

City of **MEMPHIS**

RETIREMENT RESOURCE ASSISTANCE PROGRAM (RRAP)



CITY OF MEMPHIS



Additional coverage information is available at totalrewards.memphistn.gov
Questions? Call 901-636-6800 or email: benefitsquestions@memphistn.gov

A MESSAGE FROM MAYOR STRICKLAND

City of Memphis Current and Future Retiree,

Congratulations on reaching this milestone!

Your dedication and service to the City of Memphis is greatly appreciated. Employees are the lifeline of the work we do, and you have made a difference in the lives of the citizens we assist daily.

With you in mind, the Division of Human Resources is providing you with a comprehensive book of resources, benefits and information to assist you and your family during this phase of your life. We want to make your transition to retirement as seamless as possible and are here to answer any questions you may have as you embark on this journey.

We will miss you at the City of Memphis and wish you an enjoyable retirement.

Yours,



Jim Strickland
Mayor
City of Memphis



FROM THE DESK OF ALEX SMITH, CHIEF HUMAN RESOURCES OFFICER

City of Memphis Current and Future Retirees,

Congratulations on your retirement! As you come to the end of your service with us, we encourage you to take some time to re-evaluate your current and future benefits needs and become familiar with your benefits options. The City of Memphis remains dedicated to building and investing in products and services that benefit you and your family. We've worked to put together a retiree benefits package that is meaningful to you.

We are concerned about your well-being and look for ways to drive quality and optimize costs and are confident that we are on the right path to achieve these goals. As you look at your plan and the benefits it offers, I encourage you and your loved ones to plan how you can best utilize them during your retirement. Thank you for your commitment to the City of Memphis and being a part of what makes this place great!



Sincerely,

Alex Smith
Chief HR Officer
City of Memphis

A MESSAGE FROM THE TOTAL REWARDS TEAM

As a City of Memphis Retiree, we value the dedication and hard work you have given to the city. Your contributions and years of service have added value to the lives of the citizens and your fellow employees. As you prepare for retirement, we hope that the resources we have available provide insight and direction as you embark upon your retirement.

This booklet contains important information you need to know as you transition through this process. It is inclusive of the 1948 Pension Plan, 1978 Pension Plan, and the Hybrid 2016 Pension Plan. All summaries within this guide are intended to provide you with information regarding your benefit options, your retirement income and your continued well-being. If there are differences between this booklet and the plan documents, the plan documents will control and supersede the summaries.

The information in this booklet does not supersede nor restrict procedures or authority established under City Ordinance No. 5573. If there are differences between this packet and the law, the law will come first.

The City of Memphis operates all programs and activities free from discrimination based on sex, race or any other classification protected by federal or Tennessee state law. There are several informative sections within this guide designed to help answer many of your questions. If you have additional questions, feel free to reach out to us at benefitsquestions@memphistn.gov or call 901-636-6800.

Your Total Rewards Team

CITY OF MEMPHIS



DISCLAIMER: This booklet contains important information you need to know as you transition through this process. It is inclusive of the 1948 Pension Plan, 1978 Pension Plan and the Hybrid 2016 Pension Plan. All summaries within this guide are intended to provide you with information regarding your benefit options, your retirement income and your continued well-being. If there are differences between this booklet and the plan documents, the plan documents will control and supersede the summaries. The information provided in this booklet does not supersede nor restrict procedures or authority established under City Ordinance No. 5573. If there are differences between this packet and the law, the law will come first.

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The Road to Retirement



IMPORTANT CONTACTS

Benefit/Vendor	Phone Number Website or Email	Role
General Wellness Employee Healthcare, Retirement & Disability Services	901-636-6800 1-866-543-4367 www.totalrewards.memphistn.gov	<ul style="list-style-type: none"> Administers the enrollment process for retirement and insurance benefits Assists with resolving issues related to insurance
Pension & Retirement Pay & Calculations Pension Payroll	901-636-6661 companypayroll@memphistn.gov	<ul style="list-style-type: none"> Address changes Final pension calculation Pension Payments DROP Payout Final pay calculations Final pay calculation and payout Retirement check 60 days
Oracle Help Desk	901-636-6100	<ul style="list-style-type: none"> Sets up self-service account
Retiree Exchange Via Benefits Medicare	1-866-201-0367 My.ViaBenefits.com/Memphis	<ul style="list-style-type: none"> Pays Health Reimbursement Account (HRA) claims for participants not on city insurance Contracts with provider/preferred plans Supports retiree communications, evaluation and enrollment Manages employer subsidy via (HRA)
Via Benefits Pre-65	1-866-201-0437 Marketplace.ViaBenefits.com/Memphis	
Medical Blue Cross Blue Shield Tennessee	1-888-796-0609 www.BCBST.com	<ul style="list-style-type: none"> Pays claims Issues insurance cards Assists with resolving claims issues
Pharmacy Express Scripts	1-800-282-2881 www.BCBST.com	<ul style="list-style-type: none"> Pays pharmacy claims Assists with resolving claims issues
Vision Blue Cross Blue Shield Tennessee	1-877-342-0737 www.BCBST.com	<ul style="list-style-type: none"> Pays pharmacy claims Assists with resolving claims issues
Deferred Compensation Mass Mutual Financial Group	1-800-743-5274 David Bennett 901-389-8503 davidbennett@massmutual.com Austin Maness 901-864-8211 Amaness22@massmutual.com	<ul style="list-style-type: none"> Review account to determine retirement readiness Pre- and post-retirement distribution options
HRA city insurance Health Equity	www.myhealthequity.com (Use your city email for login)	<ul style="list-style-type: none"> Pays HRA and Flexible Spending Account claims for participants on city insurance
Social Security	https://www.socialsecurityoffices.info/city/tn-memphis 1-800-772-1213	<ul style="list-style-type: none"> Pays Social Security benefits
Medicare	www.medicare.gov 1-800-633-4227	<ul style="list-style-type: none"> Provides medical coverage for senior citizens ages 65 and over

THE 3 STEPS TO RETIREMENT

1. PLAN YOUR RETIREMENT



2. IDENTIFY YOUR PENSION PLAN

3. CHOOSE YOUR DATE



STEP 1: PLANNING FOR YOUR RETIREMENT

You should start planning for retirement at least five years before your estimated retirement date. The retirement checklist below is a general guide to help you through the thought process when preparing to retire.

1. Take inventory of your assets.

Know where you stand financially and evaluate your budget, including every debt, liability, savings balance, income stream and insurance policy. As you review, keep in mind that you won't be getting a paycheck once you retire. Today, retirement is more expensive than ever. The average American age 65 spends around \$46,000 a year, according to the Bureau of Labor Statistics. If you want to spend that much annually for 25 years, you'll need around \$1.15 million.

2. Build an emergency fund.

If you don't already have a "financial security blanket," now is the time to build one. Create a six-month fund based on your expenses including health care that your employer pays.

Keep your fund somewhere safe and separate from your other savings so you aren't tempted to spend it.

3. Eliminate all debt.

If possible, plan to enter retirement debt-free. Start making higher payments on the debt with the highest interest rate while continuing to pay the minimum due on other debts. Typically, a credit card charges the highest interest rate followed by personal loans and car loans.

4. Determine your retirement needs.

Think about the lifestyle you want after you retire. Where will you live? Will you get a job? What are your projected expenses? Although this is hard to predict, how long will you live?

You should also create a timeline to show when different streams of income will begin. This will help you manage cash flow and determine how much you need to save to retire. The income streams include: Social Security, employer-sponsored and individual retirement accounts, and for some, wages and a pension. Be sure you're thinking of each income in post-tax dollars.

5. Square away health insurance.

Health care costs can average 11 to 15 percent of retirement spending, depending on your age. At age 65 and older, Medicare should cover most health care needs, but you'll also need to factor the cost of supplemental insurance. Visit www.medicare.gov to understand your options. However, if you retire before age 65 and are no longer on an employer's or spouse's plan, you will have to buy your own health insurance.

PLANNING FOR YOUR RETIREMENT

6. Plan your estate.

Having an estate plan will reduce the financial burden for your surviving loved ones and ensure that your assets are dispersed the way you want.

You should create a will, as well as assign a power of attorney and health care proxy to make decisions on your behalf in case you become incapacitated. You may also need to establish guardians for surviving dependents, and you should name beneficiaries on life insurance plans, retirement accounts and shared assets.

Organize important documents and information and store them in a safe place. They include your Social Security number, date of birth, bank account numbers, insurance policy numbers, digital passwords and other information.

7. Investigate retirement investments.

Keeping in mind that your risk tolerance might change as you age and stop working, investigate how retirement investments could supplement your retirement account earnings.

You may want to employ a total return portfolio that allows you to withdraw a certain percentage while working toward a long-term rate of return. Retirement income mutual funds, government bonds, real estate, closed-end funds, dividend income funds and annuities are all good options for retirees.

8. Learn how to withdraw funds.

With an employer-sponsored plan, you have the option to leave funds there or roll them into an IRA account. Most experts advise waiting until you reach full retirement age to sign up for Social Security so you can receive full benefits. Although you are eligible to sign up anytime between the ages of 62 and 70, the longer you put off receiving benefits, the larger your monthly check will be. You may apply for Social Security online, by phone or in person at your local Social Security office.

