

EL PASO COUNTY RETIREMENT PLAN



**INCOME FOR YOUR
RETIREMENT**

INTRODUCTION

The retirement benefits administered by the El Paso County Retirement Plan are an important part of the compensation you receive as a county or district employee. Through this retirement plan, you and your employer set aside money during the time you are working to provide a lifetime income for you after you retire. While the plan has been improved over the years, the basic intent has not changed; that is, to help provide for your future financial security.

This publication is intended to provide general information for all members. Please keep in mind that your employer's retirement plan represents only one of 5 individual county and district plans that together make up EPCRP.

The El Paso County Retirement Plan is one source of dependable retirement income. When it's combined with Social Security benefits and your personal savings, you should have the financial protection that will help you enjoy your retirement years.

The information that follows will give you a good idea of what retirement benefits you can expect to receive when you retire, how these benefits are calculated and other information about your participation in the plan. If you have questions about the plan after reading this booklet, please contact the Retirement Plan for more information.

In all cases, the actual provisions of applicable state and federal laws, along with the local plan document, take precedence over information summarized in this guide. Governing state law is substantially codified as Colorado Revised Statutes 24-54-101 and the articles that follow.

This booklet describes the plan, as amended or restated, effective January 1, 2012, unless otherwise noted in the text.

Please visit our website at www.epcretirement.org for more information.

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PLAN HIGHLIGHTS

The benefits from the retirement plan, along with your Social Security benefits and personal savings, can give you financial security during your 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 El Paso County Retirement Plan can help assure a predictable income for your retirement years. The Plan is flexible enough to meet many of your individual needs and it could be just the added security you need to make your retirement financially secure.

With the plan, you choose from a number of options to put together the retirement package that's right for you.

First, you decide when you want to retire:

- Normal retirement begins at age 62 with full benefits. Post 2010 hires are required to accrue 5 years and post 2013 hires are required to accrue 8 years of service before retiring.
- Special early retirement provides a full benefit at any age prior to age 62 when the member's age and credited service added together total 75 (Rule of 75).
- Regular early retirement can begin as soon as you reach age 55 and have at least five years of credited service if hired prior to 2013 or if hired after 2013, have at least eight years of credited service; or
- Delayed retirement, working past your normal retirement age, is another option you might prefer.

Second, you choose how you want to receive your benefit:

- You may receive payments for your life, with the added assurance that at least 120 monthly payments (10 years) will be made. This means if you die before receiving all 120 payments, your beneficiary will receive the remainder of the 10 years of payments.

- You can receive adjusted payments for the rest of your life and your beneficiary will continue to receive 100% or 50% of the adjusted benefit for his or her life. These options are also available with a “pop up” provision.
- You can receive larger payments for your life only, with no continued payment after your death.

Third, you don't have to worry about losing your benefit if you die, become disabled or leave employment before retirement. The Plan has provisions to protect your benefits.

- If you terminate your employment before becoming eligible for retirement, but have become a vested member, you'll still be eligible for a benefit when you reach retirement age.
- If you die before benefit payments begin, the plan will pay a benefit to your surviving spouse or, if you are not married, to your beneficiary.
- If you become disabled while employed and participating in the plan, you will be eligible to receive a disability retirement benefit at age 62.

You'll find more complete information on these subjects in the various sections of this booklet. If you need additional information, please contact the Retirement Plan Office. The Retirement Plan Office is located at 105 E. Vermijo Ave., Suite 200, Colorado Springs, CO 80903, (719) 520-7490. You may also visit our website at www.epcretirement.org.

DEFINITIONS

Accumulated Contributions, Compensation, Breaks in Service, Credited Service and Final Average Monthly Pay may all affect the amount of your benefit. These terms are defined here.

Accumulated Contributions means the total of your contribution to the retirement plan plus credited interest. Various rates of interest have been credited on contributions to the plan over the years. The current interest rate is 3% compounded monthly.

