A vertical photograph of a Wyoming landscape. The top half shows a clear blue sky with a few wispy clouds. Below the sky is a range of dark, forested mountains with some rocky outcrops. The middle ground consists of rolling, grassy hills in shades of green and yellow. In the foreground, there is a flat, grassy field with some small bushes and a white vehicle parked in the distance.

# Wyoming Retirement System

## Public Employee Pension Plan Handbook

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# **INTRODUCTION**

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## **Who should read this handbook?**

This handbook is for members of the Public Employee Pension Plan and is designed to give you the knowledge you need to plan for your retirement. The Public Employee Pension Plan is the largest pension plan administered by the Wyoming Retirement System (WRS). WRS also administers six other pension plans for different groups of employees, a 457 Deferred Compensation Plan, and also sponsors a supplemental life insurance plan through Prudential for Wyoming public employees.



## **What is a pension?**

Once you meet certain qualifications, a pension will provide a monthly payment for life. The technical name for this type of retirement plan is a “defined benefit” plan because a

formula defines the benefit you receive when you retire.

In contrast to a pension plan is a defined contribution retirement plan in which you specify, or define, your contribution. Defined contribution plans, such as the WRS Deferred Compensation Plan, help you build your own retirement nest egg by giving you a tax incentive to set money aside for retirement. With a defined contribution plan you control your account and make your own investment decisions. The benefit you are building is simply the balance in your account.

A pension has three key features that can work in conjunction with any defined contribution plans you may have:

1. Your future benefit grows as long as you are working and is based on your age, salary, and years of service while participating in WRS. As your years of service and salary increase, so does your future benefit.
2. Your benefit is not affected by investment gains or losses. The WRS Board assumes the responsibility for investing your contributions in such a way as to have enough investment earnings to pay for your lifelong pension benefit. This is in sharp contrast to defined contribution plans such as 457, 403(b), or 401(k) plans where you are fully responsible for how your investments perform.
3. You cannot outlive your benefit, even after you deplete your account balance. Typically, a retiree draws all the funds from his or her account within three to five years of retiring, after which your benefit is paid with WRS investment earnings.

### Which employers participate in the Public Employee Pension Plan?

The state and over 400 local government employers in Wyoming participate in the Public Employee Pension Plan to provide pension benefits to their employees. Because so many public employers in Wyoming participate in this plan, you have considerable portability with your pension. Portability means it is possible for you to

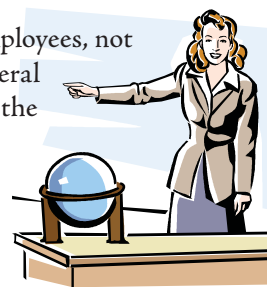
switch employers without interrupting the future pension benefit you are accumulating. If you are not sure whether your public employer participates in WRS, please contact us at (307) 777-7691.

### How do I enroll in the Public Employee Pension Plan?

You do not have to take any action to become a member of the Public Employee Pension Plan. If your public employer participates in the Public Employee Pension Plan, all eligible employees are required to join the plan at the time of employment. Your public employer will give you a registration form and ensure you are enrolled.

### Am I a member of the Public Employee Pension Plan?

Most public employees, not including federal workers, are part of the Public Employee Pension Plan – the largest pension plan WRS administers. WRS does administer six other pension plans for specific groups of employees such as game wardens, highway patrol officers, DCI investigators, law enforcement personnel, corrections officers, judges, and firemen. To verify which pension plan you belong to, check with your employer or contact WRS.



If your employer participates in WRS and you are a full-time or regular part-time employee of the State, a school district, or institution of higher learning, it is likely

you are a member. You would be excluded from membership if you are an independent contractor (although State at-will contract employees may participate). You are also excluded from membership if you are paid on a fee basis, reimbursed on a per diem basis, employed on a temporary basis for less than six months, or receive no more than \$5,500 a year for part-time teaching at any community college or the University of Wyoming and make an election, in writing, not to participate.

