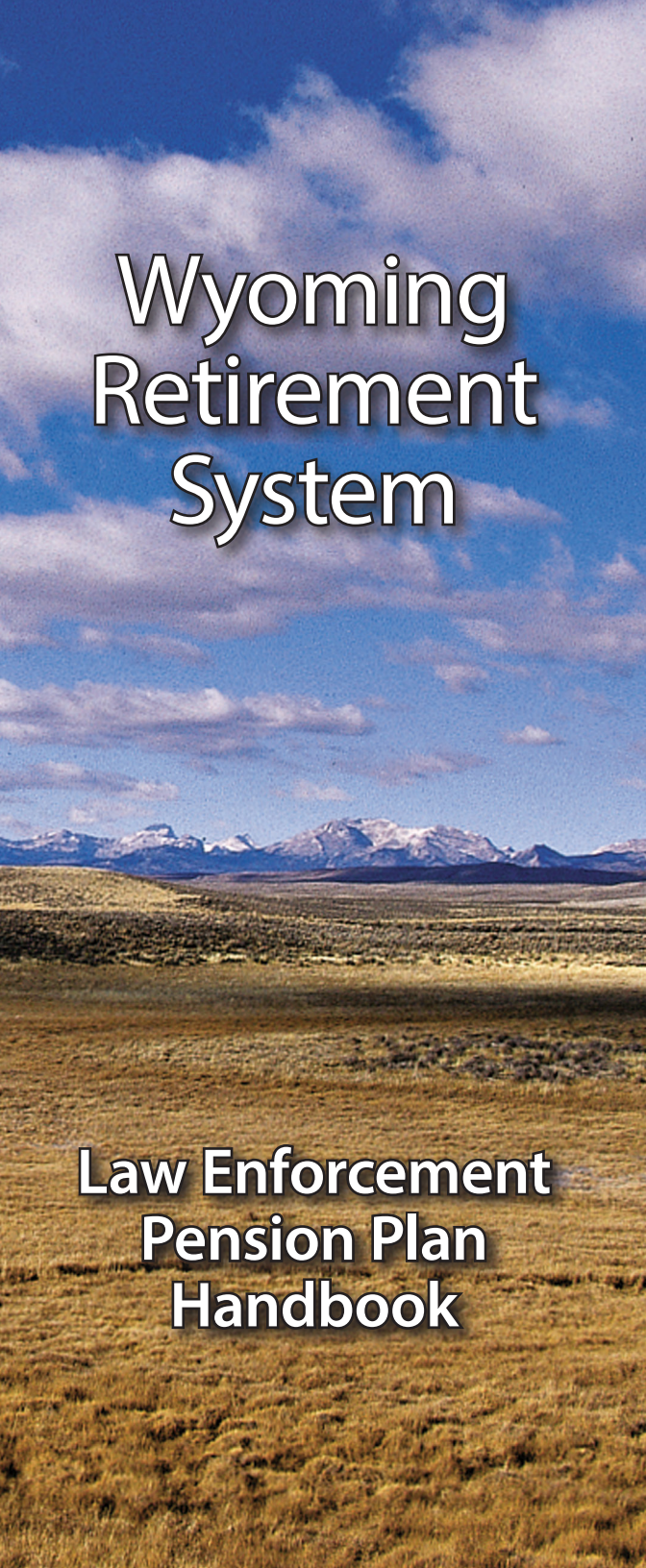

Wyoming Retirement System

Law Enforcement Pension Plan Handbook

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INTRODUCTION

Who should read this handbook?

This handbook is for members of the Law Enforcement Pension Plan and is designed to give you the knowledge you need to plan for your retirement. WRS also administers six other pension plans for different groups of employees, a 457 deferred compensation plan and sponsors a Prudential supplemental life insurance plan for public employees in Wyoming.

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. 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.

What is the Law Enforcement Pension Plan?

The Law Enforcement Pension Plan was enacted on July 1, 2002. The Plan is designed to provide a benefit structure reflecting the needs of employees whose primary duties are law enforcement.