Breaks In Service. For purposes of vesting, a Member who terminates service as a Full-Time Employee, does not withdrawal, and returns to service as a Full-Time Employee shall receive credit for all Credited Service earned prior to termination of service.

A Member who terminates service as a Full-Time Employee, who receives a distribution of his Accumulated Contributions, and who returns to service as a Full-Time Employee shall lose all Credited Service earned prior to termination unless he makes the repayment described in the next sentence. If the rehired Member repays the Fund, within 48 months after the date of termination of service but not later than 12 months after the date of rehire, any amounts received because of his prior termination with interest, the prior Credited Service shall be restored. A Member who is rehired more than 48 months after the date of termination of service may not make the repayment described in this paragraph.

Compensation is your normal regular salary or hourly wage rate, including contributions to this plan and any salary reduction plan or deferred compensation plan, but does not include bonuses, overtime pay, extra pay, worker's compensation, single-sum payments in lieu of accrued vacation or sick leave, or non-cash amounts (such as car allowances, car usage, expense reimbursements, etc.). The maximum annual compensation that may be considered under the plan is \$250,000 for 2012.

Credited Service is the period of time you are employed and participating in the plan which is counted toward your retirement benefits calculation. Service is counted for each month you are employed as 1/12th of a year.

Final Average Monthly Pay (FAMP) is used in calculating your retirement benefit and is determined by taking 1/36th of your compensation during the 36 highest-paid consecutive months in your last 10 years of employment with your employer.

Participating Employers in this plan include El Paso County, El Paso County Public Health, Pikes Peak Library District, Office of the 4th Judicial District Attorney and the Retirement Plan Office and any other county agency or district approved by the Retirement Board.

PARTICIPATION AND CONTRIBUTIONS

You participate in the plan immediately on your date of employment. You contribute a percentage of your pay set by the Retirement Board and your employer contributes the same amount to provide your retirement benefits.

Participation

You begin to participate automatically in the retirement plan immediately on your date of employment. Full-time, job-share employees of the County and elected or appointed officials (as defined by the personnel policies of the participating employers) are required to participate. Excluded from participation are "leased" employees and officers and employees of certain federally funded programs. Employees hired on or before September 1, 1967 had an option of when they could begin to participate in the plan. See the definition of credited service in *Definitions* for more information on optional participation.

Contributions

You and your employer share the cost of funding the benefits you will receive when you retire. You contribute a set percentage of your monthly compensation to the plan. Your employer contributes the same amount.

There are some special tax advantages to the contributions you make to the plan after January 1, 1984, because they are made on a before-tax basis under Section 414(h) of the Internal Revenue Code. This means your contribution is deducted from your pay before federal and state withholding taxes are calculated. Social Security taxes are calculated on your unreduced pay.

The following example shows the advantages of making your contributions on a before-tax basis. The example uses current tax rates and assumes you are married claim your spouse and one child as exemptions and use standard deductions. By making your contributions on a before tax basis, you save \$360 per year in taxes. This increases your remaining income from what would have been available if your contributions were made on an after-tax basis. When you receive benefit payments from the plan, you will pay taxes on the money not previously taxed (credited interest, and your contributions after January 1,

1984), but at a more favorable rate assuming you are in a lower tax bracket after retirement. The chart below reflects the 8% contribution rate effective January 1, 2013.

	Sample After-Tax Contributions	County Plan Before-Tax Contributions
Annual Salary	\$30,000	\$30,000
Before-tax Contribution	0	-2,400
Taxable Salary	\$30,000	\$27,600
Federal & State		
Income Taxes	-3,027	-2,667
After-tax Contribution	-2,400	-0
Remaining Income	\$24,573	\$24,933
Tax Savings	\$0	\$360

Earnings on Your Contributions

All contributions are deposited in a trust fund and invested. A separate account is kept for your contributions, which are credited with interest each month at a rate determined by the Retirement Board.

