$3,800. Pam's cost for each month of service she purchases is determined as follows:

18% x \$4,000 (current monthly rate of Compensation) = \$720.00

or

18% x \$3,800 (12-month average Compensation) = \$684.00

*Pam's cost for each month of service she purchases is the **greater** of the two, or \$720.00.*

EXTENDED PURCHASE OF SERVICE CREDIT

If you have seven years or more of Continuous Service, and you have not previously purchased a total of five years of service credit, you may be eligible to purchase additional years of service credit, so that your total purchased service credit equals five years. You may elect to purchase service for your Component A Benefit and/or your Component B Benefit.

One year of service credit may be purchased for each full year of full-time, nonvested, noncovered previous employment. You may purchase service credit for partial years of full-time, nonvested, noncovered previous employment.

The cost to purchase service after you have seven or more years of service is calculated to closely match the additional cost to the Retirement Plan of granting you the purchased service credit. This may result in a higher cost to you to purchase service credit than the cost under the regular purchase of service described above. The formula for this cost calculation is complex. If you are interested in buying service credit after you have seven or more years of Continuous Service, please contact the Executive Director for more information.

PAYMENT OPTIONS FOR REGULAR AND EXTENDED PURCHASE OF SERVICE

Service credit purchases may be made by (1) a single lump-sum payment, (2) annual installment payments, or (3) a combination of a partial lump-sum payment and one or more annual installment payments. If you choose to make a partial lump-sum payment, it must equal at least 10% of the cost of your service credit purchase (principal only).

Payroll deductions are not available, regardless of the method you select to pay for your service credit.

If you choose to purchase service credit in a single lump-sum payment, the entire cost of the service credit purchase is due within 60 days after the date you elect to buy service credit. (See "Special Rules" below for information about paying for your service credit purchase if your Covered Employment ends before your single lump-sum payment is due.)

If you choose to pay in annual installments, you will be charged interest at the actuarial equivalent rate, which is currently 7½% per year, on any unpaid balance. Also, you must make the payments within the same number of months as the number of months you are buying. The payment period begins on the date you elect to buy service credit. For example, if you are buying 24 months of service credit, you must pay for them within 24 months from the date you elect to buy service credit. You may make either (1) two annual installment payments or (2) a partial lump-sum payment and one annual installment payment.

If you choose to pay with a lump-sum (either a single lump-sum payment or a partial lump-sum payment), you may make your payment (1) in cash, (2) by a trustee-to-trustee transfer from a Section 403(b) annuity and/or an eligible Section 457(b) plan maintained by a governmental employer, or (3) by a combination of cash and/or a trustee-to-trustee transfer from one or more eligible plans.

If you choose to make (1) installment payments or (2) a combination of a partial lump-sum payment and installment payments, your first payment is due on January 1 or July 1, whichever occurs first, after the date you elect to buy service credit. Thereafter, payments and interest are due according to your service credit purchase agreement. (See "Special Rules" below for information about paying for your service credit purchase if your Covered Employment ends before your partial lump-sum payment or first installment payment is due.)

Any lump-sum payment or installment payment may be made within 30 days of each scheduled payment date, not to extend beyond the payment period. If any payment is not received within this 30-day grace period, your right to purchase further service credit will be terminated and you will receive service credit only to the extent that payments were made. After you make a payment, you cannot withdraw it.

Lump-sum payments, installment payments and interest are credited to a separate contribution account for you.

SPECIAL RULES

Service will be credited after (1) all payments are received or (2) your right to purchase further service credit is terminated due to your failure to make a scheduled payment.

If your Covered Employment ends before your single lump-sum payment, partial lump-sum payment, or first annual installment payment is due, you must pay for your service credit purchase in full on or before your last day of Covered Employment. If you make a partial payment, but you do not complete your service credit purchase on or before your last day of Covered Employment, your right to purchase further service credit will be terminated and you will receive service credit only to the extent that payments were made.

If your Covered Employment with your Employer ends after you have made your scheduled partial lump-sum payment, or at least one regularly scheduled annual installment payment, and before you complete your service credit purchase, you will have 90 days from your last day of Covered Employment to make a lump-sum payment equal to the amount due. Or, you may elect to receive service credit to the extent that payments were made.