## TIMING YOUR RETIREMENT



### How much money do I need for retirement?

Generally, financial experts estimate most people will need 70% to 90% of their pre-retirement income to maintain the lifestyle they had before they stopped working. However, because each individual has unique needs, you should consider your own personal retirement goals. The American Savings Education Council points out you may want to plan to replace 100% or more of your pre-retirement income if you have not reached your prime earning years, want an enhanced retirement lifestyle, or expect high medical expenses in retirement.

### When am I eligible to retire?

You are eligible for full retirement after you either:

- Reach age 60 and are vested, or
- Meet the requirements of the “Rule of 85,” which means your age plus your years of service in WRS equal 85 or more.

You are eligible for early retirement with a reduced benefit after you either:

- Reach age 50 and are vested, or
- Complete 25 years of service at any age.

### What does being “vested” mean?

After contributing to WRS for 48 months, you have a “vested” right to benefits at retirement age. If you are a part-time employee, you will also be vested after 48 contributions. The 48 contributions do not have to be made in consecutive months.

### What is the “Rule of 85” and how does it help me?

**Rule  
of  
85**

Under the Rule of 85, you are eligible for full retirement if your age plus your years of service in WRS equal 85 or more. The Rule of 85 is valuable because it enables you to receive an unreduced retirement benefit even if you retire early (before the age of 60). Once you reach age 60, the Rule of 85 no longer applies.

## What resources does WRS have to help me in my retirement planning?

**W**RS has several resources to help you. You can visit our web site, attend our educational seminars, or contact our Retirement Educators.

The WRS web site at <http://retirement.state.wy.us> has many useful links and benefit calculators to help you estimate your benefit. WRS Retirement Educators present informational seminars and provide one-on-one counseling about retirement issues. Contact WRS to schedule an appointment with a Retirement Educator.

## YOUR PENSION ACCOUNT

### Who funds my pension?

**W**hile you are working, both you and your employer make contributions each month to fund your future pension benefit. Wyoming statute requires a contribution of 11.25% of your salary monthly; you contribute 5.57% and your employer contributes 5.68%. Your employer may fund some or all the required employee's portion of the contribution in addition to the employer's share. For example, the State of Wyoming pays the full 11.25% monthly contribution for its employees.

The WRS Board is responsible for investing all of the contributions to ensure there will be enough money to pay for the future pension benefit you are earning.

## How does WRS keep track of my contributions?

**A** separate account is maintained for each member of WRS showing the amount of your contributions and accrued interest. Accounts are used to determine refund amounts and pre-retirement death benefits. At retirement, your benefit is initially paid from your account balance until it is exhausted. After that, your benefit is paid from WRS funds.

### Does my account receive interest?

**Y**es, interest is calculated on non-retiree accounts at a rate determined by the Board and is added to your account monthly at a compounded rate. The current rate is 5.5%.



### Can I contribute additional money to my account?

**N**o, additional funds may not be sent in excess of the 11.25% contribution rate. Remember, your benefit is not based on your contributions or your account balance; it is based on your years of service, salary, and age at retirement.

### What if I want a larger pension benefit?

**A** currently employed and vested member of the Public Employee Pension Plan may make a one-time purchase of up to five years of service in the plan. If you make such a purchase, it will count as service and

could move you closer to being eligible for full retirement benefits. The purchase must be made in a lump sum. You are allowed to transfer funds from other retirement savings vehicles, such as deferred compensation plans, to make this purchase. WRS has online calculators at <http://retirement.state.wy.us> for you to use in getting a ballpark estimate of the cost to purchase service credit.

### Can I take a loan from my account?

No, you cannot borrow against your account. Nor can your account be attached or garnisheed.

### Are my records confidential?

Yes, the account records of any member cannot be released unless the member authorizes, in writing, the release of such records, or a court order directs the records be available for inspection or release.

### Will I receive account statements?

WRS provides a Member Account Statement for each contributing employee once a year. Your employer is responsible for giving your statement to you. Statements are prepared and distributed to employers during the first quarter of the year after all contributions for the preceding year have been posted.