STEP 2: IDENTIFY THE OPTIONS AVAILABLE TO YOU FOR RETIREMENT

THE RETIREMENT PLANS

Types of Pension Plans	
<p>Defined Benefits (1948 and 1978 Plans) are retirement plans that provide eligible participants with a fixed monthly benefit for life.</p>	<p>Defined Contribution Plan is a retirement plan in which you and/or your employer contribute to your individual account. The contributions and earnings are usually not taxed until distribution.</p>
<p>457(b) Deferred Compensation Plan is a nonqualified, tax-advantaged deferred compensation retirement plan available to government and some non-government employers. An employer provides the plan and a participant defers compensation into the plan on a pre-tax basis.</p>	<p>2016 Hybrid Plan is a tax-deferred retirement plan funded by contributions from both you and your employer. It has two components: A Cash Balance Plan and a Defined Contribution Plan. These two components together provide eligible participants with a fixed monthly benefit for life.</p>

Types of Retirement	
<p>Deferred Retirement — You must have at least 10 years of pension creditable service. Retirement will begin when the you reach 60 years old.</p>	<p>Involuntary Retirement — You must have 12 years of creditable pension service and be in an appointed or elected position or be an employee whose position is being discontinued without fault or delinquency on your part.</p>
<p>Reduced Retirement — You must be at least 60 years old and have at least 10 years of pension creditable service, or age 65 with at least five years of pension creditable service.</p>	<p>Service Retirement — You must have at least 25 years of pension creditable service.</p>
<p>Ordinary Disability Retirement — A physical or mental condition, other than a line of duty disability that arose after you worked for the city for five years or more. The condition must totally and permanently prevent you from performing your job duties for the city.</p>	<p>Line of Duty Disability Retirement — A physical or mental condition sustained while performing your job duties that totally and permanently prevents you from performing those job duties for the city.</p>

YOUR RETIREMENT PLANNING CHECKLIST

12 Months Before Retirement	6 Months Before Retirement
<ul style="list-style-type: none"> <input type="checkbox"/> Determine which insurance plan is right for you and your family; verify your post-retirement eligibility. <input type="checkbox"/> Evaluate your life insurance needs. <input type="checkbox"/> Evaluate your personal investments. <input type="checkbox"/> Review your estate planning and update wills, trusts, and power of attorney. <input type="checkbox"/> Learn about how property passes to relatives under Tennessee property laws. <input type="checkbox"/> Evaluate large purchases (cars, house, etc.) and determine if they can be paid off before retirement. <input type="checkbox"/> Determine how emergencies expenses will be handled. <input type="checkbox"/> Think about how you will spend your time after you retire. 	<ul style="list-style-type: none"> <input type="checkbox"/> Obtain an estimate of your benefits/pension from the City of Memphis (CoM) Benefits Office, and determine what your tax rates will be on your taxable income. <input type="checkbox"/> Obtain an estimate of Social Security benefits from your Social Security office. <input type="checkbox"/> If you will turn 65 before you retire, notify your Social Security office of your intent to retire to ensure that your Medicare coverage can start at the appropriate time. <input type="checkbox"/> Create a post-retirement budget to determine if your current standard of living can be maintained. <input type="checkbox"/> If you meet CoM retirement eligibility, file for your benefits 150 days after your last paid day of service to avoid loss of benefits.
3 Months Before Retirement	Once You Retire
<ul style="list-style-type: none"> <input type="checkbox"/> Notify your manager of your intent to retire. <input type="checkbox"/> If you are under 65, obtain the retirement application and insurance application from the Benefits Office. <input type="checkbox"/> File the CoM retirement application and other forms 60-90 days before your last paid day of service. <input type="checkbox"/> Decide which benefit option works best for you. <input type="checkbox"/> Talk to the Benefits Office about your accrued annual leave (vacation time) and payment options. <input type="checkbox"/> If you will turn 65 before you retire, notify the Social Security Administration of your intent to retire so that your Medicare coverage can start at the appropriate time. 	<ul style="list-style-type: none"> <input type="checkbox"/> You should have filed for your benefits by now, but if not, you must file no later than 150 days after your last paid day of service to avoid losing your benefits. <input type="checkbox"/> If you plan to continue with other employment, stay informed about Social Security earning limits and benefit decreases that may occur if you exceed those limits. <input type="checkbox"/> Remember to notify CoM if your address changes. <input type="checkbox"/> We encourage you to stay active. Exercise, volunteer and participate in recreational activities.

PENSION RETIREMENT PLANS — 1948 PLAN

(HIRED BETWEEN OCT. 1, 1948 AND JUNE 30, 1978)

1948 PENSION PLAN

A retirement plan that provides eligible participants with a fixed monthly benefit for life.

See Summary plan description

WHO IS ELIGIBLE?

- EMPLOYEES HIRED BETWEEN OCT 1, 1948 AND JUNE 30, 1978 WHO PARTICIPATED IN THE 1948 PLAN AS OF DEC. 31, 1989.
- EMPLOYEES ELECTED AFTER APRIL 1, 1951 AND BEFORE JULY 1, 1978 WHO PARTICIPATED IN THE 1948 PLAN AS OF DEC. 31, 1989.
- PART-TIME EMPLOYEES HIRED ON OR AFTER APRIL 1, 1960 AND BEFORE JULY 1, 1978 WHO PARTICIPATED IN THE 1948 PLAN AS OF DEC. 31, 1989.
- REEMPLOYED FORMER PARTICIPANTS IN THE 1948 PENSION PLAN WHO WERE REEMPLOYED PRIOR TO JULY 1, 1978. (SEE THE SUMMARY PLAN DESCRIPTION FOR ADDITIONAL INFORMATION.)
- EMPLOYEES WHO WERE TRANSFERRED TO THE CITY OF MEMPHIS FROM MLGW, MEMPHIS PUBLIC LIBRARIES AND SHELBY COUNTY GOVERNMENT ON OR BEFORE JULY 1, 1978.

WHEN CAN I RETIRE?

- GENERAL EMPLOYEES — 25 YEARS OF PENSION SERVICE OR AT AGE 60 WITH 10 YEARS PENSION SERVICE.
- COMMISSIONED EMPLOYEES — 25 YEARS OF PENSION SERVICE OR AT AGE 55 WITH 10 YEARS PENSION SERVICE.
- APPOINTED/ELECTED EMPLOYEES — 15 YEARS OF PENSION SERVICE.

HOW IT WORKS?

THE TYPICAL RETIREMENT DATE FOR GENERAL EMPLOYEES IS THE FIRST DAY OF THE MONTH AFTER THE ELIGIBILITY REQUIREMENTS ARE MET.

IF YOU HAVE QUESTIONS, CONTACT TOTAL REWARDS AT 901-636-6800 OR EMAIL BENEFITSQUESTIONS@MEMPHISTN.GOV. FULL RETIREMENT PLAN DETAILS ARE AVAILABLE AT WWW.TOTALREWARDS.MEMPHISTN.GOV.



PENSION RETIREMENT PLANS — 1978 PLAN

(EMPLOYEES HIRED ON OR AFTER JULY 1, 1978 AND PRIOR TO JULY 1, 2016)

1978 PENSION PLAN

A retirement plan that provides eligible participants with a fixed monthly benefit for life.

See summary plan description.

WHO IS ELIGIBLE?

- EMPLOYEES HIRED ON OR AFTER JULY 1, 1978 AND PRIOR TO JULY 1, 2016, WHO HAD AT LEAST 7½ YEARS OF SERVICE WITH THE CITY OF MEMPHIS, BY JULY 1, 2016.
- EMPLOYEES ELECTED PRIOR TO JULY 1, 2016.

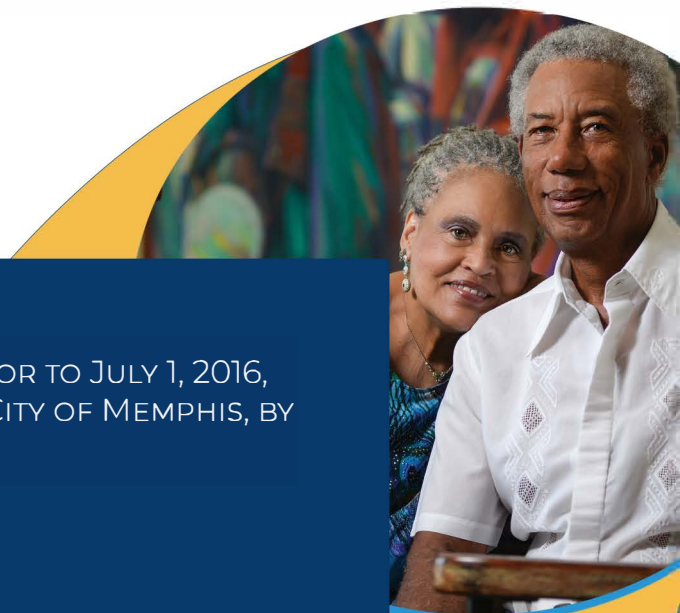
WHEN CAN I RETIRE?

- GENERAL EMPLOYEES HIRED PRIOR TO JULY 1, 2012 — 25 YEARS OF PENSION SERVICE, OR AT AGE 60 WITH 10 YEARS OF PENSION SERVICE, OR AT AGE 65 WITH FIVE YEARS OF PENSION SERVICE.
- COMMISSIONED EMPLOYEES HIRED PRIOR TO JULY 1, 2012 — 25 YEARS OF PENSION SERVICE, OR AT AGE 55 WITH 10 YEARS OF PENSION SERVICE.
- APPOINTED/ELECTED EMPLOYEES HIRED PRIOR TO NOV. 1, 2004 AND FIRST APPOINTED FEB. 17, 2010 WHO HAVE 12 YEARS OF PENSION SERVICE.
- GENERAL EMPLOYEES HIRED ON OR AFTER JULY 1, 2012 AND PRIOR TO JULY 1, 2016 WHO HAVE 25 YEARS OF PENSION SERVICE WITH A REDUCTION FOR EACH YEAR EARLY RETIREMENT DATE IS BEFORE THE EMPLOYEE TURNS 62, OR AT AGE 65 WITH FIVE YEARS OF PENSION SERVICE.
- COMMISSIONED EMPLOYEES HIRED ON OR AFTER JULY 1, 2012 WHO HAVE 25 YEARS OF PENSION SERVICE WITH A REDUCTION FOR EACH YEAR EARLY RETIREMENT DATE IS BEFORE THE EMPLOYEE TURNS 52, OR AT AGE 55 WITH 10 YEARS OF PENSION SERVICE.

HOW IT WORKS?