You, or your beneficiary, are always assured of receiving the full amount of your accumulated contributions if you terminate your employment or die before being eligible for a retirement benefit. The minimum amount of any retirement benefit you could receive would also be equal to the amount of your accumulated contributions.

WHEN YOU CAN RETIRE

You may retire at any age if your attained age and credited service total 75 (Ex: Age 48 with 27 years of service, Age 52 with 23 years of service, etc.). Depending on your hire date, early retirement can begin as early as age 55 with either five or eight years of credited service. Normal retirement begins at age 62, or you may retire later.

Normal Retirement

Normal retirement age is 62 under the El Paso County Retirement Plan. Your normal retirement date is the first day of the month on or after your 62nd birthday.

The plan has provisions which allow you to retire before your normal retirement date, depending on your age and years of service. These early retirement options are described below.

Special Early Retirement

Usually, if you retire and begin receiving payments before age 62, the amount is reduced because payments are expected to be made over a longer period of time. Under special early retirement ("Rule of 75") there are combinations of age and years of credited service, shown below, which allow you to retire before age 62 and begin receiving benefit payments immediately with no reduction in the monthly amount.

Unreduced Benefits Under Special Early Retirement ("Rule of 75")

Age at Termination	50	51	52	53	54	55	56	57	58	59	60	61
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Years of Credited Service	25	24	23	22	21	20	19	18	17	16	15	14
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In other words, you can retire with a full benefit immediately if your age and years of service add up to 75 or more (age 48 plus at least 27 years of service; age 51 with at least 24 years of service, etc.).

NOTE: You accrue 2 points for every year you work (1 year older and 1 year of service). Once you terminate employment you only accrue 1 point per year as you age.

Regular Early Retirement

If you were hired before December 31, 2012 and have completed at least five years of credited service or if you were hired after January 1, 2013 and have completed eight years of credited service, you may retire as early as age 55 and receive a benefit from the plan. You may begin receiving retirement payments right away or you can wait and begin receiving payment at any time before you reach age 62.

If you decide to begin receiving your benefit payments before age 62, your monthly payments may be reduced because it is expected that they will be stretched out over a longer period of time. (*Special Early Retirement*, described in the preceding section, is an exception to this reduction rule).

Early retirement payments will be smaller than normal retirement payments because your years of service will be less than if you had continued working until age 62. See *Early Retirement Benefits* for more information about how early retirement will affect the amount of your benefit payments.

Delayed Retirement

You may elect to continue working beyond age 62, thus delaying your retirement. Retirement benefit payments will begin once you actually retire.

When Retirement Begins

Your retirement date is always the first of the month following your last day worked. For example, if your last workday is February 15, your retirement date is March 1 and your first retirement benefit payment will be made April 1.

NORMAL RETIREMENT BENEFITS

The amount of your monthly benefit payment depends on your age, credited service, and final average pay at retirement. These factors are used in a formula to calculate your benefit.

Normal or Delayed Retirement Benefit

The retirement plan uses a formula to calculate your monthly benefit at normal retirement (age 62), and at delayed retirement (after age 62). The formula uses your years of credited service and your final average monthly pay (FAMP) during the latter years of your career (when your pay should normally be highest). See *Definitions* for definitions of credited service and FAMP.

Pre-2010 employment-

The formula for calculating your monthly benefit is:

(FAMP x Credited Service (prior to 2013) x 2.22%) + (FAMP x Credited Service (after to 2013) x 2.00%) = Monthly Benefit**

Post-2010 employment-

The formula for calculating your monthly benefit is:

Monthly Benefit = FAMP x Credited Service x 2.00%**

If hired before 2013, your monthly benefit amount cannot be more than 75% of your final average monthly compensation. If hired after 2013, your monthly benefit amount cannot be more than 60% of your final average monthly compensation.

**The minimum monthly pension you can receive is \$25 per year of credited service. So if you have 10 years of credited service, your minimum monthly benefit is \$250.

In simplest terms, hired before 2010, with 30 years of credited service at retirement you will receive 66.38% (29 years x 2.22% + 1 year x 2.00%) of your final average monthly pay as retirement benefits.

