

## **Wayne County Hybrid Retirement Plan (Plan #5)**

The Hybrid Retirement Plan is a defined benefit (DB) plan and a defined contribution (DC) plan. Employees from Wayne County's Defined Benefit Plans 1, 2, & 3 and Defined Contribution Plan 4 can elect to transfer into the Hybrid Plan #5. All new employees shall become members of the Wayne County Hybrid Plan #5.

### **General Provisions**

#### **Normal Retirement**

*Pension Eligibility:* Age 55 with 25 years of service  
Age 60 with 20 years of service  
Age 65 with 8 years of service

#### **Vested Termination (Deferred Retirement)**

*Eligibility* – 8 years of service. Pension begins at age 65

*Pension Amount* – Computed as normal pension but based on service, AFC and multiplier factors at time of termination.

#### **Duty Disability Retirement**

*Eligibility* – No age or service requirements but employee must be deemed totally and permanently disabled by the Retirement System Medical Director, the disability must be caused as a direct result of the performance of the employee's job with the County and the employee must be in receipt of Workers Compensation Benefits as a result of the disability.

*Pension Amount* – Computed as normal pension with additional service credit granted from date of retirement to age 60. Workers Compensation and Federal Social Security Disability Benefit payments shall offset the Defined Benefit portion of the pension.

#### **Non-Duty Disability Retirement**

*Eligibility* – 10 years of service, no age requirement. Employee must be deemed totally and permanently disabled from performing their duties as a Wayne County employee by the Retirement System's Medical Director.

*Pension Amount* – Computed as normal pension but based on service, AFC multiplier factor at time of retirement.

### **Health Care Benefits**

Employees who retire from the Hybrid Plan #5 shall be eligible for the same level and options of health care benefits as retirees from the other defined benefit/defined contribution plans unless otherwise modified by the member's collective bargaining agreement.

### **Life Insurance Benefits**

Employees who retire from the Hybrid Plan #5 shall be eligible for the same level of life insurance benefits as other retirees from the defined benefit/defined contribution plans unless otherwise modified by the member's collective bargaining agreement.

### **Inflation Equity Benefit**

Employees who retire from the Hybrid Plan #5 shall be eligible for the same 13<sup>th</sup> check benefit payment as other defined benefit/defined contribution plan retirees unless otherwise modified by the member's collective bargaining agreement.

## **Defined Benefit Plan**

The Hybrid Defined Benefit Plan #5 is a non-contributory defined benefit plan.

### **Definitions**

*Average Final Compensation (AFC)* – Annual average of eligible retirement earnings for the last five (5) years of credited service.

*Defined Benefit Formula (multiplier factors)* – AFC multiplied by the sum of a) 1.25% of credited service up to 20 years; and b) 1.50% of credited service over 20 years. The maximum benefit payable shall be 75% of AFC.

## Defined Contribution Plan

The record keeper for the Defined Contribution assets shall be CIGNA Retirement Investment Services or their successor. The investment advisor for the Defined Contribution Plan shall be Morgan Stanley or their successor. The same investment options that are available for the Defined Contribution Plan #4 members shall be available for the Hybrid Defined Contribution Plan #5 members.

The employee shall be required to contribute 3% of their retirement eligible earnings to the Defined Contribution Plan with a corresponding 3% match by the employer. The contributions shall be deducted on a biweekly basis from their employee paycheck.

Vesting in the employer matching contributions shall be based on the following schedule (credited service earned from another Wayne County Plan prior to a transfer into the Hybrid Plan, shall be utilized for calculation of completion of the vesting period):

50% after 1 year  
75% after 2 years  
100% after 3 years

There shall be **no loans available** from the Hybrid Plan #5; however upon transfer from DCP#4 to Plan #5 any existing loans from the DCP#4 shall be eligible for continued biweekly repayment until the loan(s) has/have been satisfied.

A terminating member may choose between:

Lump sum distribution of vested account balance, or

Rollover of vested account balance to a qualified plan, or

Annuitizing vested account balance if the member is also eligible for a defined benefit pension, or

Any available options offered by CIGNA Retirement Investment Services.

## Transfer Options

Employees of Defined Benefit Plans 1, 2 or 3 may transfer to the Hybrid Plan at no cost. Members of Defined Benefit Plan 1 and 3 shall have their employee contributions and earnings transferred to their Hybrid Defined Contribution Plan account with separate accounting for taxable and non-taxable

assets. All participants transferring to the Hybrid Plan shall immediately begin to contribute 3% of their eligible retirement earnings to the Hybrid Defined Contribution Plan.

A Defined Contribution Plan #4 member may elect to transfer into the Hybrid Plan #5. The member may elect to purchase their entire credited service into the Defined Benefit portion of the Plan, purchase none of their credited service into the DB Plan or purchase a portion of their credited service. The cost of purchasing credited service shall be determined by utilizing the attached tables (Actuarial Cost of Service Purchases for Transfers From Plan 4). For calculation of purchase costs, the **age shall be rounded up** to the nearest whole age at time of purchase and the **years of service shall be rounded down** to the nearest whole year at time of purchase, however the actual time purchased shall be equal to the actual credited service at the time of purchase. "Salary at time of purchase" shall be defined as the average of eligible retirement earnings for the last five (5) years of credited service.

Transfers must be elected during the "window period" defined in the collective bargaining agreement and once a transfer election is made it is irrevocable. Payment in full must be made at the time of transfer and funds from the employee's Defined Contribution Plan #4 vested account balance may be utilized to purchase the time. Transfers from the employee's account shall be taken from the taxable and non-taxable funds in the same proportion that they were contributed. Up to three years of military time may be purchased at full actuarial valuation and funds from the employee's vested DC account may be utilized to purchase the military time. Any funds remaining in the employee's vested account shall be the basis for establishing the employee's new Defined Contribution Account under the Hybrid Plan.

All credited service still maintained by an employee in any Wayne County Retirement Plan may be utilized by the employee for calculating eligibility for future retirement regardless of which retirement plan the credited service is vested in. However, only time that is credited to the Hybrid Defined Benefit Plan shall be utilized for calculating an actual retirement benefit based on the multiplier factors.