- THE TYPICAL RETIREMENT DATE FOR GENERAL EMPLOYEES IS THE FIRST DAY OF THE MONTH AFTER THE DATE YOU ARE ELIGIBLE TO RETIRE. THE NORMAL RETIREMENT DATE FOR POLICE OFFICERS AND FIREFIGHTERS IS THE FIRST DAY OF THE MONTH AFTER THE RETIREMENT DATE IS COMPLETED.

IF YOU HAVE QUESTIONS, CONTACT TOTAL REWARDS AT 901-636-6800 OR EMAIL BENEFITSQUESTIONS@MEMPHISTN.GOV. FULL RETIREMENT PLAN DETAILS ARE AVAILABLE AT WWW.TOTALREWARDS.MEMPHISTN.GOV.



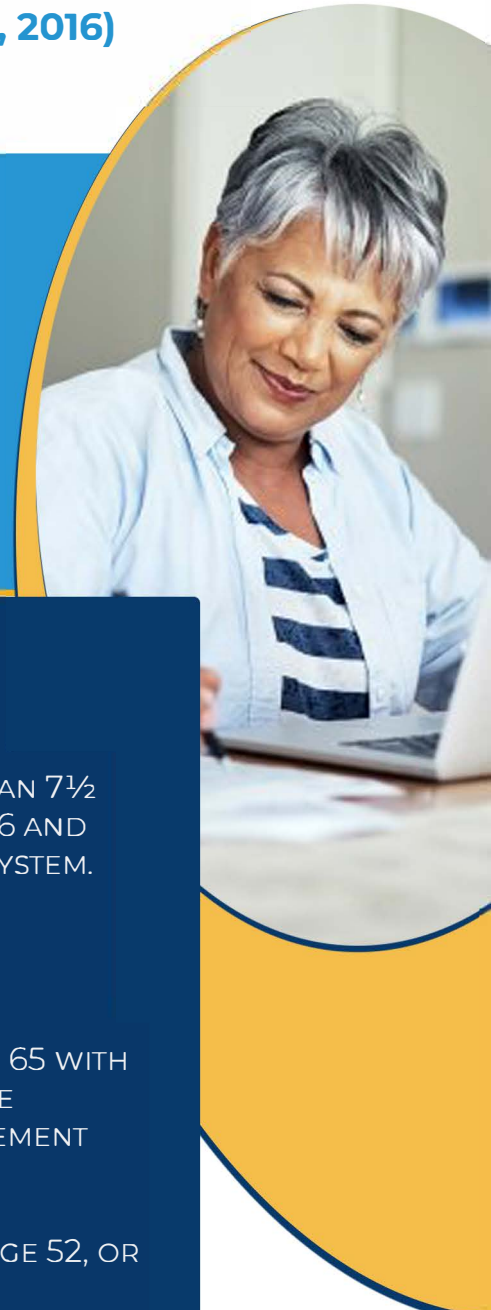
PENSION RETIREMENT PLANS — 2016 HYBRID PLAN

(REGULAR FULL-TIME EMPLOYEE HIRED ON OR AFTER JULY 1, 2016)

A TRANSFERRED EMPLOYEE WHO HAS AT LEAST 7½ YEARS OF SERVICE AS OF JUNE 30, 2016.

CITY OF MEMPHIS HYBRID PLAN

The Hybrid Plan is a tax-deferred retirement plan funded with both employee contributions and employer contributions. The Hybrid Plan has two components, the Cash Balance Plan and the Defined Contribution Plan. Your benefit under the Hybrid Plan at retirement is based on the value of your account in the Cash Balance Plan and the Defined Contribution Plan. (See Summary Plan description for full details.)



WHO IS ELIGIBLE?

- REGULAR FULL-TIME EMPLOYEES HIRED ON OR AFTER JULY 1, 2016.
- TRANSFERRED EMPLOYEES AS OF JUNE 30, 2016 WHO HAD LESS THAN 7½ YEARS OF SERVICE WITH THE CITY OF MEMPHIS AS OF JUNE 30, 2016 AND WERE A PARTICIPANT IN THE 1978 CITY OF MEMPHIS RETIREMENT SYSTEM.

WHEN CAN I RETIRE?

- GENERAL EMPLOYEES — 25 YEARS OF PENSION SERVICE, OR AT AGE 65 WITH FIVE YEARS OF PENSION SERVICE. THE RETIREMENT BENEFIT WILL BE REDUCED BY 5% PER YEAR FOR EACH YEAR THAT HIS OR HER RETIREMENT
- DATE PRECEDES THE DATE THE PARTICIPANT WILL ATTAIN AGE 62.
- COMMISSIONED EMPLOYEES — 25 YEARS OF PENSION SERVICE AT AGE 52, OR AT AGE 55 WITH 10 YEARS OF PENSION SERVICE.

IF YOU HAVE QUESTIONS, CONTACT TOTAL REWARDS AT 901-636-6800 OR EMAIL BENEFITSQUESTIONS@MEMPHISTN.GOV. FULL RETIREMENT PLAN DETAILS ARE AVAILABLE AT WWW.TOTALREWARDS.MEMPHISTN.GOV.

PENSION RETIREMENT PLANS — 2016 HYBRID PLAN (CONTINUED)

(REGULAR FULL-TIME EMPLOYEE HIRED ON OR AFTER JULY 1, 2016)

**A TRANSFERRED EMPLOYEE WHO HAS AT LEAST 7½ YEARS
OF SERVICE AS OF JUNE 30, 2016.**

CITY OF MEMPHIS HYBRID PLAN

HOW IT WORKS

EMPLOYEES FORMERLY IN THE 1978 PLAN WITH LESS THAN 7½ YEARS OF SERVICE AS OF JUNE 30, 2016 WILL HAVE THEIR PENSION BENEFITS CALCULATED AT RETIREMENT BY COMBINING BENEFITS EARNED BEFORE JUNE 30, 2016 ON THE PREVIOUS 1978 DEFINED BENEFIT PLAN WITH BENEFITS EARNED AFTER JUNE 30, 2016 UNDER THE NEW HYBRID PLAN.

- IF A TRANSFERRED EMPLOYEE TERMINATES EMPLOYMENT PRIOR TO NORMAL RETIREMENT AND IS ENTITLED TO A REFUND OF EMPLOYEE CONTRIBUTIONS, THE EMPLOYEE CONTRIBUTIONS TO THE 1978 PLAN WILL BE REFUNDED WITH THE APPLICABLE MULTIPLIER UNDER THE 1978 PLAN. IF THE EMPLOYEE TERMINATES PRIOR TO BEING ENTITLED TO AN ANNUITY UNDER THE 2016 HYBRID PLAN, THE EMPLOYEE RECEIVES THE VESTED AMOUNT IN HIS OR HER ACCOUNT.
- ANY CONTRIBUTIONS MADE AFTER JUNE 30, 2016 ARE CALCULATED BASED ON THE NEW HYBRID PLAN, WHICH INCLUDES THE FOLLOWING:
 - EMPLOYEE CONTRIBUTIONS WILL BE A COMBINATION OF 2% OF SALARY IN THE CASH BALANCE PLAN AND 6% OF SALARY IN A DEFINED CONTRIBUTION PLAN. THE TOTAL CONTRIBUTION IS THE SAME AS THE CONTRIBUTION AMOUNT IN THE 1978 PLAN AT 8%.
 - THE CITY OF MEMPHIS WILL CONTRIBUTE BETWEEN 3 TO 16 PERCENT OF THE PARTICIPATING EMPLOYEE'S SALARY DEPENDING ON THE YEARS OF SERVICE AND POSITION. ADDITIONALLY, THE CITY OF MEMPHIS WILL CONTRIBUTE 1.5% OF THE EMPLOYEE'S SALARY TO THE DEFINED CONTRIBUTION PLAN. THE EMPLOYEE DIRECTS HOW CONTRIBUTIONS TO THE DEFINED CONTRIBUTION PLAN ARE INVESTED.
- THE CASH BALANCE PLAN IS PROFESSIONALLY MANAGED. AT RETIREMENT, EMPLOYEES RECEIVE AN ANNUITY BASED ON THE CASH BALANCE PLAN AND DEFINED CONTRIBUTION PLAN ACCOUNTS. IF AN EMPLOYEE IS TERMINATED PRIOR TO RETIREMENT, THE EMPLOYEE RECEIVES THE VESTED AMOUNT IN HIS OR HER ACCOUNT.



IF YOU HAVE QUESTIONS, CONTACT TOTAL REWARDS AT 901-636-6800 OR EMAIL BENEFITSQUESTIONS@MEMPHISTN.GOV. FULL RETIREMENT PLAN DETAILS ARE AVAILABLE AT WWW.TOTALREWARDS.MEMPHISTN.GOV.

PENSION RETIREMENT PLANS — DROP PLAN

ALL FULL-TIME EMPLOYEES WITH 25 YEARS OF SERVICE

THE DROP PROGRAM

(Deferred Retirement Option Plan), is a benefit of the City of Memphis Retirement System that allows eligible employees who agree to retire in one, two or three years, to stop participation in, and contribution to, the retirement plan.

(See the Summary Plan description for full details.)



WHO IS ELIGIBLE?

- FULL-TIME EMPLOYEES WHO REACHED THEIR EXPECTED RETIREMENT DATE (AS DEFINED BY THE RETIREMENT PLAN) AND WHO HAVE AT LEAST 25 YEARS OF SERVICE.