For those hired after 2013, with 30 years of credited service at retirement you will receive 60% ($30 \times 2.00\%$) of your final average monthly pay as retirement benefits. Of course, everyone's service does not work out to such an even amount, so we have created an example of a more typical situation.

Example

Jane has worked for her employer since March 1, 1989. She will be 62 on January 16, 2014, and plans to retire effective February 1, 2014. Her monthly salaries in each of the previous 3 years were as follows: 2011 - \$3,050; 2012 - \$3,125; 2013 - \$3,350; for a final average monthly pay (FAMP) of \$3,175.

Jane began participation in the retirement plan at the time she was hired, so her credited service from March 1, 1989 through January 31, 2014, (normal retirement on February 1, 2014) is 25 years and 11 months.

Jane's Monthly Retirement Benefit is:

$$(\$3,175 \times 23 \frac{10}{12} \times .0222) + (\$3,175 \times 2 \frac{11}{12} \times .0200) = \$1,825.10$$

Estimate Your Own Benefit

If hired prior to December 31, 2012

My
Monthly
Retirement
Benefit = \$ x x 0.0222 +
 FAMP Years

 \$ x x 0.0200 = \$
 FAMP Estimated
 Years of
 Service

If hired after December 31, 2012

My
Monthly
Retirement
Benefit = \$ x x 0.0200 = \$
 FAMP Estimated
 Years of
 Service

EARLY RETIREMENT BENEFITS

Depending on your hire date, under regular early retirement you may retire as early as age 55 with either five or eight years of credited service. If you take regular early retirement and payments begin immediately, your benefit will be reduced. Under special early retirement, you may begin receiving unreduced benefits immediately.

Regular Early Retirement

You may choose to retire and receive a regular early retirement benefit under the plan at any time between ages 55 and 62 if you were hired before 2013 and have at least five years of credited service, or if you were hired after 2013 and have at least eight years of service. The formula for calculating your early retirement benefits is the same as the normal retirement benefit formula described previously. The amount calculated will be payable at age 62.

Early retirement benefit payments may begin immediately after your early retirement date, but the amount of your monthly benefit will normally be reduced because it is expected that payments will be made over a longer period of time. The reduction factor is 3% for each year (1/4% per month) payments begin before age 62.

Percentage of Age Retirement Benefit
Payable Immediately at Ages 55-61

Age When Payments Begin	55	56	57	58	59	60	61	62
Percent of Age-62 Benefit Payable	79%	82%	85%	88%	91%	94%	97%	100%

Example

Ron elects to take early retirement at age 60 with 14 years of credited service. He wants to begin receiving monthly payments right away. His monthly retirement benefit payable at age 62 is calculated to be \$700. His benefit beginning at age 60 is \$658 ($700 \times 94\%$). If he was age 55 instead of 60 and started payments immediately, his benefit would be \$553 ($700 \times 79\%$) per month.

Special Early Retirement ("Rule of 75")

Under special early retirement, you can retire early and receive unreduced benefits if you meet certain requirements of age and service.

You will receive 100% (no reduction) of your benefit when your age and credited service total 75. There is no minimum age requirement.

Unreduced Benefits Under Special Early Retirement ("Rule of 75")

Age at Termination	50	51	52	53	54	55	56	57	58	59	60	61
Years of Credited Service	25	24	23	22	21	20	19	18	17	16	15	14

FORMS OF BENEFIT PAYMENT

Payments will be made to you for life when you retire. There is a standard payment method, a single life payment method, and four joint and survivor payment options.

Standard Payment Method

The standard form of benefit under the Plan is a monthly payment to you for your lifetime. If you die before receiving 120 payments (10 years), your beneficiary or estate 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). This form of payment is called "life and 10-year certain".

If you are married at the time your benefit payments begin, the minimum joint and survivor payment that can be taken is the 50% survivor form of payment (described below) with your spouse as beneficiary.

