

2016 PENSION PLAN



Our new Pension Plan was approved by the Memphis City Council and will go into effect **July 1, 2016.**

KEY POINTS:

- Current retirees and employees with 7.5 or more years of service as of June 30, 2016, will remain in the Legacy Defined Benefit Plan – NO CHANGE
- Employees with less than 7.5 years of service will have a preserved benefit in the Legacy DB Plan and accrue benefits for any future service in the Hybrid Plan
- Employees hired after June 30, 2016, will accrue benefits in the Hybrid Plan only

Employee Group	Employees with 7.5 yrs. +	Employees with less than 7.5	New Employees
Pension Plan	Legacy Plan	Hybrid AND Legacy DB Plans	Hybrid Plan
Retirement Benefits	Will receive pension contributions consistent with the Legacy DB Plan	Will receive pension contributions made until June 30, 2016 under the Legacy DB Plan and beginning July 1, 2016 under the Hybrid Plan*	Will receive pension contributions consistent with the Hybrid Plan



* **Employees with less than 7.5 years:** If these employees become fully vested (minimum 10 years), they will maintain contributions made under the current plan based on the number of years served by June 30, 2016. The amount they maintain will be up to 2.5% of their salary multiplied by the number of years worked as of June 30, 2016 (e.g. \$40,000 x 2.5% x 6.5 = \$6,500). However, beginning July 1, 2016, all new contributions will be consistent with the Hybrid schedule. Therefore, at the time of retirement, this group will have two retirement sources.