HOW IT WORKS

- DURING MARCH, JUNE, SEPTEMBER OR DECEMBER, YOU MUST COMPLETE AN ELECTION FORM AGREEING TO RETIRE IN ONE, TWO OR THREE YEARS FROM THE EFFECTIVE DATE OF YOUR PARTICIPATION.
- THE EMPLOYEES' CONTRIBUTIONS AND THE CITY'S CONTRIBUTIONS TO THE RETIREMENT PLAN STOP WHEN EMPLOYEES ENTER THE DROP.
- EMPLOYEES STOP RECEIVING A CREDIT OF ADDITIONAL YEARS OF SERVICE UNDER THE RETIREMENT PLAN, AND THEIR COMPENSATION (FOR PURPOSES OF CALCULATING THE RETIREMENT PLAN BENEFIT) IS FROZEN AS OF THE EFFECTIVE DATE.
- THE EMPLOYEES' BENEFITS UNDER THE RETIREMENT PLAN ARE CALCULATED AS IF THE DATE OF RETIREMENT IS THE LAST DAY WORKED.
- A SPECIAL ACCOUNT IS ESTABLISHED FOR EMPLOYEES THAT IS CREDITED WITH AN AMOUNT EQUAL TO THE MONTHLY PENSION THEY RECEIVE IF THEY RETIRED ON THE EFFECTIVE DATE THEY SELECTED.
- ALSO, THE EMPLOYEES' SEPARATE ACCOUNTS EARN INTEREST EACH CALENDAR QUARTER ON THE AVERAGE MONTHLY BALANCE. THE INTEREST IS BASED ON 25% OF THE 90-DAY TREASURY BILL YIELD PUBLISHED IN THE LATEST WALL STREET JOURNAL OF THAT QUARTER.

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457(b) PLAN

THE CITY MAINTAINS A 457(b) PLAN TO WHICH ELIGIBLE EMPLOYEES MAY MAKE VOLUNTARY EMPLOYEE CONTRIBUTIONS UP TO THE LIMIT PERMITTED BY THE INTERNAL REVENUE CODE. EXCEPT FOR THE SOCIAL SECURITY PLAN REFERENCED BELOW NO CITY CONTRIBUTIONS ARE MADE TO THE 457(b) PLAN.

UPON RETIREMENT AT THE APPLICABLE RETIREMENT AGE, AN EMPLOYEE WHO PARTICIPATES IN THE 2016 HYBRID PLAN MAY AT HIS OR HER OWN CHOOSING, ROLLOVER ANY ACCOUNT BALANCE IN THE 457(b) PLAN ATTRIBUTABLE TO THE EMPLOYEE'S SALARY WITH THE CITY TO THE 2016 HYBRID PLAN TO INCREASE THE MONTHLY ANNUITY FROM THE 2016 HYBRID PLAN.



IF YOU HAVE QUESTIONS, CONTACT TOTAL REWARDS AT 901-636-6800 OR EMAIL BENEFITSQUESTIONS@MEMPHISTN.GOV. FULL RETIREMENT PLAN DETAILS ARE AVAILABLE AT WWW.TOTALREWARDS.MEMPHISTN.GOV.

PENSION RETIREMENT PLANS — SOCIAL SECURITY PLAN

CERTAIN AFSCME AND ELIGIBLE SOLID WASTE EMPLOYEES

SOCIAL SECURITY PLAN — 457 (b)

Contributions for certain full-time AFSCME and Solid Waste employees. Under this plan, based on the employee's salary, the city will contribute the difference between its contribution to the regular pension and its contribution to Social Security. The current amount the city contributes is 2.35% of the employee's salary.

WHO IS ELIGIBLE?

- FULL-TIME SOLID WASTE EMPLOYEES WHO ARE NOT ELIGIBLE FOR THE CITY OF MEMPHIS PENSION PLAN BECAUSE THEY ARE COVERED BY SOCIAL SECURITY.

HOW IT WORKS

UNDER THE 401(A) MATCHING PROGRAM FOR ALL EMPLOYEES COVERED BY SOCIAL SECURITY, FOR EACH \$1 THAT AN EMPLOYEE CONTRIBUTES TO THE CITY'S 457(B) PLAN, THE CITY CONTRIBUTES AN AMOUNT OF UP TO 3% OF THE ELIGIBLE EMPLOYEE'S SALARY ON THE FOLLOWING SCHEDULE:

YEARS OF SERVICE	CITY CONTRIBUTION
0 – 15	\$0.50
16 – 20	\$1.00
21+	\$1.50



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DEFINED CONTRIBUTION PLAN

**REGULAR FULL-TIME EMPLOYEES HIRED ON OR AFTER JULY 1, 2016
(CERTAIN ELIGIBILITY REQUIREMENTS MUST BE MET.)**

DEFINED CONTRIBUTION PLAN

WHO IS ELIGIBLE?

REGULAR FULL-TIME EMPLOYEES HIRED ON OR AFTER JULY 1, 2016.

EXCLUDES

- EMPLOYEES MANDATED TO CONTRIBUTE TO SOCIAL SECURITY.
- TRANSFERRED PARTICIPANTS, DEFINED AS PARTICIPANTS IN THE CITY OF MEMPHIS RETIREMENT SYSTEM FOR GENERAL EMPLOYEES, (INCLUDING POLICE OFFICERS AND FIREFIGHTERS), WHO ON JUNE 30, 2016 WERE ACTIVELY EMPLOYED, BUT WHO AS OF JUNE 30, 2016 HAD LESS THAN 7½ YEARS OF SERVICE WITH THE CITY.

HOW IT WORKS

BEGINNING WITH THE FIRST PAYROLL AFTER JULY 1, 2016.

- EMPLOYEE CONTRIBUTION: 6% EMPLOYEE CONTRIBUTIONS ARE VESTED IMMEDIATELY.
- EMPLOYEE CONTRIBUTION: 1.5% EMPLOYEE CONTRIBUTIONS ARE SUBJECT TO A 10-YEAR VESTING PERIOD.

ALL CITY OF MEMPHIS 401(A) PLAN CONTRIBUTIONS WILL BE AUTOMATICALLY INVESTED IN THE VANGUARD TARGET RETIREMENT DATE FUNDS UNLESS OTHER INVESTMENTS ARE SELECTED.



LINE OF DUTY PENSION DISABILITY RETIREMENT PLAN

EMPLOYEES MUST BE APPROVED BY THE PENSION BOARD

LINE OF DUTY PENSION DISABILITY

- A physical or mental condition arising as the direct and proximate result of an accident sustained by a participant after he or she became a participant, and while in the actual performance of duties for the city at some definite time and place, without willful negligence on his or her part. The condition must totally and permanently prevent him or her from engaging in the duties for which he or she was employed by the city. The determination of the line of duty disability of a participant will be made on medical evidence by at least two qualified physicians.

(See the Pension and Retirement Systems Ordinance for further details.)

WHO IS ELIGIBLE?

- TWO CRITERIA MUST BE MET. FIRST, THE PENSION BOARD OF ADMINISTRATION MUST FIND THAT THE PARTICIPANT HAS BEEN TOTALLY AND PERMANENTLY INCAPACITATED FOR DUTY AS THE DIRECT AND PROXIMATE RESULT OF AN ACCIDENT SUSTAINED WHILE IN THE ACTUAL PERFORMANCE OF DUTY AT SOME DEFINITE TIME AND PLACE. NEXT, TWO QUALIFIED PHYSICIANS APPROVED BY THE BOARD MUST CERTIFY THAT THE PARTICIPANT IS MENTALLY OR PHYSICALLY, TOTALLY AND PERMANENTLY INCAPACITATED FOR THE FURTHER PERFORMANCE OF DUTY.

WHEN CAN I RETIRE?

- YOU MAY RETIRE AFTER YOUR APPLICATION IS PRESENTED TO THE PENSION BOARD AND THE BOARD VOTES TO APPROVE THE APPLICATION.

HOW IT WORKS

- APPLICANT SUBMITS LETTER FROM PHYSICIAN STATING THE APPLICANT'S MEDICAL CONDITION AND DISABILITY.
- CASE MANAGER WILL COORDINATE INDIVIDUAL MEDICAL EXAMINATIONS (IME) WITH TWO PHYSICIANS FOR THE APPLICANT.
- UPON RECEIPT OF REPORTS FROM THE IME PHYSICIANS, THE BENEFITS MANAGER WILL REVIEW THE FILE TO DETERMINE IF THE INJURY QUALIFIES FOR PENSION DISABILITY.
- THE APPLICANT RECEIVES WRITTEN COMMUNICATION NOTIFYING HIM OR HER OF THE DECISION.
- IF APPROVED, THE APPLICANT IS PLACED ON THE AGENDA FOR THE NEXT BOARD MEETING.
- IF DENIED, THE APPLICANT HAS THE RIGHT TO APPEAL THE DECISION.

ORDINARY DISABILITY RETIREMENT PLAN

EMPLOYEES MUST BE APPROVED BY THE PENSION BOARD

ORDINARY PENSION DISABILITY

A physical or mental condition, other than a line of duty disability, that arises after the participant is employed by the city and is credited with five or more years of service. The condition must totally prevent him or her from engaging in the duties that he or she was employed by the city to do. Two qualified physicians approved by the board must certify that the participant is totally and permanently incapacitated for the further performance of duty.

(See the Pension and Retirement System Ordinance for further details.)

WHO IS ELIGIBLE?

- ANY PARTICIPANT WITH AT LEAST FIVE YEARS OF CREDITABLE PENSION SERVICE WHO HAS BEEN CERTIFIED BY TWO QUALIFIED PHYSICIANS AS TOTALLY AND PERMANENTLY INCAPACITATED FOR DUTY FOR THE FURTHER PERFORMANCE OF DUTY.

WHEN CAN I RETIRE?

- YOU CAN RETIRE AFTER YOUR APPLICATION IS PRESENTED TO THE PENSION BOARD AND THE BOARD VOTES TO APPROVE THE APPLICATION.

HOW IT WORKS

- AN APPLICANT SUBMITS A LETTER FROM PHYSICIAN STATING THE APPLICANT'S MEDICAL CONDITION AND DISABILITY.
- CASE MANAGER WILL COORDINATE INDIVIDUAL MEDICAL EXAMINATIONS (IME) WITH TWO PHYSICIANS FOR THE APPLICANT.
- UPON RECEIPT OF REPORTS FROM THE IME PHYSICIANS, THE BENEFITS MANAGER WILL REVIEW THE FILE TO DETERMINE IF THE INJURY QUALIFIES FOR PENSION DISABILITY.
- THE APPLICANT RECEIVES WRITTEN COMMUNICATION NOTIFYING HIM OR HER OF THE DECISION.
- IF APPROVED, THE APPLICANT IS PLACED ON THE AGENDA FOR THE NEXT BOARD MEETING.
- IF DENIED, THE APPLICANT HAS THE RIGHT TO APPEAL THE DECISION.