Your statement shows the amount you contributed and the amount of accrued interest



through December 31st of the preceding year. It also gives a rough estimate of your retirement benefit at age 60 using your current year of salary. Be aware the benefit estimate on your statement is based on specific assumptions. Therefore, the estimates are just that – ESTIMATES – and they may vary if the assumptions are not applicable to you. As an example, estimates assume full-time service. If any of your service is part-time, the estimate will likely overstate the actual benefit.

Because we have a high number of inquiries after statements are received, we ask you to contact WRS in writing with questions or to report information on the statement that appears to be incorrect. Questions and changes can be emailed to [wrschange@state.wy.us](mailto:wrschange@state.wy.us). It is important to review your statement and verify the address and beneficiary information listed. Forms for updating address and beneficiary information can be downloaded from the WRS Web site.

### What happens if I move?



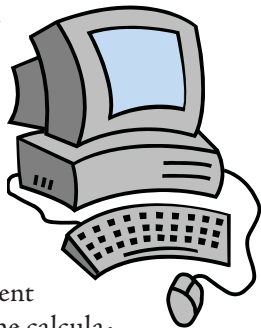
You must notify WRS directly if you have a change in address to ensure that you receive statements and other correspondence. All changes must be made in writing. Changes can be emailed to [wrschange@state.wy.us](mailto:wrschange@state.wy.us).

## AMOUNT OF YOUR BENEFIT

### How can I estimate my benefit?

A benefit calculator is available on the WRS Web site at: <http://retirement.state.wy.us>. You can use it to calculate your potential retirement benefit based on information you input.

The calculator will provide an unofficial estimate of your retirement benefit and can be very helpful for retirement planning purposes. You can experiment with different retirement dates and the calculator will show you the difference in your potential benefit.



### How much will my pension benefit be at full retirement?

Your benefit is based on a formula involving your

1. Years of service,
2. Highest average salary, and
3. Age at retirement

Your benefit is not based on how much you and your employer have contributed to your retirement account.

The current benefit formula entitles you to 2.125% of your highest average salary for your first 15 years of service, added to 2.25% of your highest average salary for each year of service over 15 years.

### How much will my pension benefit be if I take early retirement

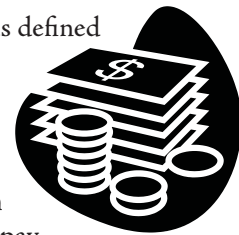
If you take early retirement, your full retirement benefit is reduced by 5% for each year you are under age 60. This is to account for the probability that you will be receiving your pension benefit for a longer period of time. Your benefit will increase only when the WRS Board grants cost-of-living adjustments (COLA's).

### How is my highest average salary determined?

The highest average salary for purposes of the Public Employee Pension Plan is calculated by averaging your 36 highest continuous months of acceptable salary.

### Does WRS accept all compensation when considering my salary?

The WRS Board has defined what is acceptable as salary in Chapter Eight of the rules of the Wyoming Retirement Board. Acceptable "cash remuneration" includes pay for services rendered; pay for used administrative, sabbatical, annual, sick, vacation, or personal leave; any pay for compensatory time, provided any such pay for compensatory time is made during the same year in which the compensatory time is earned, and any retroactive compensation payments pursuant to court orders, arbitration awards, or litigation and grievance settlements.



Cash remuneration does not include fringe

benefits such as payments for unused sick, personal, or vacation leave; housing allowances; transportation expenses; early retirement incentive pay; severance pay; bonuses; medical insurance; workers' compensation benefits; disability insurance premiums or benefits; payments received in lieu of previously employer-provided fringe benefits under an agreement between the member and participating employer entered into within sixty months before retirement, or any other payment which may reasonably be construed to be a fringe benefit; or any payment made during any three-year period of employment which is deemed to increase highest average salary for the primary purpose of increasing a retirement benefit.

The rule includes a mechanism to review and limit the increases in your highest average salary if the Board finds, after consideration of all circumstances, that the primary purpose of the compensation increase was to increase your retirement benefit.