Spousal Consent: Married participants may elect to receive benefit payments in a form other than the joint and 50% survivor payment method. **However, the participant's spouse must agree in writing to that form of payment and the agreement must be notarized or witnessed by a Plan representative.** The Retirement Board has forms for this alternate designation, which will be effective when it is received by the Board.

Optional Payment Methods

Subject to the spousal consent rules described above, the retirement plan has additional ways in which your monthly benefit can be paid. You must elect the optional form of payment in writing at least 60 days before you want the payments to begin. You may change the option you have elected, but this change must also be made at least 60 days before the first payment is due.

Joint and Survivor: The optional joint and survivor benefit pays an adjusted benefit to you for your lifetime. After your death, either 100% or 50% (whichever you initially elected) of your adjusted benefit will continue to your

spouse or other designated beneficiary for his or her lifetime. Upon the death of your spouse or beneficiary, payments will stop. If your designated beneficiary dies before you, payments will stop when you die.

Joint and Survivor “Pop-Up”: The optional joint and survivor “Pop-Up” benefit is like the straight joint and survivor described above with an additional provision that should your spouse predecease you, your benefit will increase to the higher “Single Life” benefit amount.

Only one person may be named as a beneficiary for any joint and survivor benefit.

Single Life Benefit: You may elect to receive an increased monthly benefit for your lifetime only. The monthly payments stop when you die. There are no monthly survivor benefits (see “Minimum Payment” below).

Effect on Benefit Amount With Optional Payment
(Assumes standard payment = \$1,000 per month
and Retiree and Beneficiary are both age 62)

	Joint & Survivor Without "Pop-Up"		Joint & Survivor With "Pop-Up"		
	100%	50%	100%	50%	Life Only
Retiree	\$916	\$969	\$905	\$965	\$1,029
After Retiree Dies	\$916	\$485	\$905	\$483	None
Beneficiary Dies					
Before Retire	\$916	\$969	\$1,029	\$1,029	n/a

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 accumulated contributions and interest, as of your date of retirement.

Beneficiary Designation

You may name anyone you wish as your beneficiary for any benefits that may be payable if you die. However; if you are married and wish to name someone other than your spouse as your beneficiary, the spousal consent rules described must be followed. You may change your beneficiary designation at any time, subject to the spousal consent rules, by completing a new beneficiary designation form. Beneficiary designations – initial and revised – will be effective when they are filed with the Retirement Board.

When you begin to participate in the plan, you will designate a beneficiary for refund of your accumulated contributions if you die before retirement age. This designation may be changed at any time.

You will also designate a beneficiary for your retirement benefit if you continue working beyond age 62.

When you retire and select the form of retirement benefit payments you want, you will designate a beneficiary for any survivor benefits. (See *Spousal Consent*)

After benefit payments have begun under any of the joint and survivor benefit forms of payment, you may not change the beneficiary. You may change your beneficiary after payments have begun under the standard form of payment (life and 10-year certain) and under the single life form of payment.

NOTE: If you are married and name anyone other than your spouse as beneficiary, your spouse must approve such designation in writing, and have it witnessed by a Plan representative or notary public, on a form provided by the Retirement Board. The alternate designation will not be effective until it is received by the Retirement Board.

Obtaining Your Benefits

When you decide to retire, you should notify the Retirement Plan at least 60 days in advance of the date you want payments to begin. You will decide on the type of retirement benefit you want to receive and when you want payments to begin. Also, you will name a beneficiary for any survivor benefits that may be applicable (see *Protection for Your Survivors*).

If you terminate your employment with your employer prior to being eligible for early retirement, you will need to discuss your status as a vested member and/or distribution of your accumulated contributions with the Retirement Plan Office.

If You BECOME DISABLED

If you can no longer work because of a disability before age 62, you will continue earning credit toward retirement benefits, until age 62. The disability benefit is payable to you at age 62, or when your LTD Plan benefits stop, if that is later.