The statutes that pertain to this Plan are in W.S. 9-3-401 through 9-3-452.

Who is eligible to participate in the Law Enforcement Pension Plan?

The Law Enforcement Pension Plan includes county sheriffs, deputy county sheriffs, municipal police officers, investigators of the WY Livestock Board meeting the specifications of W.S. 7-2-101(a)(iv)(E), investigators employed by the Wyoming State Board of Outfitters and professional guides meeting the specifications of W.S. 7-2-101(a)(iv)(J), correctional officers, probation and parole agents employed by the Wyoming Department of Corrections, Wyoming Law Enforcement Academy instructors, University of Wyoming campus police officers, and full-time dispatchers or detention officers for law enforcement agencies.

If you perform law enforcement duties as a secondary job function or on a temporary or emergency basis, you are not eligible to be in the Law Enforcement Plan, even if your employer requires you to stay current on specific certifications. Participating in the wrong retirement plan will affect your benefit at retirement. To verify the pension plan you belong to, check with your employer or contact WRS.

Which employers participate in the Law Enforcement Plan?

The State and over 70 local government employers in Wyoming participate in the Law Enforcement Pension Plan to provide pension benefits to law enforcement personnel. Because so many public employ-

ers in Wyoming participate in this pension 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.

How do I enroll in the Law Enforcement Pension Plan?

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

What if I worked in a law enforcement position prior to July 1, 2002?

If you were an active law enforcement employee of one of the six Class A cities in Wyoming (Casper, Cheyenne, Laramie, Rawlins, Rock Springs, or Sheridan), all of your service credit and contributions automatically transferred to WRS when your employer joined the Plan. If you worked for a Class A city and took a refund of your retirement contributions, there is no provision to regain that service.

If you were an active member of the WRS Public Employee Pension Plan and in a law enforcement position prior to July 1, 2002, all law enforcement service credit and contributions have been transferred to the Law Enforcement Pension Plan. If you had non-law enforcement contributions, those funds remain in the Public Employee Pen-

sion Plan and you now have two accounts with separate benefits at retirement.

If you were an active law enforcement employee of a Wyoming city, town or county for which a pension was not available prior to July 1, 2002, you may have the option to receive actual service credit by utilizing the WRS "buyback" provision. Please refer to the "What is a buyback" section below for more information.

What is a buyback?

WRS has a provision, known as a buyback, for law enforcement personnel employed by a city, town, or county for which a pension plan was not available prior to July 1, 2002. A buyback allows you to purchase the service you had before your employer joined the Law Enforcement Pension Plan. If you were actively employed in a law enforcement position when your employer joined WRS, you may be eligible for the buyback provision. However, all of your service may not be eligible for the buyback provision. For example: You had 5 years of service with the City of Douglas, then went to work for the City of Evanston and have 10 years with Evanston. You are employed by Evanston at the time Evanston joins WRS. The buyback provision allows you to purchase 10 years of service credit for your time with Evanston; the time in Douglas is not eligible for buyback.

The law enforcement buyback provision will sunset on June 30, 2008. Buybacks will no longer be allowed after that date. Please contact WRS at (307) 777-7691 to discuss your situation.

TIMING YOUR RETIREMENT

How much money will I need for retirement?

Generally, financial experts estimate that 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 receive my pension benefit?

You are eligible for full retirement after you either:

- Reach age 60 and are vested, or
- At any age with 20 years of service.

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

- Reach age 50 and are vested.

What does being "vested" mean?

After contributing to WRS for forty-eight (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 you need to be vested do not have to be for consecutive months.

Does WRS have resources to help me in my retirement planning?

WRS 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 us at (307) 777-7691 to schedule an appointment with a WRS Retirement Educator.

YOUR ACCOUNT

Who funds my pension benefits?

While you are working, both you and your employer make contributions each month to fund your future pension benefit. Wyoming statute requires a contribution of 17.2% of your monthly salary; you contribute 8.6%

and your employer contributes 8.6%. Your employer may fund some or all of your portion of the required contribution in addition to the employer share.