## How are my months of service calculated?

**S**ervice is calculated monthly based on the number of hours you work in a month. If you work:

- ✦ At least 86 hours you receive one month of service credit
- ✦ Less than 86 hours but at least 40 hours you receive one-half month of service credit
- ✦ Less than 40 hours you receive one-quarter month of service credit.

If you job-share, be aware that service credit will not be awarded for any month services are not performed. You can receive credit only for those months actually worked.

## LEAVING EMPLOYMENT BEFORE REACHING RETIREMENT AGE

### If I stop working for my employer, what happens to my pension?

**I**f you are vested but no longer work for a covered employer, you may leave the funds in your account on deposit and take a monthly benefit at retirement age. Should you, at a later date, return to work for any employer covered by WRS, you and your employer would resume making contributions and you would start to earn service credit again. Your future retirement benefit would reflect the combined years of service. If you want to leave your funds on deposit, be sure your employer indicates this on the termination form sent to WRS. This ensures you will continue to get an annual account statement. Please inform WRS of address changes so the statement is sent to your current address.

If you want to forego a monthly benefit, you may take a refund of your account or roll it over to another qualified retirement plan, such as a 401(a), 401(k), 403(b), 457



deferred compensation plan, or a traditional IRA. If you are vested, WRS is required to provide you with an estimate of the monthly benefit you will be giving up should you take a refund or rollover. This is to make certain you understand the benefits you are giving up prior to making a decision.

If you are not vested, and your account balance is at least \$1,000, you may leave the account on deposit and continue to earn interest. However, if your account balance is less than \$1,000 you will be required to take a refund of your account or roll it over to another qualified plan such as a 401(a), 401(k), 403(b), 457 deferred compensation plan, or a traditional IRA. If your account balance is less than \$1,000 and you do not take a refund after a three year period, you will forfeit your account to the system. Only if you are re-employed with a covered employer will the contributions and interest be reinstated to your account and your service credit restored.

## PREVIOUS EMPLOYMENT

### What if I have previous employment with a WRS employer?

If you return to work for a participating employer after previously taking a refund of your contributions, you have the opportunity to redeposit those funds and regain that service. You have seven years from the date of re-employment with a participating employer to make a redeposit.

The redeposit must be made in a lump sum, which includes interest of 5.5% compounded annually from the date of the refund.

You are allowed to make the redeposit with transferred funds from other retirement vehicles, such as a 401(a), 401(k), 403(b), 457, or a traditional IRA.

The redeposit reestablishes the service credit you forfeited when you took the refund. However, a two-year waiting period from the date of re-employment is required prior to receiving service credit for the redeposit. Contact WRS to obtain more specific information so you may decide if you want to pursue a redeposit.

If you previously left your contributions on deposit and did not take a refund, please see page 16.

### What if I have a retirement account with another employer?



The WRS Public Employee Pension Plan is not able to let you transfer a pension benefit earned from another employer.

However you may use money from another retirement account to purchase up to five years of service. (see page 10).

You may also be able to roll the money into the WRS Deferred Compensation Plan. The Deferred Compensation Plan can accept rollover money from pre-tax contributions that were made to a 401(k), 403(b), qualified 401(a), or a traditional IRA. If you have money in another deferred compensation plan, you may transfer that money to the WRS Deferred Compensation Plan. Please call the Deferred Compensation

section of WRS at (307) 777-3325 for more information and to obtain the proper forms.

## BENEFICIARIES

### What happens to my pension should I die before I retire?

At employment, you will designate a beneficiary who will receive the benefits associated with your account in the event of your death. You must make separate beneficiary designations for the pension, 457 Deferred Compensation, and Prudential Life Insurance. Not having a beneficiary on file could be a disadvantage to your family and loved ones.

If you are not vested when you die, your beneficiary receives a lump sum of twice your contributions and interest. If you are vested when you die and have designated a sole beneficiary, your beneficiary may select either a lump sum, described above, or a monthly benefit. A monthly benefit will be based on the beneficiary's age.