If you become disabled before you complete your service credit purchase, you will have 90 days from your date of disability to make a lump-sum payment equal to the amount due. Or, you may elect to receive service credit to the extent that payments were made.

If you die after you have made your scheduled partial lump-sum payment, or at least one regularly scheduled annual installment payment, and before you complete your service credit purchase, your beneficiary may receive a refund of the payments made to date (without interest). Or, your beneficiary (if your beneficiary is your spouse) may elect to make a lump-sum payment within 90 days after your death equal to the amount due, and receive death benefits based on your Credited Service plus your purchased service credit.

Even if you do not qualify for retirement benefits, any death benefits or deferred vested benefits paid by the Retirement Plan will be increased to reflect the service credit you purchased.

Amounts you pay for the purchase of previous service credit will be maintained separately from your regular Contribution Accumulation account and, if you do not receive a monthly benefit from the Retirement Plan, will be added to any lump-sum death or withdrawal benefit paid by the Retirement Plan.

HOW THE RETIREMENT PLAN USES PURCHASED SERVICE CREDIT

Your purchased service credit is used to increase the amount of your benefit.

EXAMPLES

Without Purchased Service Credit

Eddie is retiring on December 31, 2023 at age 51½ with 6 years of Component A Service. Eddie did not purchase service credit. His Average Monthly Compensation is \$5,000, and his Career Compensation is \$529,039. Eddie's monthly retirement benefit is calculated as follows:

Eddie's Monthly Retirement Benefit:

Component A Benefit	2.5% x	\$5,000 x Average Monthly Compensation	6 Credited Service through Dec. 31, 2013	=	\$750.00
		+			
Component B Benefit	1.75% x	\$529,039 ÷ Career Compensation	12	=	<u>\$771.52</u>
Eddie's Monthly Retirement Benefit					<u>\$1,521.52</u>

With Purchased Service Credit of Component A Service

Eddie is retiring December 31, 2023 at age 51½ with 6 years of Component A Service. Eddie has purchased 5 years of service credit and has elected to have the service credit be attributed to the Component A Service, giving him 11 years (6 + 5) of Component A Service. His Average Monthly Compensation is \$5,000, and his Career Compensation is \$529,039. Eddie's monthly retirement benefit is calculated as follows:

Eddie's Monthly Retirement Benefit:

Component A Benefit	2.5% x	\$5,000 x Average Monthly Compensation	11 Credited Service through Dec. 31, 2013	=	\$1,375.00
		+			
Component B Benefit	1.75% x	\$529,039 ÷ Career Compensation	12	=	<u>\$771.52</u>
Eddie's Monthly Retirement Benefit					<u>\$2,146.52</u>

Any previous service credit you purchase is also used in determining your eligibility for special early retirement.

EXAMPLE

Jane works for the County and has been a member of the Retirement Plan since January 1, 1999. She will be 50 on January 1, 2015, with 16 years of Service. Jane has purchased four years of previous service credit.

Jane is eligible for special early retirement on January 1, 2015, because her age plus her Service plus her purchased service credit is 70 or more. She can begin receiving unreduced benefit payments at age 50.

$$\begin{array}{ccccccc}
 50 & + & 16 & + & 4 & = & 70 \\
 \text{Jane's Age} & & \text{Service} & & \text{Service Credit} & & \\
 & & & & \text{Purchased} & &
 \end{array}$$

The service credit you purchase will be used to determine if you are eligible for regular early retirement.

EXAMPLE

Richard, who was hired in Covered Employment by the Library District on or after January 1, 2005 and before January 1, 2010, is age 55. He has five years of Credited Service plus he has purchased five years of service credit.

Because Richard was hired in Covered Employment on or after January 1, 2005 and before January 1, 2010, he must be at least age 55 and have at least 10 years of Credited Service to be eligible for regular early retirement.