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?

WRS maintains a separate account for each member that shows your share of contributions and accrued interest. Member 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 investment earnings.

Does my account receive interest?

Yes, 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 interest rate is currently 5.5%.

Can I contribute additional money to my account?

No, additional funds may not be sent in excess of the 17.2% contribution rate. Remember, your benefit is not based on your contributions; it is based on your years of service, highest average salary, and your age at retirement.

What if I want a larger pension benefit?

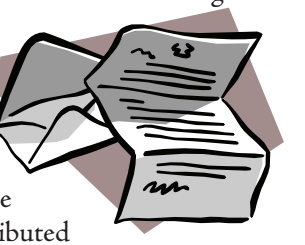
A currently employed and vested member of the Law Enforcement Pension Plan may make a one-time purchase of up to five years of service in the plan. If you make such a purchase, it will count as service and could move you closer to being eligible for full retirement benefits. The purchase must be made 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.

Will I receive account statements?

WRS provides Member Account Statements for all contributing employees 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 your statement that appears to be incorrect. Questions and changes can also be emailed to us at 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.

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.

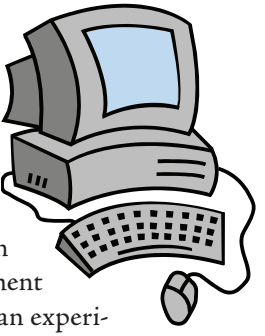
What happens if I move?

You must notify WRS directly if you have a change of address to ensure that you receive statements and other correspondence. All changes must be requested in writing. Change requests can be emailed to wrschange@state.wy.us.

AMOUNT OF YOUR BENEFIT

How can I estimate my benefit?

WRS has a benefit calculator for the Law Enforcement Plan available on the 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 online 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 account.

The current benefit formula entitles you to 2.5% of your highest average salary for each year of service. There is a cap on your benefit at 75% of your highest average salary.

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 to account for the possibility that you will be receiving your pension benefit for a longer period of time. Your benefit will increase only when the WRS Board grants a cost-of-living adjustment (COLA).

How is my highest average salary determined?

The highest average salary for purposes of the Law Enforcement Pension Plan is calculated by averaging your 60 highest continuous months of acceptable salary. Please refer to the next section to learn more about acceptable salary.

Does WRS accept all compensation when considering my salary?

The WRS Board has defined what is acceptable as salary in Chapter 8 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 that any such pay for compensatory time is made during the last twelve months 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 annual, sick, vacation, or personal leave; severance pay; bonuses; transportation expenses; housing allowances; medical insurance; disability insurance premiums or benefits; incentive pay for early retirement; benefits from Workers' Compensation; payments received in lieu of previously employer-provided fringe benefits under an agreement between the participating employer and the member 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, which is deemed to increase highest average salary for the primary purpose of increasing your retirement benefit.

The rule includes a mechanism to review and limit 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 WRS retirement benefit.

How are my months of service calculated?

Service is calculated monthly based on the number of hours you work. 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 your months of service will be affected.

LEAVING EMPLOYMENT BEFORE RETIREMENT AGE

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

If you are vested and you no longer work in a position covered by the Law Enforcement Pension Plan, you may leave the funds in your account on deposit and take a monthly benefit at retirement age. Should you, at a later date, go to work for any employer covered by WRS and are in a law enforcement position, you and your employer would resume making contributions. You would again begin earning service credit and your future retirement benefit would reflect the combined years of service. Be sure your employer indicates on the termination form sent to WRS that you will be leaving your funds on deposit so you will continue to get an annual account statement. You will need to inform WRS in writing 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 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 ensure that you understand the benefits you are giving up prior to taking a refund or a rollover.

If you are not vested you may leave the contributions you made (8.6%) on deposit and continue to earn interest. However, if you are not vested and your contributions plus interest total 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 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 service credit restored.