If you have designated multiple individuals as primary beneficiaries, monthly retirement benefits are not an option. In these cases, lump sum payments will be made to the beneficiaries in equal shares, unless otherwise specified in writing to the Wyoming Retirement System. Nor are monthly retirement benefits an option if you have designated an entity, such as a trust or charity, as your beneficiary.

You are responsible for keeping your beneficiary designation current. You may change your designation at any time, but

spousal concurrence is required. Questions regarding the designation of a beneficiary or beneficiaries should be directed to the WRS office.

### After retirement, what happens to my benefit when I die?

The option you select when you begin receiving retirement benefits will determine how the account is paid out upon your death. See page 21 for details.

## APPROACHING RETIREMENT



### What should I do if I am approaching retirement?

If you are within three years of being eligible for a retirement benefit, contact WRS and request your account be audited and an official estimate of your benefit be prepared. When WRS audits your account, we research the salary and service you have had throughout your career with participating employers. We then use this information to prepare an estimate of your pension benefit at the retirement date you select. The official estimate is based on information specific to your service and salary, while the calculator uses set assumptions for everyone along with information you input.

At times of peak workloads, it may take up to eight weeks to receive an estimate from WRS. After you receive your benefit estimate, you can discuss your options with the benefit specialist who prepared it.

## What options do I have when taking a retirement benefit?

You have some very important and irreversible decisions to make when starting your retirement benefit. Because everyone's needs are different, WRS offers seven options for you to select from when you take your retirement benefit. Each option is a different variation of an annuity. An annuity is a payment method that ensures lifetime retirement income. A common form of payment for a married member is one of the joint and survivor benefit options, which pay throughout the lifetimes of the member and the spouse. A common form of payment for an unmarried member is one of the single lifetime benefit options.

A different monthly benefit is associated with each option. You will select the option you want on the application you submit to start your retirement benefit. Once you choose an option and receive your first check, the chosen option cannot be changed. If you select option 2, 2P, 3, or 3P, your beneficiary designation cannot be changed even in the event of the death of the beneficiary or divorce.

### Benefit Option Definitions:

#### Option 1

##### Single Lifetime Benefit with Beneficiary:

This is a lifetime benefit for you only. It is based on the formula and if applicable, reduced for early retirement. This option does not provide for a monthly benefit to a beneficiary after your death. Upon your death, your beneficiary would receive a

lump sum of any remaining balance in the account which was not paid out during your retirement. Typically, a retiree draws all the funds from his or her account within three to five years of retiring, after which the retiree is paid with WRS investment earnings. Therefore, it is rare a lump sum is paid at a retiree's death.

*A choice of any of the other options would change the monthly benefit depending on the ages of the member and the beneficiary (if applicable).*

#### Option 2

##### Full Joint and Survivor Benefit:

This is a lifetime benefit for you and includes a provision for a lifetime benefit to a beneficiary upon your death. It is a reduction from Option 1 and based on the life expectancy of both you and your beneficiary. Payment would continue for your beneficiary's lifetime regardless of marital status or other income. In the unlikely event there is a remaining balance in your account after the death of both you and your beneficiary, a contingent beneficiary would receive a lump sum payment. If you choose this option, your beneficiary designation cannot be changed even in the event of the death of the beneficiary or divorce.

*Option 2 may not be available if you have a non-spouse beneficiary.*

#### Option 2P

##### Full Joint and Survivor Benefit with Pop-up Provision:

This is a lifetime benefit for you and includes a provision for a lifetime benefit to a beneficiary upon your death. It is a

reduction from Option 1 and based on the life expectancy of both you and your beneficiary. Payment would continue for your beneficiary's lifetime regardless of marital status or other income. If your beneficiary precedes you in death, your benefit amount will "pop-up" to the Option 1 amount for the remainder of your life. If you choose this option, your beneficiary designation cannot be changed even in the event of the death of your beneficiary or divorce. With this option, there is no lump sum payment of any remaining account balance upon the death of both you and your beneficiary.