Richard is eligible to retire and receive a reduced monthly benefit because his Credited Service plus purchased service credit is 10 years or more.

$$\begin{array}{rcccl} 5 & + & 5 & = & 10 \\ \text{Richard's} & & \text{Service} & & \\ \text{Credited} & & \text{Credit} & & \\ \text{Service} & & \text{Purchased} & & \end{array}$$

If you were hired in Covered Employment on or after January 1, 2005, and your employment ends before you are eligible for retirement or disability, the service credit you purchase will be used to determine if you can receive your deferred vested benefit before age 65.

EXAMPLE

Debbie, who was hired in Covered Employment by the County on or after January 1, 2005, is leaving employment at age 45 with five years of Continuous Service. She has five years of Credited Service plus she has purchased five years of service credit.

Because Debbie was hired in Covered Employment on or after January 1, 2005 and before January 1, 2010, she must have 10 years of Credited Service to be able to request her retirement benefit to begin before age 65.

Debbie is eligible to request her reduced monthly benefit to begin any time after age 55 because her Credited Service plus purchased service credit is 10.

$$\begin{array}{rcccl} 5 & + & 5 & = & 10 \\ \text{Debbie's} & & \text{Service} & & \\ \text{Credited} & & \text{Credit} & & \\ \text{Service} & & \text{Purchased} & & \end{array}$$

QUALIFIED MILITARY SERVICE UNDER USERRA

If you take a qualified military leave of absence and you timely apply and return to work with your Employer, you will receive certain employee benefit protections under USERRA.

QUALIFIED MILITARY LEAVE OF ABSENCE UNDER USERRA

A qualified military leave of absence includes your actual service in the uniformed services and the periods you are absent from employment before and after your actual service, which are due to or necessitated by service in the uniformed services. For example, under USERRA, if you serve in the uniformed services for more than 180 days, you will generally have up to 90 days after you complete your service to apply for reemployment with your Employer.

Your service as an intermittent disaster response appointee of the National Disaster Medical System, when you are federally activated or attending authorized training in support of your Federal mission, is also deemed to be “service in the uniformed services” for purposes of certain employee benefit protections under USERRA, even though you are not considered to be a member of the “uniformed services” as defined by USERRA.

You will automatically be granted Continuous Service and Service for the period of your qualified military leave of absence (up to five years in your employment relationship with your Employer) if you:

1. take a qualified military leave of absence;
2. receive an honorable discharge from the military (and meet the other reemployment requirements under USERRA); and
3. return to work with your Employer within the time period required under USERRA.

You may also receive Compensation credited at the rate that would have been in effect during your qualified military leave of absence and Credited Service for your qualified military leave of absence (up to five years in your employment relationship with your Employer).

In appreciation of the members serving in the uniformed services, the Retirement Board has decided to grant full Credited Service and Compensation credited at the rate that would have been in effect during your qualified military leave of absence to each member for any period of qualified military leave of absence without requiring the member to make up the contributions missed while on a qualified military leave of absence, if the following conditions are met: (1) the member makes contributions from any military supplemental pay and/or paid leave the member receives while on a qualified military leave of absence; (2) the member receives an honorable discharge from the military (and meets the other reemployment requirements under USERRA); (3) the member returns to work with his or her Employer within the time period required under USERRA; and (4) the reemployed member remains employed by his or her Employer, as applicable, for at least 180 days after he or she returns to work.

In other words, if you are honorably discharged (and meet the other reemployment requirements under USERRA), return to work within the required period, and continue to work for at least 180 days, you will not be required to make up (1) any shortfall in a monthly contribution (if you make a partial contribution from military supplemental pay or paid leave), or (2) the full monthly contribution (if you do not receive any military supplemental pay or paid leave) missed because of a period of qualified military leave of absence.

You will also receive full Compensation credited at the rate that would have been in effect during your qualified military leave of absence and Credited Service for any period of qualified military leave of absence if you are unable to return to work due to death or disability.

CONTINUOUS SERVICE AND SERVICE

As required by USERRA, you will be treated as having continuous employment during a qualified military leave of absence if you are honorably discharged (and meet the other requirements for reemployment under USERRA) and return to work with your Employer within the required period of time. This means that, if you were earning Continuous Service and Service before you went on a qualified military leave of absence, you will continue to earn Continuous Service and Service for the period of time you are gone (up to five years in your employment relationship with your Employer). Your Continuous Service is used to determine (1) whether or not you are vested, and (2) the amount of any refund of your Contribution Accumulation that you may be eligible to receive. Your Service is the period of time used to determine if you qualify for special early retirement.