If you can no longer work because of a disability that occurs before age 62, you will be eligible for disability retirement benefits under the plan. To be considered disabled, you must qualify for Social Security disability benefits, and/or benefits under your employer's Long Term Disability (LTD) Plan.

While you are disabled, you will continue to earn credited service until age 62 as if you were continuously employed. Disability retirement benefits will begin on the later of age 62 or when LTD payments stop. The amount of your disability retirement benefit will be calculated using the normal retirement formula described in Normal Retirement Benefits.

If You Recover

You are considered to have recovered from disability if your Social Security disability benefits or LTD Plan benefits stop. Recovery may affect your benefit as follows:

- If you recover after disability retirement payments have started, payments will continue without change.
- If you recover before age 62 and return to work as a permanent, full-time employee, you will resume participation in the plan and your credited service will include the period of your disability.
- If you recover before age 62 and do not return to work, no disability retirement benefits will be paid. You may be eligible for a vested retirement benefit based on your credited service and average compensation at the time you became disabled. See *If You Leave* for information on vested benefits.

PROTECTION FOR YOUR SURVIVORS

Your beneficiary may receive either a lump sum or monthly benefit if you die before benefit payments begin.

Certain benefits under this plan are protected for your survivors when you die.

If you die before vesting, your beneficiary or estate will receive your accumulated contributions and interest.

If you die after vesting, your surviving beneficiary may receive either a lump sum equal to two times your accumulated contributions or a monthly benefit for life. The amount of the monthly benefit will be 60% of the benefit you had earned as of the date of your death. If your spouse is more than five years younger than you, the benefit will be reduced by 1.5% per year in excess of five years because payments are expected to be made over a longer period of time.

Payments to your beneficiary will begin on either the first day of the month on or after your date of death or the first day of the month on or after your 55th birthday, whichever is later. The Retirement Board may authorize earlier payment of benefits on an actuarially equivalent basis.

If you become eligible to retire under Normal Retirement and die before actually retiring, and have not yet elected an optional form of benefit payment, your designated beneficiary will receive a monthly benefit for life under the joint and 100% survivor benefit option described in Benefit Payments.

If you die after having retired, benefit payments will continue according to the benefit payment method you selected.

In the case where both you and your designated beneficiary die before benefit payments have been made that are equal to the amount of your accumulated contributions on the date benefit payments began, the difference will be paid to the appropriate beneficiary or to your estate.

In addition, a lump sum payment of \$3,000 will be made to your beneficiary, if living, otherwise to your estate. The beneficiary for this \$3,000 can be anyone you designate when you retire. It does not have to be the same beneficiary you have named for any continuing benefits that may be payable after your death, based on the form of retirement benefit elected.

Beneficiary Designation

You may name anyone you wish as your beneficiary for any benefits that may be payable if you die. However, if you are married and wish to name someone other than your spouse as your beneficiary, the spousal consent rules described in *Benefit Payments* must be followed (except for the \$3,000 lump-sum payment payable after a retiree's death). You may change your beneficiary designation at any time, subject to the spousal consent rules, by completing a new beneficiary designation form. Beneficiary designations – initial and revised – will be effective when they are filed with the Retirement Board.

IF YOU LEAVE

Depending on when you were hired, by terminating your employment with your employer you may be entitled to a vested benefit, payable at age 62. Otherwise, you will receive your accumulated contributions with interest.

Vesting

If you were hired prior to 2013 and terminate your employment with your employer before you are eligible to retire and you have less than five years of credited service, or if you were hired after 2013 and have less than eight years of credited service, you will receive your accumulated contributions with interest.

If hired prior to 2013 with five years of credited service or if hired after 2013 with eight years of credited service, you have an option when you terminate employment:

- You can leave your accumulated contributions with interest on deposit in the retirement trust and become a “deferred vested member”.