*Option 2P may not be available if you have a non-spouse beneficiary.*

### Option 3

#### 1/2 Joint and Survivor Benefit:

This is a lifetime benefit for you and includes a provision for a lifetime benefit to a beneficiary upon your death. It is a reduction from Option 1 and based on the life expectancy of both you and your beneficiary. Upon your death, one-half of the monthly benefit you had been receiving is paid to your beneficiary. Payment would continue for your beneficiary's lifetime regardless of marital status or other income. In the unlikely event there is a remaining balance in your account after the death of both you and your beneficiary, a contingent beneficiary would receive a lump sum payment. If you choose this option, your beneficiary designation cannot be changed even in the event of the death of the beneficiary or divorce.

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*More options on pages 24 and 25...*

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### Option 3P

#### 1/2 Joint and Survivor Benefit with Pop-up Provision:

This is a lifetime benefit for you and includes a provision for a lifetime benefit to a beneficiary upon your death. It is a reduction from Option 1 and based on the life expectancy of both you and your beneficiary. Upon your death, one-half of the monthly benefit you had been receiving is paid to your beneficiary. Payment would continue for your beneficiary's lifetime regardless of marital status or other income. If your beneficiary precedes you in death, your benefit amount will "pop-up" to the Option 1 amount for the remainder of your life. If you choose this option, your beneficiary designation cannot be changed even in the event of the death of your beneficiary or divorce. With this option, there is no lump sum payment of any remaining account balance upon the death of both you and your beneficiary.

### Option 4

#### Ten Year Certain Benefit:

This is a lifetime benefit for you only. It is a reduction from Option 1 and based only on your life expectancy. If your death occurs before you have received the benefit for ten years, your beneficiary would receive the same monthly benefit for the balance of the ten-year period, after which the benefit ceases.

## Option 5

### Single Lifetime Benefit without Beneficiary:

This is a lifetime benefit for you only. It is an increase to the Option 1 benefit and payable only during your lifetime with no provision for any beneficiary payment after your death. Upon your death, any money remaining in your account would revert back to WRS.

Please contact WRS at (307) 777-7691 if you have any questions regarding your retirement benefit options.

### How do I elect a retirement option?

We strongly encourage you to receive an official estimate of your account before submitting a retirement application.

Once you have an estimate, you must choose the option you want. You will indicate the option you have selected on the retirement application necessary to start your retirement benefits. This application must be notarized and signed by both you and your spouse.

Once you choose an option and receive your first monthly check, the chosen option cannot be changed. If you choose any of options number 2, 2P, 3 or 3P, your beneficiary designation cannot be changed even in the event of your beneficiary's death or divorce.



## What do I need to know about choosing a retirement date?

Your retirement date is something only you can decide. Remember, your benefit will increase with every month of service you complete. If you want to retire as soon as you are eligible, consider your birthday since you will need to turn 60 or meet the Rule of 85 for full retirement. Please note cost of living adjustments (COLA) are given on July 1st following the two-year anniversary of your retirement. If your retirement date is after July 1 of any given year, it may take you up to three years to receive your first COLA.

### Can WRS withhold my health insurance premium?

WRS can withhold retiree health insurance premiums from your monthly retirement check and forward the money to the appropriate entity. You arrange this through your employer when you terminate your employment. Your employer should then submit necessary information to WRS. Questions should be directed to WRS at (307) 777-7691.

### How do I start my benefit?

You must submit an application for retirement using the form provided by WRS before any retirement benefit can be paid. We strongly recommend you have your account audited before completing this application and, when demand is high, it may take up to eight weeks to receive the results. Retirement may be effective any day following your last working day. You may

file an application at anytime, but we recommend it be submitted at least sixty days before you want to receive your first retirement check. Your benefit cannot be started until your employer sends all contributions pertaining to your account.

## **SOCIAL SECURITY**

### **Does my pension benefit affect my Social Security?**

**N**o, Social Security coverage available to you is completely independent of coverage under WRS. You may receive benefits concurrently from both WRS and Social Security. Retirement benefits are not subject to Social Security taxes.