Even if you do not return to work with an Employer, you will receive Continuous Service and Service for any period of a qualified military leave of absence, if (1) you die while in service in the uniformed services, or (2) you do not return to work because you are not able to perform the essential tasks of an appropriate reemployment position or any other position with your Employer due to a disability incurred in, or aggravated during, your service in the uniformed services, after reasonable efforts by your Employer to accommodate your disability.

You will not receive Continuous Service or Service for your qualified military leave of absence if you (1) do not receive an honorable discharge from the military (or do not meet any other reemployment requirement under USERRA), (2) return to work, but later than the time period required under USERRA, or (3) do not return to work with your Employer following your qualified military leave of absence, unless you die or become disabled as described above.

CREDITED SERVICE

Your Credited Service is used to (1) calculate the amount of your benefit and (2) determine whether or not you can receive your benefit before age 65.

Qualified Military Leave of Absence When Member Meets Certain Conditions

The Retirement Board has decided to grant you full Credited Service for any period of qualified military leave of absence which occurs without requiring you to make up any contributions you missed while on a qualified military leave of absence, *if* the following conditions are met:

1. you make contributions to the Retirement Plan from any military supplemental pay and/or paid leave you receive while you are on a qualified military leave of absence;
2. you receive an honorable discharge from the military (and meet the other reemployment requirements under USERRA);
3. you return to work with your Employer within the time required under USERRA; and
4. you do not terminate your employment with your Employer for at least 180 days from the date you return to the service of your Employer.

Even if you do not return to work with your Employer, you will receive Credited Service for any period of a qualified military leave of absence if (1) you die while in service in the uniformed services, or (2) you do not return to work because you are not able to perform the essential tasks of an appropriate reemployment position or any other position with your Employer due to a disability incurred in, or aggravated during, your service in the uniformed services, after reasonable efforts by your Employer to accommodate your disability.

You will not receive Credited Service for your qualified military leave of absence (other than to the extent contributions to the Retirement Plan are automatically withheld from any military supplemental pay or paid leave you receive) if (1) you do not receive an honorable discharge from the military (or do not meet any other reemployment requirement under USERRA), (2) you return to work, but later than the time required

under USERRA, (3) you do not return to work with your Employer following your qualified military leave of absence, unless you die or become disabled as described above, or (4) you do not remain employed by your employer for at least 180 days after you return to work.

Qualified Military Leave of Absence When Member Does Not Meet Certain Conditions for Qualified Military Leave of Absence

Under USERRA, if you receive an honorable discharge from the military (and meet the other reemployment requirements) and return to work within the required period, you must be given the option to make up the contributions to the Retirement Plan you missed because of your qualified military leave of absence. If you make up any of your missed contributions, your Employer must make up its contributions on the same schedule as you.

The period over which you may make up these missed member contributions is three times the period of your qualified military leave of absence, but not more than five years (the "Make-up Period"). The Make-up Period begins on the date of the application to make up contributions that you will receive from the Executive Director. If you choose to make up any or all of your missed contributions, you must make up the contributions during the Make-up Period and while you are employed by your post-service Employer.

If you begin another qualified military leave of absence *before* the end of your Make-up Period and *before* you have made up all of the contributions you have chosen to make up, the remaining portion of your Make-up Period will be suspended during your subsequent leave. If you again return to work with your Employer within the time required under USERRA, the remaining portion of your initial Make-up Period will resume on your reemployment date. In addition, you may be eligible for a second Make-Up Period regarding your second qualified military leave of absence. Please contact the Executive Director for more information.

If you choose to make up your missed member contributions, you may do so by (1) a single lump-sum payment, (2) a partial lump-sum payment followed by before-tax monthly payroll deductions, or (3) before-tax monthly payroll deductions only. Before-tax monthly payroll deductions are **only** available while you are in Covered Employment.

