



Wyoming



RETIREMENT SYSTEM

GUARD FIREFIGHTER PENSION PLAN HANDBOOK

Wyoming Retirement System Board

Board Members

WRS is administered by an 11-member Board, which includes the state treasurer, two public employees, two employees representing the public school system or higher education, 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. Board members are legally required to act in the best interest of the members of WRS.

Board Responsibilities

The Board holds quarterly public meetings and establishes rules and regulations for administering the pension and 457 plans. The Board employs a director, who serves as its secretary and is responsible for managing the staff and daily operation of WRS.

With guidance from the executive director and the chief investment officer, the Board provides oversight on the investment of all retirement funds and monitors the performance of the investment managers hired. The Board contracts with an actuarial firm to value the funding levels of each plan and study trends.

The executive director administers the program within the framework of the Board's rules and regulations and the Wyoming Retirement Act. The Board renders final administrative decisions on benefit issues that have been appealed by members.

Wyoming Retirement System is financed from three sources:

- Contributions from members
- Contributions from employers, and
- Income earned on invested funds

Administrative expenses for the Pensions are paid from WRS funds, while administrative expenses for Deferred Compensation comes from members.

Please visit our website, retirement.wyo.gov, for a list of current Board members.

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INTRODUCTION

This handbook is for members of the Guard Firefighter Pension Plan. Wyoming Retirement System (WRS) also administers seven other pension plans for different groups of employees, as well as a deferred compensation 457 plan. The Guard Firefighter Pension Plan was established in July 2001. The state laws authorizing the Guard Firefighter Pension Plan are W.S. 9-3-402 (a) (xxv) and W.S. 9-3-431, along with the WRS Board's rules.

Pension Plan Basics

Once you meet certain qualifications, a pension will provide a monthly payment for life. This type of retirement plan is a "defined benefit" plan because a formula defines the benefit you receive when you retire.

A pension has three key features:

- I. In most cases, your future benefit grows as long as you are working for an employer in the Guard Firefighter Pension Plan and is based on your age, salary, and years of service. As your years of service and salary increase, so does your future benefit.
- II. Your benefit is not generally affected by investment gains or losses. WRS assumes the responsibility for investing all contributions and earnings with the goal of funding your lifelong pension benefit.
- III. 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. In the unlikely event WRS did not have enough assets to pay pension benefits, the State of Wyoming would not necessarily be obligated to make these payments.

In contrast to a pension plan is a defined contribution retirement plan, such as a 457, 403(b), 401(k), or IRA, in which you specify (define) your contribution amount, you make your own investment decisions, and the benefit you are building is the balance in your account. WRS administers a supplemental defined contribution 457 plan, which can work in conjunction with your pension to help you build a financially secure retirement.

Enrolling in the Guard Firefighter Pension Plan

All Guard Firefighters are required to participate in the Guard Firefighter Pension Plan. Your employer will use information you provide them to enroll you in the plan.

WRS also administers other pension plans for specific groups of employees such as game wardens, highway patrol officers, DCI investigators, law enforcement personnel, corrections officers, judges, paid firefighters, and volunteer firefighters and EMTs. To verify which pension plan you belong to, check with your employer or contact WRS.

Keeping Beneficiaries & Contact Information Up-to-Date

After your employer submits your information to WRS, an email will automatically be sent to you at the email address your employer provided for you when registering you as a pension plan member. **It is important that you log in to your online pension account (outlined later in this handbook) to add beneficiaries and verify your information.**

Existing members can make changes to contact information and beneficiaries by logging into your online pension account. It is important that your contact information is up to date to ensure you receive statements and other correspondence. Forms to complete changes are also available on WRS' website or by request.

RETIREMENT PLANNING RESOURCES

Estimating Your Retirement Income Needs

Financial experts estimate most people will need 70 to 90 percent 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 personal retirement goals. The American Savings Education Council indicates you may want to plan to replace 100 percent 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.

Benefits provided under the pension plans administered by WRS represent one aspect of your retirement assets and should not be expected to replace 100 percent of your pre-retirement income. Cost-of-living and other benefit increases are not incorporated into your benefit, emphasizing the importance for you to build additional resources for retirement income, such as with the WRS 457 Deferred Compensation Plan or other retirement vehicles.