PREVIOUS EMPLOYMENT

What if I had previous law enforcement service with a WRS employer?

If your previous service was after July 1, 2002 and you are again working for a participating employer in a law enforcement position, you have an opportunity to redeposit the money WRS refunded to you and reinstate that previous service.

You have seven years from the date of re-employment with a participating employer to make a redeposit. You must make the redeposit in a lump sum payment that

includes interest of 5.5% compounded annually from the date of the refund. You are allowed to transfer funds from other retirement savings vehicles, such as a 401(a), 401(k), 403(b), 457, or traditional IRA to make the redeposit. This payment will reestablish the service credit you forfeited when you took the refund. A two-year waiting period from the date of re-employment is required prior to receiving service credit from the redeposit.

If your previous law enforcement service was prior to July 1, 2002, you might not be allowed to make a redeposit. Your employer needed to be affiliated with WRS, which means you would have taken a refund from WRS, in order for you to be eligible for a redeposit. You will also have to pay the actuarial equivalent of the difference in the benefit. This is to fund the enhanced benefits established July 1, 2002.

If you previously took a refund of law enforcement contributions and are now employed in a non-law enforcement position with a covered employer, you cannot redeposit those funds in the Law Enforcement Pension Plan.

Contact WRS at (307) 777-7691 to obtain more specific information so you can determine if you are eligible for a redeposit or to decide if you want to pursue a redeposit.

What if my previous WRS service was not law enforcement?

You are not allowed to re-deposit funds from one of the other six pension plans administered by WRS into the Law Enforcement Pension Plan.

What if I have a retirement account with another employer?

The Law Enforcement 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 in the pension plan (see page 11).

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 contact the plan at (307) 777-3325 for more information.

BENEFICIARIES

What happens to my pension if I die before I retire?

If you die in the line of duty, your spouse will receive a lifetime benefit of 62.5% of your salary at the time of death, as well as 6% for each child under age 18. If you die in a non-duty related event, your spouse will receive a lifetime benefit of 50% of your salary and 6% for each child under age 18. Death benefits for both duty-related and non-duty related deaths may not exceed 100% of your salary at the time of death.

If you are not married, you may designate another beneficiary. However, only a spouse can receive the benefits described in this paragraph.

If you were vested at the time of your death, a non-spousal beneficiary could elect to receive a benefit based on your years of service, highest average salary, and his or her age. If you were not vested, your non-spousal beneficiary would receive a lump sum payment of twice your contributions and interest.

Please keep in mind that if you designate 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. If you designate an entity, such as a trust or charity for your beneficiary, they will also be paid in a lump sum; a monthly benefit is not an option.

You are responsible for keeping your beneficiary designation current. You may change your designation at any time, but spousal concurrence is required. You must make

Always remember to keep your beneficiaries current

a separate beneficiary designation for the pension, WRS Deferred Compensation, and Prudential Life Insurance. Not having a beneficiary on file could be a disadvantage to your family and loved ones. Questions regarding the designation of a beneficiary or beneficiaries should be directed to WRS.

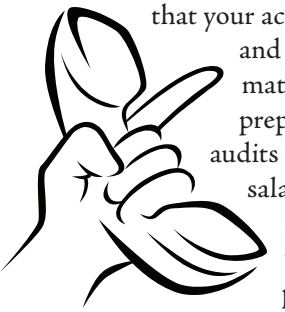
What happens to my benefit if I die after retirement?

The option you select when you begin receiving retirement benefits will determine how the account is paid out upon your death (see next page).

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 at (307) 777-7691 and request that your account be audited and an official estimate of your benefit be prepared. When WRS audits your account, the salary and service you have had throughout your career with participating employers is researched. This information is then used 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 online calculator uses more generic assumptions.



At times of peak workloads, it can take up to eight weeks to receive a benefit 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. The options are all different variations 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 indicate 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 choose 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.

Benefit Options continued on next page…

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.

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 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 Option 2, 2P, 3 or 3P your beneficiary designation cannot be changed even in the event of the death of the beneficiary or divorce.