If you choose to make a single lump-sum payment or a partial lump-sum payment, you may make your payment (1) in cash, (2) by a trustee-to-trustee transfer from a Section 403(b) annuity and/or an eligible Section 457(b) plan maintained by a governmental employer, or (3) by a combination of cash and/or a trustee-to-trustee transfer from one or more eligible plans.

If you choose before-tax monthly payroll deductions, you **may not** change to a different method of payment while you are in Covered Employment.

If, before the end of your Make-up Period, and before you have finished making up your missed contributions, you terminate employment, retire or die, your benefit will be calculated using the Credited Service and Compensation (credited at the rate that would have been in effect during your qualified military leave of absence) that you paid for before you terminated employment, retired or died.

If you die while performing qualified military service, your survivors are entitled to any additional benefits provided under the Retirement Plan as if you had resumed and then terminated employment on account of death.

IF YOU BECOME DISABLED

You may receive Credited Service while you are disabled. If you become disabled, please contact your Employer's Human Resources Department for assistance.

LONG-TERM DISABILITY

To be considered disabled, and to receive Credited Service during your disability, you must have a physical or mental condition making you totally and permanently disabled. You must also qualify for and receive disability benefits under your Employer's long-term disability (LTD) plan, or be eligible for disability benefits from Social Security, even if you do not receive disability benefits from Social Security because they are reduced to zero due to other disability benefits you receive. You will not receive Credited Service if you choose to receive a lump-sum payment from your Employer's LTD plan unless you qualify for disability benefits from Social Security (regardless of whether or not you actually receive Social Security disability benefits).

If you become disabled, contact your Employer's Human Resources Department:

**Adams County Government Center
Human Resources Department
4430 South Adams County Parkway
Suite C4000B
Brighton, Colorado 80601
(720) 523-6070**

**Rangeview Library District
Human Resources Department
5877 E. 120th Avenue
Thornton, Colorado 80602
(303) 288-2001**

TIMING AND AMOUNT OF BENEFITS

If you remain disabled until your normal retirement date, your disability benefit payments from the Retirement Plan will begin as of your normal retirement date or the date payments under your Employer's LTD plan end, whichever is later. Your benefit will be calculated using the normal retirement formula (see "Normal Retirement Benefits" on page 23). Your Component A Benefit will be based on your Credited Service attributable to the period ending on December 31, 2013 (including any period through December 31, 2013 when you were disabled), and your Average Monthly Compensation when you became disabled. Your Component B Benefit will be based on your Credited Service attributable to the period beginning on January 1, 2014 and ending on your retirement or the date payments under your Employer's LTD plan end, whichever is later (including the period on or after January 1, 2014 when you were disabled), and your Career Monthly Compensation when you became disabled. If you became disabled prior to January 1, 2014, your Career Monthly Compensation will equal your Average Monthly Compensation when you became disabled. This benefit is payable as a 10-Year Certain and Life Annuity. You may elect an optional form of payment as described on pages 29 and 30.

When you meet the age and service requirements for regular early retirement or special early retirement (described on pages 20 and 21), you may request your disability benefit payments from the Retirement Plan begin before your normal retirement date. You may request payment beginning on the first day of any month on or after your eligibility for regular early retirement or special early retirement, whichever is applicable. Your benefit will be calculated using the normal retirement formula (see "Normal Retirement Benefits" on page 23). Your Component A Benefit will be based on your Credited Service attributable to the period ending on December 31, 2013 (including any period through December 31, 2013 when you were disabled), and your Average Monthly Compensation when you became disabled. Your Component B Benefit will be based on your Credited Service attributable to the period beginning on January 1, 2014 and ending on your regular early retirement or special early retirement (including the period on or after January 1, 2014 when you were disabled), and your Career Monthly Compensation when you became disabled. If you became disabled prior to January 1, 2014, your Career Monthly Compensation will equal your Average Monthly Compensation when you became disabled. If you are eligible for regular early retirement, your disability benefit will be reduced for early payment using the factors on pages 25 and 26. This benefit is payable as a 10-Year Certain and Life Annuity. You may elect an optional form of payment as described on pages 29 and 30.

See “Direct Payment of Qualified Health Insurance Premiums” on page 7 for information regarding your option to have certain health insurance premiums paid directly to the provider after being deducted from your monthly disability benefit, if you are an “eligible retired public safety officer.”