## **AFTER RETIREMENT**

### **How do I get paid each month?**

**A**ll benefit payments are deposited directly to your financial institution on the last business day of each month. Each payment represents your retirement benefit for the preceding month. Direct deposit is mandatory for all benefit payments.

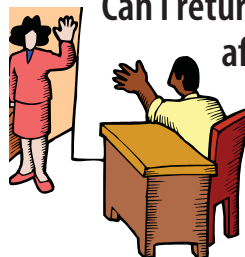
### **Is my pension income taxable?**

**Y**es, your monthly benefit is reported to the IRS as income and you are responsible for paying any taxes. You will receive a Form 1099-R annually for tax reporting purposes. A Form W4-P is included in your retirement application, which you will submit to WRS to indicate how much federal income tax you want withheld.

Please consult a tax accountant or the IRS for further information. WRS staff cannot furnish tax advice.

### **Will I receive benefit increases after I retire?**

**T**he WRS Board may grant an annual cost of living adjustment (COLA) that would increase your benefit after retirement. Wyoming state law allows a COLA up to the actual inflation rate in Wyoming, but it must not exceed 3%. The COLA must be deemed affordable by the actuaries who compare total liabilities to assets of the plan. Once you have been retired for at least two years, you are eligible for any COLA the Board may grant. The adjustment is made each year on the first of July.



### **Can I return to work after I retire?**

**A**s of July 1, 2007, you may retire, then after a 30 day break in service, return to work for a WRS participating employer under the Public Employee Pension Plan. However, your employer must pay a rehired retiree fee equal to both a member and employer contribution, based on your salary. You can continue to draw a retirement check along with a paycheck but your pension benefit will not increase as a result of the fee your employer is paying to WRS.

Currently employed retirees who were rehired under rules in effect prior to July 1, 2007 may be grandfathered. If you have

questions about your rehired retiree status, please contact your employer. If you return to work under any of the six other pension plans administered by WRS, or with an employer not covered by WRS, your employer would not be required to pay WRS the rehired retiree fee.

If you return to employment under the Public Employee Pension Plan, your employer must notify us. You must declare whether you will continue to receive your retirement benefit and not contribute to the plan, or stop your benefit and start contributing again. If you continue your benefit, you receive no service credit for the additional service performed.

If you choose to be reinstated as a contributing member, your benefit, upon retiring a second time will be recalculated using the additional employment. The new benefit must be based on the same option you selected the first time you retired. You will also be required to keep the same designated beneficiary.

You might assume that by contributing more to the plan, your monthly benefit will increase. That is not always the case. This is because we will reduce your second retirement benefit by an amount reflecting what was paid to you in your first retirement. Also, all cost-of-living adjustment (COLA) increases that were awarded during your first retirement are eliminated.

If you are considering stopping your benefit, we recommend you contact WRS at (307) 777-7691 for assistance with understanding your choices.

## DISABILITY

### What if I become disabled?

If you become incapacitated to the point you cannot do your duties you may be eligible for a disability retirement.



A “total disability” means a condition rendering you unable to engage in any occupa-

tion for which you are reasonably suited by training or experience and which is expected to last at least 12 months. A “partial disability” means a condition rendering you unable to fulfill the occupation for which you are reasonably suited by training or experience, but still allows you to function in other employment and which is expected to last at least 12 months. Please contact WRS for more information about applying for a disability retirement benefit.

### What are the eligibility requirements for a disability retirement?

To qualify for a disability retirement, you must have become disabled and make application:

1. While you are a contributing member of the Wyoming Retirement System, and
2. After you have contributed to WRS for ten or more years, and
3. Before you are 60 years of age.

## How do I apply for a disability benefit?

You can obtain the application for a disability benefit from WRS. Three physicians, who have recently examined you, must verify the disabling condition. The disability committee makes a determination after reviewing your medical records. In the event of a contested decision, there are appeal procedures available to you.