What are things I should know when selecting 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 anniversary of employment since you will need 20 years of service for full retirement.

Please note: Cost of living adjustments are

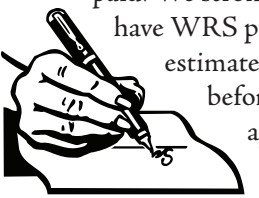
given on July 1st following the two-year anniversary of your retirement. If your retirement date is after July 1 of any given year, it may take you up to three years to receive your first increase.

Can WRS withhold my health insurance premium after I retire?

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

How do I start my benefits?

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 WRS prepare an official estimate of your benefit before completing this application and, when demand is high, it may take up to eight weeks to receive the estimate. Retirement may be effective the day following your last working day. You may file an application at anytime, but we recommend it be submitted at least sixty (60) 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 being a member of the Law Enforcement Pension Plan affect my Social Security benefit?

No, Social Security coverage available to law enforcement personnel is completely independent of coverage under WRS. Retired members or beneficiaries may receive benefits concurrently from both WRS and Social Security. In addition, retirement benefits are not subject to Social Security taxes.

AFTER RETIREMENT

How do I get paid each month?

All benefit payments are directly deposited 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?

Yes, 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. You must complete a W4-P form and submit it to WRS to indicate how much federal income tax you want withheld.

Please consult a tax accountant or the Internal Revenue Service for further information. WRS is not able to give tax advice.

Will I receive benefit increases after I retire?

The WRS Board may grant a cost of living adjustment (COLA) that would increase your benefit after retirement. Wyoming state law allows up to a 2% compounded COLA. The COLA must be deemed affordable by the actuaries who compare the system liabilities to assets. Once you have been receiving benefits for at least two years, you are eligible for any COLA the Board may grant. The COLA is added annually and the adjustment is made each year on the first of July.

Can I return to work after I retire?

As 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 Law Enforcement 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 Law

Enforcement 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 resume contributing. If you continue your benefit, you will not receive service credit for the additional services 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. In addition, all COLA increases 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. If your disability happened in the line of duty, you receive 62.5% of your salary at the time the

disability occurred. If your disability is not duty related, you receive 50% of your salary at the time the disability occurred. You must have 10 years of service in order to be eligible for a non-duty related disability.
A "total disability" means a condition that renders you unable to engage in any occupation 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 that makes 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. Contact us at (307) 777-7691 for more complete information.

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. if the disability is non-duty related, after you have contributed to WRS for 10 or more years.

How do I apply for a disability benefit?

You can obtain the application for disability benefits 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 Workers' compensation?

In most cases, WRS cannot consider payment from Workers' Compensation as part of your salary. Because of this, being on Workers 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 the following requirements are met:

1. You must return to work with a WRS employer within 90 days of being honorably discharged.
2. You must pay your 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 his/her share be paid in a lump sum.

If you divorce after you have already retired and started your benefit, your named beneficiary under Option 2, 2P, 3 or 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 at http://retirement.state.wy.us.

Can I obtain life insurance through WRS?

Yes, 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 Employees Retirement Systems (NCPERS). The plan is most commonly known as Prudential Life Insurance. American Administrative Group, Inc. administers the Prudential Life Insurance program and often refers to it as NCPERS Life Insurance. As a member, you may receive correspondence from American Administrative Group and if you need to make any changes to your beneficiary or address information, you should contact them at (800) 525-8056.

Who oversees the Wyoming Retirement System?

WRS 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 6 years.

The Board employs a director, who serves as its secretary and is responsible for managing staff and daily operation of WRS. The Board holds bi-monthly public meetings. Upcoming dates are posted on the WRS

Web site. The Board establishes rules and regulations for administering the WRS pension and deferred compensation plans. The Director administers the programs within those rules and regulations and the Wyoming Retirement Act.

What if I disagree with the Wyoming Retirement System?

You 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?

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

This publication serves as a summary plan document for the Law Enforcement 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