IF YOU RECOVER

Your disability is considered to have ended if, before you are age 65, you (1) are no longer receiving payments under your Employer’s LTD plan (either because you elected a lump-sum payment or you no longer qualify for payments), and (2) do not qualify for Social Security disability benefits (regardless of whether or not you actually receive Social Security disability benefits).

Recovery may affect your benefit as follows:

- ▲ If you recover from disability after age 65 and do not return to employment with an Employer, your disability payments will be paid from the Retirement Plan.
- ▲ If you recover before age 65 and return to work in Covered Employment with an Employer, you will resume participation in the Retirement Plan and your Credited Service will include the period of your disability. If you received a payment under the Retirement Plan while disabled, your retirement benefit may be reduced accordingly.
- ▲ If you recover before age 65 and do not return to work in Covered Employment with an Employer, and if you are eligible for a deferred vested benefit or a regular early retirement benefit on the date your disability ends, you will be eligible to receive your benefit beginning on your retirement date. Your deferred vested benefit or regular early retirement benefit will be calculated using the normal retirement formula (see “Normal Retirement Benefits” on page 23). Your Component A Benefit will be based on your Credited Service attributable to the period ending on December 31, 2013 (including any period through December 31, 2013 when you were disabled), and your Average Monthly Compensation when you became disabled. Your Component B Benefit will be based on your Credited Service attributable to the period beginning on January 1, 2014 and ending on the date you recover from disability (including the period on or after January 1, 2014 when you were disabled), and your Career Monthly Compensation when you became disabled. If you became disabled prior to January 1, 2014, your Career Monthly Compensation will equal your Average Monthly Compensation when you became disabled. If you are eligible to receive your benefit before you reach age 65, and you request payment of your benefit early, your benefit will be reduced for early payment using the factors on pages 25 and 26. However, if you meet the requirements for special early retirement, you will receive an unreduced benefit at your retirement.

PROTECTING YOUR SURVIVORS

If you die before retirement and you are married, your spouse may receive a lump sum or a monthly benefit. If you are single, your beneficiary will receive two times your Contribution Accumulation, plus the accumulated value of the amount you paid for purchased service credit, if any. Survivor benefits after retirement depend on the form of payment you choose.

Certain benefits under the Retirement Plan are protected for your survivors when you die, depending on your age and Credited Service at death and any survivor benefit options you have elected.

BEFORE RETIREMENT

If you are single, or married and designate someone other than your spouse as beneficiary, and you are an active member, disabled member or deferred vested member, your designated beneficiary or your estate will receive a benefit upon your death. The amount of the benefit equals two times your Contribution Accumulation as of your date of death, plus the accumulated value of the amount you paid for purchased service credit, if any. Payment will be made in a lump sum after the Retirement Office receives written notice of your death. The lump-sum payment will be in lieu of all other benefits under the Retirement Plan.

If you are married and do not designate someone other than your spouse as beneficiary, and you are an active member, disabled member or deferred vested member, your spouse will be entitled to select either a lump sum payment or a monthly benefit. The lump-sum benefit equals two times your Contribution Accumulation at your death, plus the accumulated value of the amount you paid for purchased service credit, if any. The monthly benefit is 60% of the monthly benefit (or monthly disability benefit, if you were disabled) you had earned before your death (or termination, if your death occurs while you are a deferred vested member). If your death occurs while you are an active member or a disabled member, the monthly benefit will begin on the first day of the month on or after your date of death, or your 50th birthday, whichever is later. If your death occurs while you are a deferred vested member, the monthly benefit will begin on the first day of the month on or after your date of death, or your 55th birthday, whichever is later. Your spouse will receive the monthly benefit for his or her lifetime. The monthly payments end upon your spouse's death.

If you remain employed after age 65, you may elect a form of benefit payment as described on pages 27 and 28. If your death occurs before you retire, your beneficiary will receive payment according to the benefit form you elected. If you had not elected a form of benefit payment, your beneficiary will receive the applicable death benefit described above.

AFTER RETIREMENT

If you die while you are receiving a normal retirement benefit, regular early retirement benefit, special early retirement benefit, disability benefit, or deferred vested benefit, payment will be made according to the payment form you elected.