IF YOU HAVE QUESTIONS, CONTACT TOTAL REWARDS AT 901-636-6800 OR EMAIL BENEFITSQUESTIONS@MEMPHISTN.GOV. FULL RETIREMENT PLAN DETAILS ARE AVAILABLE AT WWW.TOTALREWARDS.MEMPHISTN.GOV.

HOW IS YOUR PENSION CALCULATED?

Generally, under the 1978 Plan your retirement benefit (starting on your normal retirement date and payable as a single life annuity) is the sum of the following:

For employees hired prior to July 1, 2012:

1. **2.25%** OF YOUR AVERAGE MONTHLY PAYMENT MULTIPLIED BY THE YEARS OF SERVICE BEFORE JAN. 1, 1990, **PLUS**
2. **2.5%** OF YOUR AVERAGE MONTHLY PAYMENT MULTIPLIED BY YOUR YEARS OF SERVICE AFTER JAN. 1, 1990, **PLUS**
3. **1%** OF YOUR AVERAGE MONTHLY PAYMENT MULTIPLIED BY YOUR YEARS OF SERVICE OVER 25, UP TO A MAXIMUM OF 10, **PLUS**
4. **1%** OF YOUR AVERAGE MONTHLY PAYMENT MULTIPLIED BY YOUR YEARS OF SERVICE OVER 35 EARNED AFTER JAN. 1, 1990, UP TO A MAXIMUM TOTAL RETIREMENT BENEFIT OF 72.5%. **THE SUM OF YOUR YEARS OF SERVICE IN 1 AND 2 (ABOVE) CANNOT EXCEED 25.**

For employees hired on or after July 1, 2012:

1. **2.25%** OF YOUR AVERAGE MONTHLY PAYMENT MULTIPLIED BY THE YEARS OF SERVICE AFTER JULY 1, 2012, **PLUS**
2. **1%** OF YOUR AVERAGE MONTHLY PAYMENT MULTIPLIED BY YOUR YEARS OF SERVICE OVER 25, UP TO A MAXIMUM OF 10 YEARS OF SERVICE, **PLUS,**
3. **1%** OF YOUR AVERAGE MONTHLY PAYMENT MULTIPLIED BY YOUR YEARS OF SERVICE OVER 35 EARNED AFTER JAN. 1, 1990, UP TO A MAXIMUM TOTAL RETIREMENT BENEFIT OF 72.5%.

HOW IS YOUR PENSION CALCULATED?



FOR EXAMPLE:

John has worked for the city for 30 years (20 years before Jan. 1, 1990 and 10 years after).

His average monthly compensation is \$2,000 (\$24,000 annually), and he is eligible to retire.

Under the above formula, John's monthly retirement benefit (starting on his normal retirement date as a single life annuity) is calculated as follows:

- $\$2,000 \times 2.25\% \times 20 = \900
- $\$2,000 \times 2.5\% \times 5 = \250
- $\$2,000 \times 1\% \times 5 = \100

John's monthly benefit is \$1,250

(Applicable income taxes apply.)

HOW IS YOUR PENSION CALCULATED?

In certain situations, you will be entitled to receive the plan’s minimum benefits. In the 1978 Plan, you also have the option of receiving in lieu of your monthly benefit, the sum of your contributions to the plan (multiplied by the return applicable multiplier set forth in the 1978 Plan corresponding to the number of completed years of service (see box below), provided you and your spouse, if necessary, elect in writing to receive your distribution in this lump sum. Partial or fractional years are not considered.

Completed Years of Service	Return Multiple
Less than 5	1.0
5	1.5
6	1.7
7	1.9
8	2.1
9	2.3
10	2.5
11	2.6
12	2.7
13	2.8
14	2.9
15 or more	3.0

If the minimum retirement benefit is more than the general formula described above, you will receive the plan’s minimum benefit unless the only benefit you are entitled to is a deferred retirement benefit. The plan’s minimum retirement benefit (starting on your normal retirement date and payable as a single life annuity) is the greater of one through three (below).

1.

THE SUM OF \$525 PLUS \$21 MULTIPLIED BY THE LESSER OF 10 OR YOUR YEARS OF SERVICE MORE THAN 25. THIS BENEFIT WILL ONLY APPLY IF YOU ARE ENTITLED TO A LINE OF DUTY DISABILITY OR DEATH BENEFIT, OR YOU ARE RETIRING WITH AT LEAST 25 YEARS OF SERVICE.

2.

THE SUM OF \$500 PLUS \$1 MULTIPLIED BY THE LESSER OF 25 OR YOUR YEARS OF SERVICE. THIS BENEFIT WILL ONLY APPLY IF YOU ARE RETIRING ON OR AFTER REACHING AGE 65 WITH 15 OR MORE YEARS OF SERVICE.

3.

THE GREATER OF \$262.50 OR \$21 MULTIPLIED BY YOUR YEARS OF SERVICE. THIS BENEFIT WILL ONLY APPLY IF YOU ARE RETIRING WITH LESS THAN 25 YEARS OF SERVICE AND BEFORE REACHING AGE 65.

HOW IS YOUR PENSION CALCULATED?

Where can I get an estimate of my pension?

The Benefits Office will provide a pension estimate for you; however, the final calculation is done by the Pension Payroll Office. companypayroll@memphistn.gov

Whom do I contact regarding my final pay?

All final pay, vacation, sick leave, etc. is handled by your division.

When do I get paid?

The Pension Board must vote on the approval of your pension before you receive your first check. Your first check will be retroactive to the date of your retirement. It may take 30 to 60 days before you receive your first check.

Pensions are on paid on the 15th and the last day of the month. If any of these days fall on a weekend, Pension Payroll will try to make payday Friday. If you have questions regarding your pension payment, you may contact the Pension Payroll department.

What is my disability benefit?

If it is determined that a line of duty disability occurred, then you will be entitled to receive a disability benefit equal to the greater of 60% of your average monthly compensation or your accrued benefit as of the date of your disability. A line of duty disability is a physical or mental condition arising as a direct and proximate result of an accident sustained by a participant, after becoming a participant, while in the actual performance of duties for the city at some definite time and place without willful negligence. The disability must totally and permanently prevent the participant from engaging in the duties for which he or she was employed. The determination of the line of duty disability will be made on the medical evidence reported by at least two qualified physicians licensed to practice in Tennessee and selected by the board.

If you sustain a disability that was not in the line of duty (ordinary disability), and that was not a result of your gross and willful misconduct, you will receive a disability benefit equal to your accrued benefit at the date of your disability. Generally, no benefit will be payable because a disability happened while serving in the armed forces.

An “ordinary disability” is a physical or mental condition arising after the participant is credited with five or more years of service that totally prevents him or her from engaging in the duties for which he or she was employed.

What is the death benefit?

If a fatal injury happens while performing your duties for the city, without willful negligence, and you are married, your surviving spouse is entitled to a line of duty death benefit. If you are not married at the time of your death, your minor children or children with disabilities at any age are entitled to a line of duty death benefit.

HOW IS YOUR PENSION CALCULATED?

The line of duty death benefit for your spouse or minor children is equal to the greater of 60% of your average monthly compensation as of the date of your death or your accrued benefit as of the date of your death.

The line of duty death benefit for your children with disabilities is equal to the greater of 30% of your average monthly compensation or 50% of your accrued benefit as of the date of your death. If you die and it is not a line of duty death, then your benefits will vary depending on whether you are a participant in the 1948 Plan or the 1978 Plan.

How is the death benefit distributed?

How the death benefit is paid is based on who is receiving it.

The lawful, surviving spouse will receive death benefits until his/her death or until remarriage (if remarried before age 65). A lawful spouse of a participant, active or retired, is one who had the status of lawful spouse immediately preceding the death of the participant.

The minor children and children with disabilities will begin to receive death benefits after the death or remarriage of the spouse before age 65. If there is no surviving spouse, shortly after the retiree's death, the minor children and children with disabilities are entitled to the benefit.

For each participant hired on or after July 1, 2012, the death benefit will be paid to the surviving spouse until the spouse's death or remarriage. If there is no spouse, or upon the spouse's death or remarriage, the death benefit will be paid to the participant's minor children and children with disabilities. Minor children will continue to receive payments until they reach the age of 18. However, any children with disabilities will only be entitled to receive 50 percent of the benefit payment because they are eligible for Social Security benefits.

What if I am reemployed?

If you decide to return to work and are receiving benefits payments from the plan, your benefits payments will stop. Your new benefits payments will begin when you leave employment with the city again. This new benefit will be based on your last retirement date and the value of your benefits will be based on your previous employment date, unless you were vested before Jan. 1, 1990 less the actuarial value of any benefits received by you before you were reemployed unless you were vested prior to Jan. 1, 1990.

Do my benefit payments continue if I return to work for the city?

No. If you are receiving benefit payments from the Plan and you are reemployed, your benefit payments stop. Your new benefit payments will begin when you again leave employment with the city. The new benefit payments will be based on the benefit payable to you as of your later retirement date, less the actuarial value of any benefits received by you before you were reemployed unless you were vested prior to Jan. 1, 1990.

HOW IS YOUR PENSION CALCULATED?

Where do I send a change of address?

Submit your address change in writing, along with your name and Social Security number to Pension Payroll, 125 N. Main, Room 354, Memphis, TN 38103.



WHEN CAN I RETIRE?

Your date of retirement must be on or after meeting the qualifying time periods below.