WRS Retirement Planning Resources

- » The WRS website at retirement.wyo.gov provides access to your online pension account, and also has a wide variety of information, including videos, useful links and benefit calculators to help you project your future benefit.
- » WRS retirement educators provide informational retirement seminars and one-on-one meetings regarding your WRS accounts. View the schedule of retirement seminars on our website, or contact WRS to schedule an appointment with a retirement educator.

PENSION CONTRIBUTIONS & YOUR ACCOUNT

Pension Contributions

While you are working, both you and your employer make contributions each month to fund your future pension benefit. WRS is responsible for investing all of the contributions. You do not direct the investments of your pension as you do with retirement assets in any defined contribution plans you may have.

Contribution rates for the Guard Firefighter Pension Plan are set in state law. As of this handbook's publication date, the total contribution is 23.77%, with employees contributing 16.65% and employers contributing 7.12%. As of the print date of this handbook, employers in this plan are "picking up" a portion of the employee contribution equal to 15.22% of the employee's salary, leaving 1.43% of the employee's salary to be paid out-of-pocket by the employee.

Your Pension Account

A separate account is maintained for each member of WRS, showing the amount of contributions and accrued interest. Your account balance includes only the employee contributions plus accrued interest on that balance. In general, your account balance is not directly related to your retirement benefit should you meet eligibility requirements to retire from the plan. Account balances 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 which it is paid from WRS investment earnings.

Additional funds may not be sent in excess of the 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.

Increasing Your Pension Benefit Through a Service Purchase

Currently employed and vested members of the Guard Firefighter Pension Plan may make a one-time purchase of up to five years of service in the plan. Honorably discharged U.S. Military veterans may make an additional one-time service purchase, with the total of both service purchases not to exceed eight years.

If you make a service purchase, it will count as service credit as if you had been participating in the plan for the time purchased, and it could move you closer to being eligible for the Rule of 75. A service purchase is a voluntary decision. It is up to you to determine if transferring assets and deferring the future return potential of those assets, in order to purchase years of service in the pension is right for you.

A service purchase must be made in a lump sum. You may use a non-taxable rollover of assets from other qualified pre-tax retirement savings vehicles, such as 401(k), 403(b), 401(a), 457, or traditional IRA plans, to make this purchase. You cannot purchase service with a rollover from after-tax or Roth retirement assets. The assumptions, underlying methodology, and other features of the service purchase calculation can change without notice as WRS manages the system in the overall best interest of all members. A service purchase cost estimator is available on the WRS website. For further information and an official service purchase price, contact WRS.

Interest on Your Account Balance

Interest is calculated on non-retiree account balances at a rate determined by the WRS Board and is added to your account monthly at a compounded rate. The current rate is posted on the WRS website.

Loans from Pension Accounts

You cannot borrow against your account. Your account cannot be attached or garnished until you take a refund or start drawing a retirement benefit.

Record Confidentiality

Your account records cannot be released to any party, including your employer, unless you authorize it, in writing, or a court order directs the records be available for inspection or release.

Accessing Account Information & Statements

Access to your account information is available online through your online pension account. To access your online pension account, visit retirement.wyo.gov, where you can view your account statement, designate beneficiaries, change your address or other personal information, obtain an estimate of your future benefit, request a refund, or submit a retirement request.

Annual account statements are posted to your online pension account in the first quarter of the calendar year. You will be notified when your statement is available. If you would prefer a copy be mailed to you, please contact WRS or opt out of electronic statements in your online pension account.

Your statement shows the amount you contributed and the amount of accrued interest through Dec. 31 of the preceding year. It also gives an estimate of your retirement benefit at your earliest unreduced retirement age using the previous year's account information. The benefit estimate on your statement is based on specific assumptions. Therefore, the estimates 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.

It is important to review your statement and verify the address and beneficiary information listed. You can manage changes to these items through your online pension account or by contacting WRS.

AMOUNT OF YOUR BENEFIT

Your benefit is based on a formula involving your months of service, highest average salary, and age at retirement. Your monthly benefit at retirement will also be affected by the benefit payout option you choose (details outlined later in this handbook). Your benefit is not based on how much you and your employer have contributed to your retirement account.

Generally, your benefit is not subject to anything that would cause you to be disqualified, ineligible, denied, or lose your retirement benefit. However, there are some circumstances, including divorce and employer reporting error, in which a benefit may be reduced. Once you begin drawing a retirement benefit, or elect to take a refund, disbursements from your pension account are considered income and may be subject to attachment or garnishment, as with any other form of income.