If the total of the payments made to you and your beneficiary is less than the amount of your Contribution Accumulation at the time you retired, plus the accumulated value of the amount you paid for purchased service credit, if any, the balance will be paid to your beneficiary, if living, or to the estate of the last survivor (either you or your beneficiary).

EFFECT ON EMPLOYMENT

The Retirement Plan in no way guarantees your continued employment with an Employer. If you end your employment or if you are discharged, the Retirement Plan does not give you any right to any benefit or interest in the funds contributed by your Employer or earned by the retirement fund, except as specifically provided in the Retirement Plan. Similarly, there is no provision in the Retirement Plan prohibiting terminated or retired members from receiving or continuing to receive retirement benefits, if eligible under the Retirement Plan, because they obtain employment with other employers. However, you cannot receive a benefit under the Retirement Plan while you are employed in Covered Employment with an Employer.

DOMESTIC RELATIONS ORDERS

If you and your current or former spouse or current or former partner in a civil union enter into a written agreement under Colorado law that requires the Retirement Plan to pay all or a portion of your benefit to your current or former spouse or current or former partner in a civil union, you must follow certain administrative procedures.

Colorado law governing dissolutions of marriages, civil unions, and legal separations permits a member and a member's current or former spouse or current or former partner in a civil union to sign a written agreement to allow the Retirement Plan to pay some or all of a member's retirement benefit to the current or former spouse or current or former partner in a civil union.

If you and your current or former spouse or current or former partner in a civil union decide to enter into such an agreement, you should submit a copy of the written agreement to the Retirement Office for review **before** it is submitted to the court so that the Executive Director can determine whether or not the agreement (after it is approved and certified by the court) will be honored by the Retirement Plan. The Executive Director will notify you and your current or former spouse or current or former partner in a civil union of any changes that should be made to the agreement in order to ensure that the domestic relations order will be honored by the Retirement Plan.

After you and your current or former spouse or current or former partner in a civil union sign the agreement, it must be submitted to, and approved by, the court before it can be considered a valid domestic relations order. You **must** provide to the Retirement Office a certified copy of the written agreement approved by the court within 90 days after entry of the decree and permanent orders regarding property distribution in a proceeding for divorce, dissolution of a civil union, legal separation or declaration of invalidity of marriage or civil union. In the event that the date of entry of the decree differs from the date of entry of the permanent orders regarding property distribution, a copy of the final written agreement (after it is approved and certified by the court) **MUST** be provided to the Executive Director within 90 days after the later of entry of the decree or entry of the permanent orders regarding property distribution. The effective date of entry of the decree or of the permanent orders is the actual date of signing by the Court. If you do not submit a certified copy of the written agreement to the Retirement Office within the 90-day period, the Retirement Plan is not required to honor the agreement. It is your responsibility to notify the Retirement Plan of the existence of the written agreement.

The written agreement certified by the court **must** be submitted to, and received by, the Executive Director at least 30 days before the Retirement Plan can make its first payment in accordance with the written agreement.

IF YOU DECIDE TO END THIS ACTION

In the event you decide not to: (a) divorce, (b) dissolve a civil union, (c) proceed with legal separation, or (d) divide retirement benefits, you must notify the Retirement Office as soon as possible. You will need to provide a copy of the decree so stating and any exhibits, if appropriate.

If you do not provide this information, the Retirement Board will consider this matter open until such time as the matter can officially be closed. When your employment ends, the refund of your Contribution Accumulation or payment of your monthly retirement benefit (whichever is applicable) could be delayed if the Retirement Office does not have this information.

OTHER ASSIGNMENTS OF YOUR BENEFIT

Your benefit under the Retirement Plan cannot be used as collateral for a loan or assigned in any other way, except as permitted under Colorado law for (1) domestic relations orders (described above) and (2) child support purposes (see "Employers and Plan Administration - Assignment of Benefits" on page 4).

SOCIAL SECURITY BENEFITS

You and your Employer contribute to provide Social Security benefits for you and your dependents. Monthly payments and medical and survivor benefits are part of Social Security benefits.