CITY OF MEMPHIS RETIREMENT ELIGIBILITY	
Eligibility Requirements to Retire (hired before July 1, 2012)	
1948 Plan — Became a participant before July 1, 1978	
General Employees	<ul style="list-style-type: none"> 25 years of pension service, or age 60 with 10 years of pension service.
Commissioned Employees	<ul style="list-style-type: none"> 25 years of pension service, or age 55 with 10 years of pension service.
Appointed/Elected Employees	<ul style="list-style-type: none"> 15 years of pension service.
1978 Plan — Became a participant effective July 1, 1978 and before July 1, 2012	
General Employees	<ul style="list-style-type: none"> 25 years of pension service, or age 60 with 10 years of pension service, or age 65 with five years of pension service.
Commissioned Employees	<ul style="list-style-type: none"> 25 years of pension service or age 55 with 10 years of pension service.
Appointed/Elected Employees	<ul style="list-style-type: none"> 12 years of pension service (hired prior to Nov. 1, 2004 and first appointed to Feb. 17, 2010).
1978/Hybrid Plan — Eligibility Requirements to Retire (hired after January 1, 2009 and before July 1, 2012)	
General Employees	<ul style="list-style-type: none"> 25 years of pension service, or age 65 with five years of pension service. The retirement benefit will be reduced by 5% per year for each year that his or her retirement date precedes the date the participant reaches age 62.
Commissioned Employees	<ul style="list-style-type: none"> 25 years of pension service, or age 55 with 10 years pension service. The retirement benefit will be reduced by 5% per year for each year that his or her retirement date precedes the date the participant reaches age 52.
Hybrid Plan — Eligibility requirements to retire (hired on or after July 1, 2016) or are a transferred participant	
General Employees	<ul style="list-style-type: none"> 25 years of pension service, or age 65 with five years of pension service. The retirement benefit will be reduced by 5% per year for each year that his or her retirement date precedes the date the participant reaches age 62.
Commissioned Employees	<ul style="list-style-type: none"> 25 years of pension service, or age 55 with 10 years of pension service. The retirement benefit will be reduced by 5% per year for each year that his or her retirement date precedes the date the participant reaches age 52.

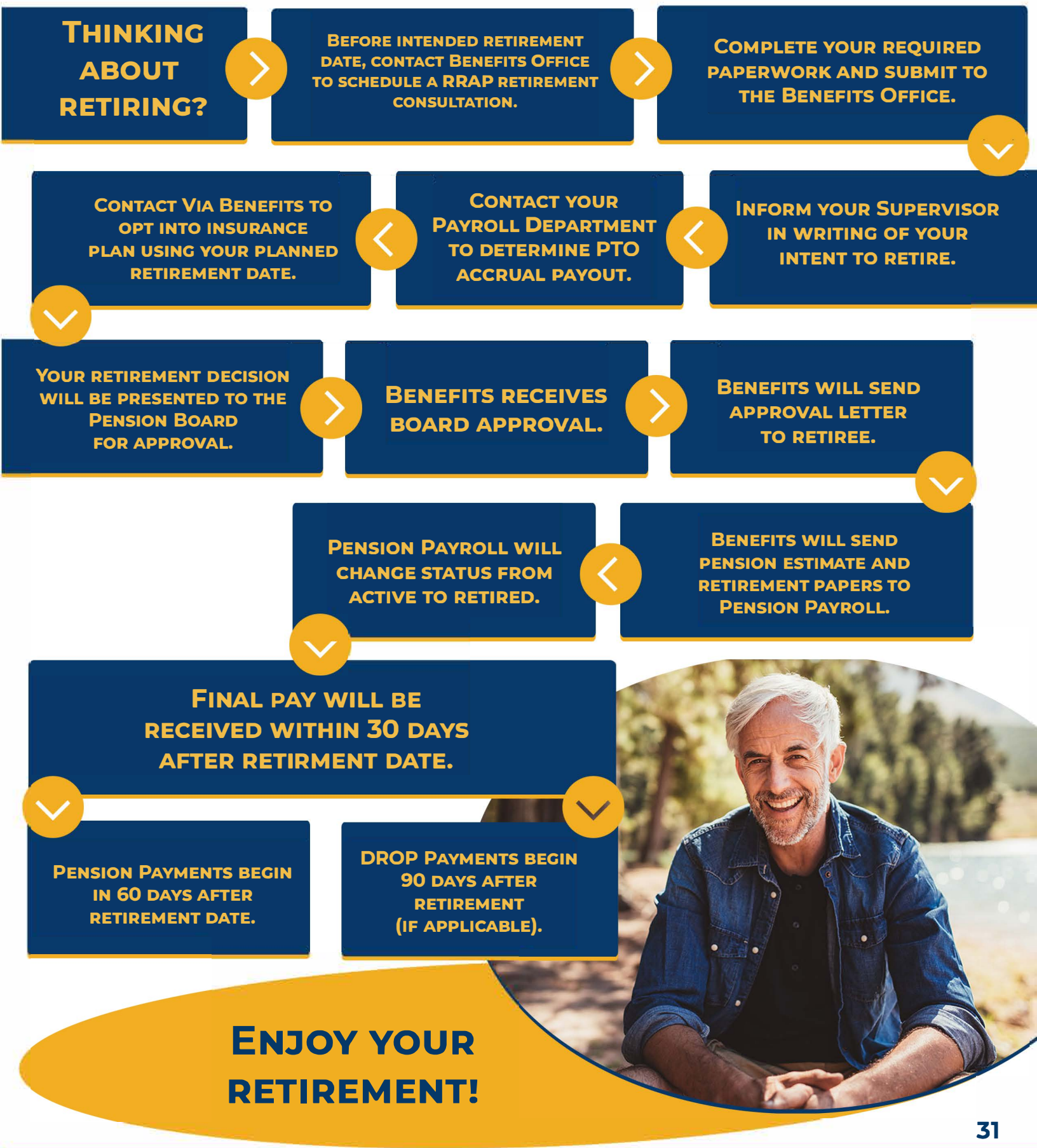
STEP 3: DECIDE WHEN CAN YOU RETIRE?



**HERE IS A SNAPSHOT OF THE PROCESS OF
RETIRING FROM THE CITY OF MEMPHIS**

**NOW THAT YOU HAVE ALL THE INFORMATION AND YOU ARE READY TO BEGIN
THE RETIREMENT PROCESS, WHAT ARE THE NEXT STEPS?**

REGULAR RETIREMENT PROCESS SNAPSHOT



DEFERRED RETIREMENT PROCESS (DROP)

THINKING ABOUT RETIRING?



BEFORE INTENDED RETIREMENT DATE, ATTEND RETIREMENT ORIENTATION.



INFORM YOUR SUPERVISOR IN WRITING OF RETIREMENT PLANS.



CONTACT PAYROLL DEPARTMENT TO DETERMINE PTO ACCRUAL PAYOUT.



COMPLETE REQUIRED PAPERWORK; TURN INTO BENEFITS OFFICE.



PENSION ESTIMATE AND RETIREMENT SENT TO PENSION PAYROLL.



CONTACT VIA BENEFITS TO OPT INTO AN INSURANCE PLAN.



PENSION PAYROLL WILL CHANGES YOUR STATUS FROM ACTIVE TO RETIRED.



FINAL PAY RECEIVED WITHIN 30 DAYS AFTER RETIREMENT.



DROP PAYMENTS BEGIN 90 DAYS AFTER RETIREMENT (IF APPLICABLE).

ENJOY YOUR RETIREMENT!



LINE OF DUTY OR ORDINARY DISABILITY



MEDICAL OPTIONS



**PLEASE REVIEW TO SEE WHICH
PLAN(S) APPLY TO YOU**

***MOST RETIREES WILL ONLY BE ELIGIBLE FOR THE VIA BENEFITS
HRA PLAN UNLESS THEY RETIRE UNDER “LINE OF DUTY”***

RETIREE HRA THROUGH VIA BENEFITS (NO CITY MEDICAL)

Applies to all retirees except for those who are line of duty retirees

The City of Memphis has partnered with Via Benefits to provide a private health insurance exchange to assist eligible retirees and their families in securing health insurance coverage. Retirees purchasing coverage through Via Benefits will enroll in individual plans with the city contributing to the coverage through a health reimbursement arrangement (HRA). The amount of the HRA is determined by the retiree and dependent's age and Medicare status.

Pre-65 Retiree	Insurance	Health Reimbursement Account (HRA)	
Line of Duty	City	Individual — \$0	Spouse — \$0
	Via Benefits	Individual — \$10,000	Spouse — \$10,000
Ordinary Retirement	Via Benefits or other	Individual — \$5,000	Spouse — \$5,000

Via Benefits HRA amounts shown above are annual funding amounts and may be prorated for new retirees.

Post-65 Retiree	Insurance	Health Reimbursement Account (HRA)	
Line of Duty	City <i>(transitioning to Medicare)</i>	Individual — \$0	Spouse — \$0
	Via Benefits	Individual — Medicare A&B \$2,000	Spouse — Medicare A&B \$1,000
Ordinary Retirement	Via Benefits or Medicare	Individual — Medicare A&B \$1,000	Spouse — Medicare A&B \$500

Note: If you are a City of Memphis retiree and younger than 65, you may access your HRA funding, even if you are not using Via Benefits for your insurance. However, you must opt-in through Via Benefits to access it. There are additional stipulations.

The following are some FAQs:

1. How do I opt in through Via Benefits to access my HRA funds?

- Non-Medicare — 1-866-201-0437 (toll-free)
- Non-Medicare international — 1-801-994-9806 or ViaBenefits.com/Memphis.

2. What if my insurance plan is not Affordable Care Act approved or compliant?

Your insurance MUST meet the minimum requirements of the ACA.

3. What happens after I opt in?

If you qualify for HRA funding, you will receive a welcome packet by mail. The packet will include forms (such as a manual reimbursement form, a recurring reimbursement form, etc.), information on eligible expenses, how to be reimbursed, etc.

