

Employees with less than 7.5 years of service as of June 30, 2016

Employees with less than 7.5 years of service will have their pension benefits calculated at retirement by combining benefits earned before June 30, 2016 on the previous plan with benefits earned after June 30, 2016 under the new Hybrid Plan.

Pension benefits accrued before June 30, 2016 are calculated by years of service multiplied by 2.5% multiplied by ending salary. This amount is preserved until retirement.

Any contributions made after June 30, 2016 are calculated based on the new Hybrid Plan, which includes the following changes:

Employee contributions will be a combination of 2% of salary in a Market Based Plan and 6% of salary in a 401 (a) Plan. The total contribution is the same as the previous plan at 8%.

The City of Memphis will contribute between 3% and 16% of the participating employee's salary depending on the years of service and position. Additionally, the City of Memphis will contribute 1.5% of employee's salary to the 401(a) Plan, which is employee directed after sign up.

The Market-based Plan is professionally managed. At retirement, employees have the option of a 457 Cash Out or rolling the fund over into an annuity.

All of the above only applies to employees who stay with the plan until they are vested. If an employee opts out before being vested, they get the amount they put in plus an applicable return multiple.