OR

- You can receive your accumulated contributions with interest and give up your right to any other benefits under the retirement plan. **If you are married, your spouse must agree in writing to this election as described in “Spousal Consent” in Benefit Payments.**

Deferred Vested Member

If you do not elect to remove your accumulated contributions within 90 days of your termination date, you automatically become a vested member. However, as a vested member, you may elect at any time before age 62 to receive your accumulated contributions (subject to “Spousal Consent” in Benefit Payments). Once you receive your accumulated contributions, you give up your rights to all other benefits under the plan.

As a vested member in the Retirement Plan, you have the right to receive an unreduced retirement benefit at age 62, or upon reaching the age and service requirements of special early retirement (Rule of 75). The amount of that benefit will be based on your earned retirement benefit on your termination date.

You may also elect to have your vested retirement benefit payments begin as early as age 55. However, payments that begin before age 62 will be smaller because they are expected to be paid over a longer period of time. See *Early Retirement Benefits* for the percentage of age 62 retirement benefits payable between ages 55 and 61.

As a vested member, a retirement benefit is payable to you when you reach retirement age and request payments to begin. If you die before payments begin, your beneficiary will receive a benefit as described in *Protection for Your Survivors*.

PURCHASE PREVIOUS SERVICE

If hired before December 31, 2012 and you have five years of continuous service or if you were hired after December 31, 2012 and you have eight years of continuous service with your participating employer, you may be eligible to “purchase service” related to your employment with a previous public or private employer. Any service you purchase will be used when your benefit is calculated from the Retirement Plan.

- You may purchase up to five years of service credit for any full-time, non-vested previous employment with any public or private employer.
- You must provide written proof that you were covered under your previous retirement plan and that the service credit to be purchased is non-vested. “Non-vested” means you are not entitled to a retirement benefit under your previous plan.

One month of service credit may be purchased for each full month of full-time, non-vested previous employment. Purchases must be made while an active employee. The cost is based upon the amount of time you wish to purchase, your age at time of purchase, and when you will be able to retire with or without the additional service. Please contact the Retirement Plan Office if you are interested.

PLAN ADMINISTRATION

The plan is managed and administered by a seven-member Retirement Board. Other administrative rules about plan operations can be found here.

Management and Administration

Management and policy administration of the plan is by a seven-member Retirement Board, which consists of:

- The incumbent County Treasurer
- Two employees elected by the fellow employees of the participating employers
- Two qualified electors of the County, appointed by the County Commissioners
- Two associate members, employees appointed by second and third largest employers.

The Retirement Board hears and decides all matters relating to plan benefits, policies and operations. The Retirement Board holds regular monthly meetings the fourth Monday of each month, excluding June and December, employs an Executive Director who employs appropriate staff to handle the day-to-day operations and administrative activities of the plan, and maintains an office at 105 E. Vermijo Ave., Suite 200, Colorado Springs, CO 80903.

Plan Permanence

The participating employers intend to continue the El Paso County Retirement Plan indefinitely but reserve the right to discontinue the plan. Any changes to the plan must be for the exclusive benefit of the employees, retired employees or beneficiaries of plan benefits, and must be made to protect all retirement benefits earned as of the date of the change.

Effect on Employment

The plan in no way guarantees you continued employment. If you terminate your employment or if you are discharged, the plan does not give you any

right to any benefit or interest in the funds contributed by your employer or earned by the retirement trust, except as specifically provided in the plan.

Reemployment of Former Participants

If you stop your employment before being eligible for a retirement benefit and are later rehired on a permanent, full-time basis, your credited service for calculating future benefits will be determined by the break-in-service rules described in *Definitions*.

Reemployment of Retirees

If you are reemployed on a permanent, full-time basis after having retired, your monthly benefit payments will stop while you are employed. When you retire again, your monthly benefit will be recalculated based on any additional credited service and compensation, and will be reduced to reflect your previous benefit payments.

Assignment of Benefits

The plan is intended to pay benefits only to you or your beneficiaries. Your benefits cannot be used as collateral for loans or be assigned in any other way, except as required under a domestic relations order or court imposed child support order.