RETIREE HRA THROUGH VIABENEFITS (NO CITY MEDICAL)

4. Can someone opt in if they are under 65 and on Medicare?

You would need to enroll in a medical plan through Via Benefits to get HRA funding.

5. If I'm under 65, but my spouse is over 65, and he gets his insurance outside Via Benefits, can he get the HRA funds?

No, your spouse must get his insurance through Via Benefits to access the HRA funds.

6. What has changed?

The City of Memphis contribution for the donut hole is \$1,250 per calendar year.

7. How do I receive reimbursements?

File the attached form along with appropriate documentation. Once it is reviewed and approved, the additional contribution will be added to your HRA funding.

8. What if I am currently in the donut hole and have already had an amount reimbursed?

Any amounts currently reimbursed were applied against the \$1,250 limit on July 1, 2018.

9. Is this taxable?

The funds are not taxable because they are made available through an HRA. However, participants should note that this will advance their current out-of-pocket expenses through the donut hole.

It is strongly advised that you contact Via Benefits to review the specifics for your situation.

Reimbursements will be made from the HRA managed by Via Benefits for future eligible expenses.



MEDICARE

It is recommended that all retirees enroll in Medicare once they reach the age of 65. Retirees enrolled in Medicare often save more money on copays and medication than they would if they continue to stay enrolled in the City of Memphis medical plan.

Medicare is managed by the Centers for Medicare & Medicaid Services (CMS). The Social Security Administration works with CMS by enrolling people in Medicare. Medicare is the federal health insurance program for people:

- Age 65 or older.
- Under 65 with certain disabilities.
- Any age with end-stage renal disease (permanent kidney failure requiring dialysis or a kidney transplant).

For specific cost information (such as whether you've met your deductible, how much you'll pay for an item or service you received or the status of a claim), visit [MyMedicare.gov](https://www.mymedicare.gov).

CITY OF MEMPHIS MEDICAL PLANS

Line of Duty Pension Retirement/Social Security only

The City of Memphis offers two different medical options for you and your eligible dependents through BlueCross BlueShield of Tennessee. You must meet an annual deductible before the plan pays a percentage of expenses. However, if you are enrolled in the Select Plan, you may use funds from your HRA to help you meet the deductible. You will make a copayment for certain services. After you/your family's out-of-pocket maximum is met, the plan will pay 100% of each eligible family members' covered expenses.

Note: Medical and Pharmacy deductibles are combined

The Medical Plan deductible for City of Memphis health care coverage is combined with the pharmacy deductible.

Choice	Select
\$350/\$700	\$1,500/\$3,000

Once you reach your deductible, you must pay coinsurance. For example, the City of Memphis will pay 90% of covered services after your deductible has been met. You pay the remaining 10% until you reach the out-of-pocket maximum.

CITY OF MEMPHIS MEDICAL PLANS

Medical Plan Benefits		Choice Plan		Select Plan	
		In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible	Single	\$350	\$1,000	\$1,500	\$3,000
	Family	\$700	\$3,000	\$3,000	\$6,000
HRA Account Funding	Single	N/A	N/A	\$750	N/A
	Family	N/A	N/A	\$1,500	N/A
Annual Out-of-Pocket Maximum	Single	\$4,000	\$4,000	\$4,000	\$8,000
	Family	\$8,000	\$8,000	\$8,000	\$16,000
Coinsurance		10%	40%	10%	40%
PCP Office Visit		\$15 Copay	Deductible/ Coinsurance Apply	\$15 Copay	Deductible/ Coinsurance Apply
Special Office Visit		\$30 Copay	Deductible/ Coinsurance Apply	Deductible/ Coinsurance Apply	Deductible/ Coinsurance Apply
MHSA & ST Rehab Office Visit		\$10 Copay	Deductible/ Coinsurance Apply	\$10 Copay	Deductible/ Coinsurance Apply
Inpatient Hospitalization		Deductible/ Coinsurance Apply	\$300/Admit + Deductible/ Coinsurance Apply	Deductible/ Coinsurance Apply	Deductible/ Coinsurance Apply
Outpatient Surgery		Deductible/ Coinsurance Apply	Deductible/ Coinsurance Apply	Deductible/ Coinsurance Apply	Deductible/ Coinsurance Apply
Emergency Room		\$300/Admit + Deductible/ Coinsurance Apply	\$300/Admit + Deductible/ Coinsurance Apply	\$300/Admit + Deductible/ Coinsurance Apply	\$300/Admit + Deductible/ Coinsurance Apply
Urgent Care		\$50 Copay	\$50/Admit + Deductible	Deductible/ Coinsurance Apply	Deductible/ Coinsurance Apply

You can save on health care costs by staying in network. By going to in-network doctors and hospitals, you pay lower copays and avoid other out-of-network costs. If you use a doctor or hospital outside your network, your insurance pays less and you pay more, including higher copays, coinsurance and/or deductibles.

CITY OF MEMPHIS MEDICAL PLANS

Helpful Tips to Using Your Insurance:

- Show your Member ID card each time you see a network provider. Your Member ID card has useful information, such as copay amounts and your plan's network distinction.
- Before requesting services from a health care provider, make sure he/she is in your network. For example, ask the provider, "Do you accept BlueCross BlueShield of Tennessee members in Network S?"
- Don't assume your doctor will only refer you to specialists, hospitals, and/or other health care providers in your network. Be sure all referred providers are in your network before accepting services from them.

Blue Cross Choice Plan Reward Total	Blue Cross Select Plan Reward Total
\$200 Employee	\$1,000 Employee
\$100 Spouse	\$500 Spouse

HRA OFFERED BY BCBST

For retirees who are enrolled in the City of Memphis Select Plan who retire under line of duty and wish to stay on City of Memphis coverage

Amount of your HRA	
Health Care Options	HRA Amount
Retirees Only	\$750
Employee + Family	\$1,500

Your Health Reimbursement Arrangement (HRA) is provided to you by the City of Memphis each year to pay for health care expenses when enrolled in the Select Plan. If you don't use it all, the balance will "rollover" to the next year and build up over time.

Rollover Accrual

When selecting a plan, consider whether you have any HRA "rollover" money remaining from previous years. With that extra money, you may benefit financially from choosing a plan with a higher deductible and lower payroll contributions. Keep in mind that your HRA rollover accrual will be capped at the maximum out-of-pocket amount.

HRA Eligible Expenses

- Medical deductible expenses, medical coinsurance and medical copay
- Dental expenses
- Vision expenses
- Prescription deductibles and prescription copay

PHARMACY PLANS

The City of Memphis Pharmacy benefits are offered through the Medical Plan and provided by Express Scripts. Express Scripts is one of the largest pharmacy benefit providers in the country.

		In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible (waived for generics)	Single/Family	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical
Pharmacy (out of pocket)	Single/Family	Combined with Medical	Combined with Medical	Combined with Medical	Combined with Medical
Coinsurance		0%	50%	0%	50%
Generic	Retail Mail Order 90-day supply	\$7 Copay \$14 Copay Deductible Waived	Deductible/ Coinsurance Apply	\$7 Copay \$14 Copay Deductible Waived	Deductible/ Coinsurance Apply
Brand Formulary	Retail Mail Order 90-day supply	Deductible, then \$30 Copay \$60 Copay	Deductible/ Coinsurance Apply	Deductible, then \$30 Copay \$60 Copay	Deductible/ Coinsurance Apply
Brand Non-Formulary	Retail	Deductible, then \$50 Copay	Deductible/ Coinsurance Apply	Deductible, then 20% coinsurance (min. \$50/ max. \$100)	Deductible/ Coinsurance Apply

Note: Pharmacy benefits are combined with the Medical Plan deductible.

PHYSICIAN NOW — ONLY AVAILABLE IF YOU HAVE CITY OF MEMPHIS MEDICAL PLAN

PhysicianNow is a convenient way to access a doctor 24/7 from your home, office or while traveling. There is no charge or copay. All you need is a telephone, smartphone, tablet or computer.

PhysicianNow is a great option when it's not an emergency or when it's not convenient to go to your doctor's office. The doctors can diagnose symptoms and, if a *prescription is needed, send it to your pharmacy.

Use PhysicianNow for non-emergency conditions including:

- Allergies
- Cold and flu
- Sore throat
- Sinus infection
- Skin conditions (rashes/insect bites)
- Nausea and vomiting
- Urinary tract infection

Common Pediatric Conditions:

- Fever
- Earaches
- Cold and flu
- Diarrhea
- Pink eye
- Nausea and vomiting

PhysicianNow, powered by MDLIVE, connects members with board-certified doctors. Once registered, download the PhysicianNow mobile app at the App Store or Google Play.

To register visit BCBST.com and log in to BlueAccess, select the My Health & Wellness tab and click on the PhysicianNow button or call 1-888-283-6691.

*Some state laws only allow a doctor to prescribe medication in certain situations and with certain limitations. BlueCross members should have their prescriptions filled at a network pharmacy in compliance with the BlueCross drug formulary.

ADDITIONAL MEDICAL COVERAGE BENEFITS

IDENTITY THEFT PROTECTIONS SERVICES

ONLY AVAILABLE WITH CITY OF MEMPHIS MEDICAL PLAN

BCBST has partnered with Experian ProtectMyID to provide identity protection services as part of your BCBST Medical Plan. The service is free. You must be enrolled in a medical plan to qualify.

ProtectMyID provides credit monitoring, fraud protection and fraud resolution support to adults with eligible BCBST medical coverage. Each covered member, age 18 or older, will need to enroll separately.

Also, BCBST provides FamilySecure through Experian, which provides credit monitoring for all covered children in the household who are under age 18. Visit www.bcbst.com/member for additional details.

To Enroll:

- Log in to your BlueAccess account at **bcbst.com**
- Look for the Tools & Information section on your homepage
- Click on the ID Protection link to enroll.

Contact BCBST at (866) 926-9803, if you have question or concerns.