Social Security benefits add to your Retirement Plan benefits to provide dependable income for your retirement years. Throughout your working career, you and your Employer (and other employers, if applicable) contribute annual amounts set by federal law to provide Social Security benefits.

These benefits may include monthly retirement payments to you beginning as early as age 62, or sooner if you become disabled. Hospital and medical benefits begin for you and your dependents at age 65, or earlier in case of disability. Your dependents may qualify for survivor's benefits if you die.

WHEN YOU ARE ELIGIBLE

Before you can qualify for benefits, you must work for a required period of time under the Social Security program. Before 1978, for each three-month calendar quarter that you worked under Social Security and earned \$50 or more, you received one quarter of coverage. Since then, you receive one quarter of coverage (to a maximum of four quarters per year) for certain amounts of earnings in a year. For example, in 2014 you will receive one quarter of coverage for each \$1,200 of earnings in the year.

Once you have 40 quarters of coverage, you are fully "Insured" for life. "Insured" means you will be able to receive benefits at retirement. The amount of the monthly benefit will depend on your earnings during your working career.

YOUR BENEFITS

Calculating your monthly Social Security benefit is complicated and requires detailed information about your age, date of retirement, disability or death, and your year-by-year earnings history. The Social Security Administration makes this calculation for you when you retire.

If you were born before 1938, the age at which you can receive your full Social Security benefit (your full retirement age) is age 65. If you were born in 1938 or later, your full retirement age gradually increases from age 65 to age 67, as discussed below. You can begin your benefits before your full retirement age, but not earlier than age 62. If you begin your benefits before your full retirement age, you will receive a permanently-reduced amount.

Beginning in 2003, the full retirement age will gradually be raised, reaching age 67 in the year 2025:

- ▲ The full retirement age will increase by two months each year from 2003 to 2008, when it will be age 66.
- ▲ Starting in 2020, the full retirement age will increase by two months each year until 2025, when it will be age 67.

MEDICARE

The four parts of Medicare - hospital insurance (Part A), medical insurance (Part B), Medicare Advantage Program (Part C), and prescription drug coverage (Part D) - provide health care protection for people ages 65 and older. Also eligible for Medicare are disabled people under age 65 who have been entitled to Social Security disability benefits for 24 months. Insured employees and their dependents who need dialysis treatment or a kidney transplant because of permanent kidney failure also have Medicare protection.

MORE INFORMATION

Detailed information about monthly benefit payments and Medicare coverage is available from the local Social Security office. Representatives will answer your questions and provide booklets about Social Security programs. You can find the location of the nearest office in the telephone directory under "U.S. Government, Social Security Administration." You may contact the Social Security Administration toll-free at 1-800-772-1213, or access the Social Security Administration web site at www.ssa.gov.

ANNUAL STATEMENT

Each year, you will receive a personalized statement.

ANNUAL STATEMENT

Each year, you will receive a personalized statement showing estimates of the retirement benefit amounts you can expect to receive under the Retirement Plan if you retire at age 65. The statement also shows your Contribution Accumulation.

NOTICE OF POSSIBILITY OF A REDUCTION IN BENEFITS

Benefits could be reduced in the future to ensure the sustainability of the Retirement Plan.

BENEFIT REDUCTIONS

Colorado state law requires the Retirement Board to inform you that your benefits could be reduced in the future to ensure the sustainability of the Retirement Plan.

TWO-YEAR TIME LIMIT TO BRING A LAWSUIT OR ADMINISTRATIVE ACTION

Unless a shorter time frame applies, lawsuits or administrative actions must be brought within two years of the start of benefit payment or refund of contribution accumulation or by January 1, 2016 if related to the January 1, 2014 benefit reductions.

TIME LIMIT ON LAWSUITS OR ADMINISTRATIVE ACTIONS

All lawsuits or administrative actions must be brought by you, your spouse, your beneficiary, or any other person within two years of the date that benefits are paid from the Plan or Contribution Accumulations are refunded unless: (a) a shorter time period applies or (b) the lawsuit or administrative action concerns the benefit reductions that became effective January 1, 2014, in which case the lawsuit or administrative action must be commenced on or before January 1, 2016.