Rate Change Will Impact the Hybrid Option Benefit

(This does not effect employees on the URS Tier 1 plan or Tier 2 Defined Contribution plan)

You'll be required to make a member contribution equal to 0.7% of your salary to fund your benefit in 2024-25.

As a member of the Tier 2 Public Employees System who has chosen the Hybrid Option, your employer pays the equivalent of 10% of your salary to fund your benefit.

If the yearly, actuarially determined cost to pay future benefits – the pension contribution rate – is less than 10%, you get the difference in the form of an employer-paid 401(k) contribution. This has been the case since the system was created by the Utah State Legislature in 2011.

The system was also designed so that if the pension contribution rate exceeds the employer contribution, the member must contribute from their paycheck to help fund the benefit.

*Effective July 2024, the pension contribution rate will increase into the range to require a member contribution equal to 0.7% of your salary.

This means you will have to pay a small amount from your paycheck to fund your Tier 2 Public Employee Hybrid Option benefit beginning July 2024.

Member Contribution FAQs:
www.urs.org/ratesfaqs

Contribution Rate Explainer and History: www.urs.org/rates

This contribution will be automatically deducted from your paycheck by your employer.

As an example, an employee making $60,000 per year would contribute about $33 per month to fund the Hybrid benefit.

You elected the Hybrid Option, or were defaulted into it, after your 12-month decision period after you were hired. Because of state and federal law, you are unable to change your election after 12 months.

Contribution rates are re-evaluated yearly and may change from year-to-year, depending on the projected costs of future benefits. To better understand contribution rates and their impact on your retirement benefit, go to **www.urs.org/rates**.

As an example, an employee making $60,000 per year would contribute about $33 per month to fund the Hybrid benefit.