Maximum Benefits

In accordance with federal regulations, the plan has provisions detailing the maximum benefit you can receive. While most employees will never reach this maximum, the maximum is stated in the plan's legal document. You will be notified if you are affected by this provision.

Plan Document

The information in this booklet describes the plan in everyday language and tries to avoid the technical language of the plan's legal document. If, in our effort to make the plan easy to understand, we have omitted or misstated any of the plan's provisions, the plan's official legal document must remain the final authority. If you wish, you may also examine the legal document in the Retirement Plan's office or review it on the Retirement Plan website at: www.epcretirement.org.

SOCIAL SECURITY BENEFITS

During your working years, you and your employer make contributions to provide social security benefits for your and your dependents. Monthly payments and medical, hospital 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 contribute annual amounts set by federal law to provide Social Security benefits when you retire.

At retirement, these benefits will include monthly payments beginning as early as age 62 or sooner if you become disabled or die. Hospital and medical benefits begin for you and your dependents at age 65, or earlier in case of disability. Dependents may also 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. Under current law, you receive one quarter of coverage (to a maximum of four quarters per year) for certain amounts of earnings in a year.

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

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.

Reduced monthly benefits are available if you retire before normal retirement age as defined by the Social Security Administration. A change in the Social Security law passed in 1983 provides that beginning in 2000 the age for full Social Security benefits will gradually be raised, reaching age 67 in the year 2022. The age for full benefits will increase by two months each year from 2000 to 2005, when it will be age 66. Then in 2017 the full benefit age will increase by two months a year until 2022, when it will be age 67.

Medicare

The three parts of Medicare – hospital insurance (Part A), medical insurance (Part B) and prescription drug coverage (Part D) – provide health care protection for people 65 and up. 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 that 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 questions and provide booklets about Social Security programs. You can find the location of the nearest office in the telephone directory under “US Government, Social Security Administration”. The website for Social Security is www.ssa.gov.

ADDING IT ALL UP

Your retirement plan benefits and Social Security payments will provide a dependable income when you retire. This table shows some sample benefit amounts at 20, 25 ad 30 years of credited service.

The figures in the table below illustrate how the retirement plan and Social Security work together for two sample employees retiring in 2013; one earning \$3,000 per month and the other earning \$4,000 per month.

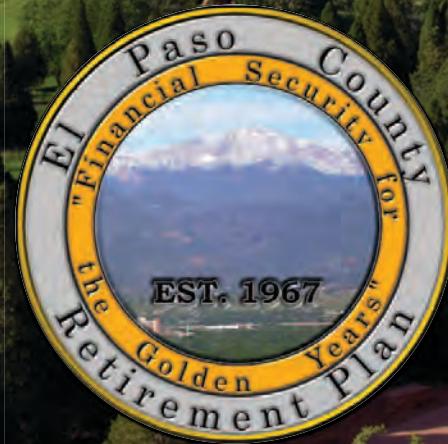
The percent of FAMP (final average monthly pay) numbers show how the combination of the retirement plan benefits and Social Security benefits compare to the employee's final average monthly pay.

Estimated Monthly Retirement
Benefit at Age 62 Retirement in 2013

Service Years	FAMP of \$3,000			FAMP of \$4,000				
	EPCRP	Social Security	Total	% of FAMP	EPCRP	Social Security	Total	% of FAMP
20	1325	1029	2354	78%	1767	1269	3036	76%
25	1658	1029	2687	90%	2211	1269	3480	87%
30	1991	1029	3020	101%	2655	1269	3924	98%

ANNUAL STATEMENT

Each year, you will receive a personalized statement showing retirement benefits you have earned to date based on your pay and service. The statement also shows your accumulated contributions and gives you an estimate of the benefit amount you can expect to receive from the Retirement Plan if you retire at age 62.



El Paso County Retirement Plan
105 E. Vermijo, Suite 200
Colorado Springs, CO 80903
www.epcretirement.org