24 HOUR NURSELINE

Health questions can arise during the day and night. If you have a health-related question, call 1-888-283-6691 to reach the Nurseline 24/7. No question is too big or too small. There is no cost to use Nurseline. Or, if you prefer, connect with Nurseline via a live online chat. Log in to BlueAccess on BCBST.com to chat with a nurse. This is a benefit of your BCBST health plan.

BCBST CHRONIC CARE MANAGEMENT PROGRAM

Living with a complex illness or challenging health condition isn't easy. With the Chronic Care Management program from BlueCross BlueShield of Tennessee, you have access to your own personal care manager who can help you learn to better manage your condition and live a healthier life.

FOCUS ON YOUR HEALTH

Your health needs are unique. With Chronic Care Management, you'll get personalized advice and guidance based on your individual needs. Your care manager can help you manage: Asthma, diabetes, chronic obstructive pulmonary disease (COPD), coronary artery disease (CAD), congestive heart failure and more.

ADDITIONAL MEDICAL COVERAGE BENEFITS

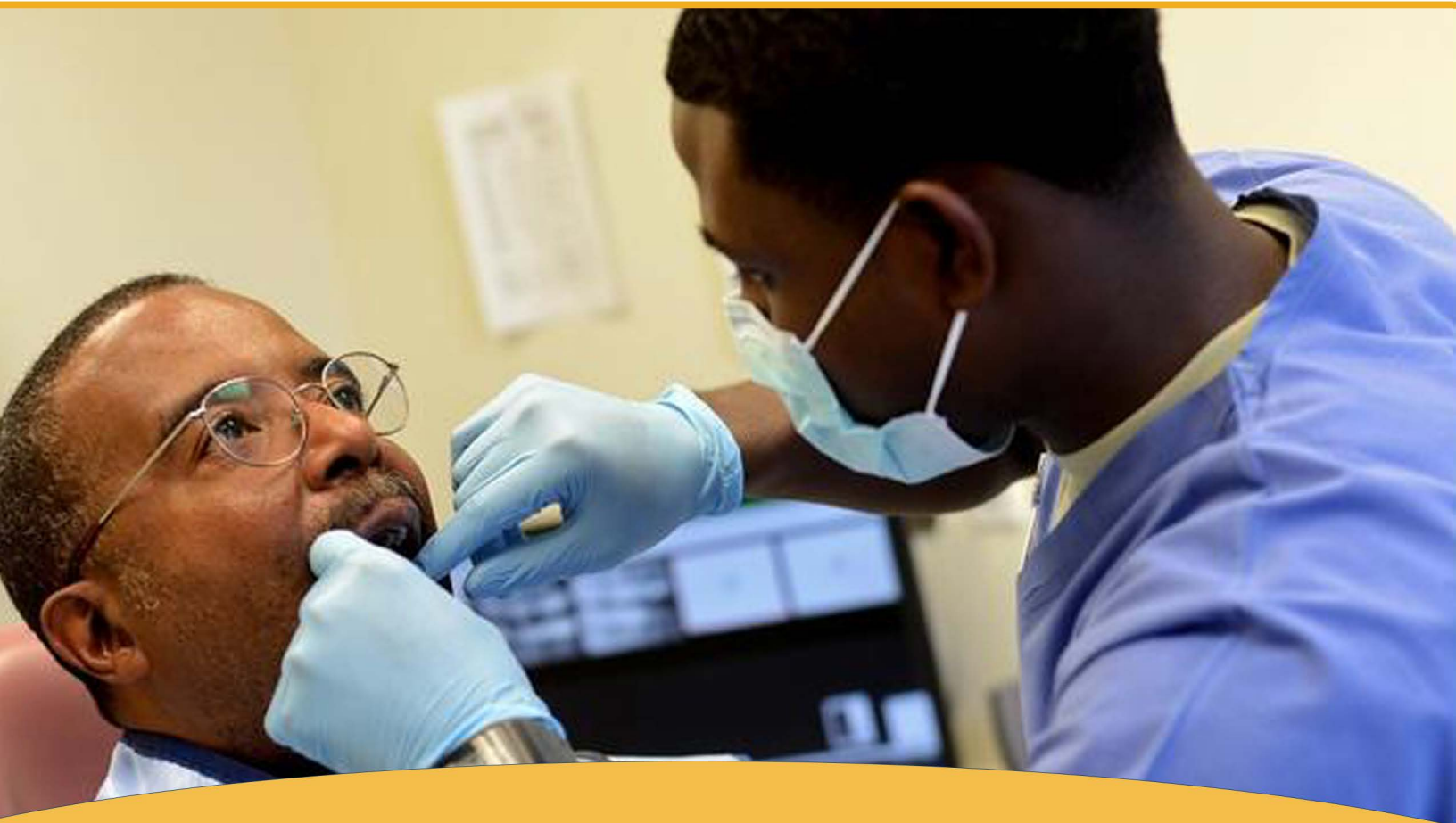
BEHAVIORAL HEALTH

Managing your mental health and substance use will help you better manage your other health conditions. Let us know if you would like assistance dealing with these issues.

CONVENIENCE CARE CLINIC

Sinus infection, rash, earache, minor burn — all reasons you may want to see your doctor. But what if your doctor isn't available? When you need routine medical care, but can't wait for an appointment, head to a convenience care clinic. Your copay will be lower than going to the emergency room. For more information, visit www.bcbst.com/member.

DENTAL AND VISION OPTIONS



**ALL RETIREES HAVE CONTINUED ELIGIBILITY FOR
CITY OF MEMPHIS DENTAL AND VISION PLANS**

DENTAL PLANS — ALL RETIREES ARE ELIGIBLE FOR CITY OF MEMPHIS DENTAL BENEFITS

The City of Memphis Pharmacy benefits are offered through the Medical Plan and provided by Express Scripts, one of the largest pharmacy benefit providers in the country. [ExpressScripts.com](https://www.ExpressScripts.com)

Note: Covered retirees and spouses can receive a \$25 gift card after showing proof of one cleaning during the plan year. Limit one gift card per person, per year.

Dental Plan		
Coverage Type	In-Network % of Negotiated Fee	Out-of-Network % of Negotiated Fee
Type A: Diagnostic and Preventative (<i>Cleanings, exams, X-rays</i>)	100%	80%
Type B: Basic Restorative (<i>oral surgery, endodontics</i>)	80%	60%
Type C: Major Restorative (<i>crowns, bridges, dentures</i>)	50%	40%
Type D: Orthodontia	50%	40%
Deductible		
Individual	\$50	\$100
Family	\$150	\$300
Annual Maximum Benefit		
Per Person	\$1,500	\$750

Children's eligibility for dental coverage is from birth to age 26.

VISION INSURANCE — ALL RETIREES ARE ELIGIBLE FOR CITY OF MEMPHIS VISION BENEFITS

The vision plan is provided by BlueCross BlueShield of Tennessee. It provides coverage for you and your eligible dependents for eye examinations, frames, lenses for eyeglasses, contact lenses and out-of-network reimbursement. A listing of network providers and retail locations can be accessed at **www.BCBST.com** or call **1-800-565-9140**.

Your Medical plan does not cover a routine eye exam.

Active Full-time Employees Vision In-Network and Out-of-Network Costs

Benefit Category	In-Network	Out-of-Network
Exams (Limited to one exam and one contact lens fitting and one follow-up within a 12-month period)		
Comprehensive eye exam	\$15 Copay	Up to \$45
Contact lens fitting and standard follow-up	\$55 Copay	Not covered
Vision Materials		
Standard Plastic Lenses (Limited to one set within a 12-month period)		
Single	\$15 Copay	Up to \$40
Bifocal	\$15 Copay	Up to \$65
Trifocal	\$15 Copay	Up to \$75
Lenticular	\$15 Copay	Up to \$100
Frames (Limited to one pair within a 24-month period)	\$0 Copay up to \$130 allowance	Up to \$71
Contacts (Limited to one set within a 12-month period)		
Conventional	\$0 Copay up to \$150 allowance	Up to \$120
Disposable	\$0 Copay up to \$150 allowance	Up to \$120
Necessary	Covered at 100%	Up to \$210

WELLNESS BENEFITS AND ADDITIONAL OPTIONS



**ALL RETIREES HAVE CONTINUED ELIGIBILITY FOR
WELLNESS BENEFITS AND ADDITIONAL OPTIONS**

HEALTH AND WELLNESS BENEFITS

Free Employee and Retiree Health Clinic

City of Memphis retirees and their dependents who were on the city's health care plan as of Oct. 1, 2014 are eligible to receive treatment at the Union Avenue Employee Clinic. The clinic has a limited supply of free medications available to dispense.

Location

1520 Union Ave.
Memphis, TN 38104
901-725-9055

Hours of Operation

Monday and Friday 8 a.m.-4 p.m.
Tuesday-Thursday 10 a.m.-6 p.m.

Fitness Centers

The City of Memphis offers free access to fitness centers at community centers. Most centers are equipped with weights, power rowers, elliptical machines, treadmills, stair climbers and more. The following community centers are located throughout Memphis. For a list of centers, visit https://memphistn.gov/parks/find_your_community_center. For more information, contact wellness@memphistn.gov or call 901-636-6574.



VOLUNTEER OPPORTUNITIES

Mentor Memphis

The City of Memphis has various volunteer opportunities through Mentor Memphis and other agencies. The Mentor Memphis program provides City of Memphis employees and retirees with an opportunity to give back to their community by working with and developing the leaders of tomorrow to make life better for all Memphians.

Just a few hours a month will build self-confidence, strengthen self-expression and improve attitudes of our youth and future leaders.

If you would like to participate in Mentor Memphis, email the City of Memphis Engagement and Brand team located in the Division of Human Resources at HRCommunications@memphistn.gov.

For more details on information contained in this booklet, visit **www.totalrewards.memphistn.gov**.



CITY OF MEMPHIS



Additional coverage information is available at totalrewards.memphistn.gov
Questions? Call 901-636-6800 or email: benefitsquestions@memphistn.gov