

Sales Tax Referendum Pension Election Period



Defined vs. Hybrid	1978 Pension Plan	2016 Hybrid Plan	
Components	Defined Benefit Plan	Market-Based Cash Balance Plan - Defined Benefit Plan	401(a) DC Plan - Defined Contribution Plan
Public Safety Employee Contribution	6.5% - 8% of public safety employee salary depending on date of hire	2% of public safety employee salary	6% of public safety employee salary
Memphis Contribution	No less than 6% of public safety employee salary	3% to 16% based on years of service and position	1.50% of public safety employee salary
Fund Management	City of Memphis	Professionally Managed Fund	Public Safety Employee Directed Investment
Monthly Retirement Benefits	% of your highest 3 year average salary for public safety employees	Accumulated principal and investment returns from Cash Balance and 401(a) DC Plans are combined and a lifetime annuity is provided based on total combined funds, a 5% interest rate, and the current IRS Mortality Table	
Death/Disability Benefits	Greater of accrued benefit with early commencement reduction OR 60% of pay	Greater of cash balance account plus 401(a) DC Plan account converted to annuity at 5% interest rate and Disability Mortality Table OR 60% of pay	
Non-Vested End of Employment Benefits	Return of public safety employee contributions	Return of public safety employee contributions with investment return ONLY	

Important Facts To Remember



One Time Election Option

- ✓ You must complete a Pension Election Form to confirm your plan selection.
- X Plan selection cannot be changed after the election period ends.
- X If you take no action, you will remain in the Hybrid Plan.



Eligibility to Participate

1. Active commissioned police and fire personnel, dispatchers and paramedics
2. Hired January 1, 2009 – June 30, 2016
3. Eligible for a one-time irrevocable election to transfer from the 2016 Hybrid Pension Plan to the 1978 Pension Plan



Did you know! 1978 Plan

- ✓ Annuity at retirement is based on a set formula.
- ✓ The public safety employees' pension payments are calculated according to length of service and the salary they earned at the time of retirement.
- ✓ As an public safety employee, you do not have any involvement in how the funds you contribute are managed in the pension.

Did you know! 2016 Hybrid Plan

- ✓ The account value of the market based cash balance plan and the 401(a) Defined Contribution (DC) Plan are combined together and converted to an annuity at a 5% interest rate to provide you with your retirement income.
- ✓ In addition, if you have a frozen pension benefit from the legacy pension plan, you will receive that monthly benefit in addition to the Hybrid Plan.
- ✓ You also have the ability at retirement to combine your 457(b) account balance into the Hybrid Plan to enhance your retirement pension payments.
- ✓ The defined contribution portion of the Hybrid Plan 401(a) DC Plan incorporates features similar to a 401k Corporate Plan. You control all investment decisions, choosing from among the available options.

Questions?

**We are here to help!
You can find
additional information
on the Total Rewards
Website or by calling
the TR Service Center.**



Total Rewards Website
totalrewards.memphistn.gov



Total Rewards Call Center
1-866-543-4367

Available Resources



Informational Sessions



One-on-One Consultations



Summary Plan Descriptions (SPDs)



Other Resources Information