## What if I am injured and awarded worker's compensation?

In most cases, WRS cannot consider payment from worker's compensation as part of your salary. Because of this, being on worker's compensation may have an effect on your highest average salary and your months of service, which are used to determine your pension benefit. If this applies to you, please contact WRS at (307) 777-7691 for more information.

## OTHER TOPICS OF INTEREST

### How will military deployment affect my retirement account?

Should you be called for active military service, WRS rules allow you to receive service credit for missed contributions upon your return as long as certain requirements are met:

1. You must return to work with an employer covered under WRS within 90 days of being honorably discharged.
2. You must pay contributions on the

service missed and your employer will be required to pay the employer contributions.

If military service credit applies to you, call WRS at (307) 777-7691 to arrange for the make-up of missed retirement contributions. You will need to provide a DD-214 form verifying an honorable discharge and dates of deployment.

## What if I get divorced?

WRS has formal rules regarding divorce settlements. WRS requires a Qualified Domestic Relations Order (QDRO) signed by a judge to split your retirement benefit between you and your



former spouse. Please be aware, if your former spouse is awarded a percentage of your account, your monthly retirement

benefit will be reduced for your lifetime, even if your former spouse elects to be paid in a lump sum.

If you divorce after you have already started your retirement benefit, your named beneficiary under options 2, 2P, 3 and 3P cannot be changed. Your original beneficiary will receive the benefit.

A separate QDRO is required to split your Deferred Compensation account for a divorce settlement. Sample QDRO language for the pension and Deferred Compensation, as well as additional explanatory materials, are available on our Web site at <http://retirement.state.wy.us>.

## Does WRS offer Life Insurance?

**Y**es, WRS offers a life insurance plan you may currently purchase for \$16 a month. Prudential is the underwriter for the plan and WRS is able to offer it to you through its membership with the National Conference on Public Employee Retirement Systems (NCPERS). The plan is commonly known as Prudential Life Insurance. Gallagher Benefits Administrators, Inc. administers the Prudential Life Insurance program and often refers to it as NCPERS Life Insurance. You may receive correspondence from Gallagher and if you need to make any changes to your beneficiary or address information you should contact Gallagher at (800) 525-8056.

## Who oversees the Wyoming Retirement System (WRS)?

**W**RS is administered by an eleven-member Board, which includes the State Treasurer, two public employees, two employees representing the public school system or the University of Wyoming, one retired member of WRS and five qualified Wyoming electors not employed by any participating employer of WRS. All Board members, with the exception of the State Treasurer, are appointed by the Governor for terms of six years.

The Board employs a Director, who serves as its secretary and is responsible for managing the staff and daily operation of WRS. The Board holds bi-monthly public meetings. Contact WRS for specific dates. The Board establishes rules and regulations for administering the seven pension plans

and the deferred compensation plan. The Director administers these plans within the framework of those rules and regulations and the Wyoming Retirement Act.

## What if I disagree with the Wyoming Retirement System?

**Y**ou are entitled to a hearing with the WRS Board regarding any dispute and the Wyoming Administrative Procedures Act will be followed. Chapter 3 of the Board's administrative rules (available from the Secretary of State's office) gives detailed information about the process.

## How can I learn more about the finances of WRS?

**W**RS undergoes an audit for each calendar year and resulting reports are available on our Web site.

## Wyoming Retirement System Board of Trustees

Jim Applegate

Dick Cuthbertson

Ken Erickson

Tracy Gover

Carl Jensen

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Joseph Meyer, Ex Officio

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Danny Romero

Dick Stribling

WRS Director: Thomas C. Mann

WRS Deputy Director: Harry L. Wales



*This publication serves as a summary plan document for the Public Employee Pension Plan and is meant to provide information about the main features of the plan.*

*State statutes, administrative rules, and the Deferred Compensation Plan Document will govern in the event of any discrepancies with information in this book.*

*No information in this publication should be construed as advice. You should consult an appropriate professional for specific tax, financial, legal, or investment advice.*

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**June 2007**

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