Highest Average Salary

The highest average salary is calculated by averaging your highest 36 months of continuous acceptable salary. The WRS Board has defined what is acceptable as salary in Chapter Eight of its administrative rules. Acceptable “cash remuneration” includes pay for services rendered; pay for used administrative, sabbatical, annual, sick, vacation, or personal leave; pay for compensatory time, provided any such pay for compensatory time was earned during the last 12 months, 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 (except for state agencies and the University of Wyoming); 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 60 months before retirement; any other payment which may reasonably be construed to be a fringe benefit; or any payment made during any 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.

Months of Service

One month of service is calculated based on the number of hours you work in a month. If you work 86 or more hours, you are credited one full month of service; 40 to 85 hours equals one half (1/2) month of service; and between 1 and 39 hours worked in a month is credited as one quarter (1/4) month of service. If you work part time in two or more contributing positions, your combined reported hours would determine your service credit, up to a full service credit. A member may not accrue more than one full month of service credit in a given month.

Estimating Your Benefit

As a Guard firefighter, the benefit you would receive under Option 1, a single lifetime benefit with beneficiary, will be based on 2.5 percent for each year of creditable service times your highest average salary. Highest average salary is defined as the highest 36 continuous months of acceptable salary. The amount of your benefit in other payout options, outlined later in this handbook, is calculated as an increase or decrease of the Option 1 benefit.

Use the benefit calculator available on the WRS website at retirement.wyo.gov for an unofficial estimate of your retirement benefit based on information you input. You can experiment with different retirement dates or future salary projections, and the calculator will show you the difference in your potential benefit.

If you are vested, an estimate of your retirement benefit is available in your online pension account. The estimate is based on information specific to your current salary, service, and account information.

RETIREMENT ELIGIBILITY

Vesting Requirements

After obtaining 48 months of service, you are “vested” or eligible to elect a monthly benefit at retirement age. The 48 months of service do not have to be consecutive months.

Retirement Eligibility Ages

- You are eligible for unreduced (“full”) retirement when you reach age 60 and are vested; or
- You reach age 50 and have 25 years of service; or
- You meet the requirements of the Rule of 75.

The “Rule of 75”

Under the Rule of 75, you are eligible for retirement benefits without a reduction if you are at least age 55 and your age plus your years of service in this plan equal 75 or more. The Rule of 75 is valuable because it enables you to receive an unreduced retirement benefit sooner than the eligibility age that otherwise applies. The Rule of 75 no longer applies once you reach age 60.

Taking a Reduced Retirement Benefit

You are eligible for retirement with a reduced benefit when you reach age 50 and are vested, or when you complete 25 years of service. If you take reduced retirement, your full retirement benefit is permanently reduced by 5 percent for each year you are below age 60 (unless you meet the Rule of 75), with partial years prorated monthly. 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 if the Legislature grants cost-of-living adjustments (COLAs).

PREVIOUS EMPLOYMENT

Previous Employment with a WRS Employer

If you return to work for the Military Department as a Guard Firefighter and did not take a refund when you left employment, your pension benefit will begin accruing where you left off. If you took a refund of your contributions, you have the opportunity to regain that service through a redeposit.

Redeposits

A redeposit re-establishes service credit forfeited by a member who previously terminated employment and took the refund. You have ten years from the date of re-employment with a participating employer in the plan to make a redeposit. You may make a redeposit immediately upon returning to work for a participating employer. However, a two year waiting period from the date of re-employment is required before receiving service credit for the redeposit. If you were to leave employment before the two year waiting period expired, you would be refunded the amount of your redeposit, plus interest, and would not receive the associated service credit.

The redeposit must be made in a lump sum, which includes the original amount refunded plus the full actuarial cost of the reinstated benefit, minus the employer contributions made during your previous service. You are allowed to make the redeposit with a non-taxable rollover from assets you have in another qualified retirement vehicle, such as a 401(a), 401(k), 403(b), 457, or a traditional IRA.

Contact WRS to obtain more specific information so you may decide if you want to pursue a redeposit.

Retirement Accounts with Non-WRS Employers

The WRS Guard Firefighter 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 for a service purchase.

You may also be able to roll the money into the WRS 457 Plan. The 457 Plan can accept rollovers from pre-tax contributions that were made to a 401(k), 403(b), qualified 401(a), or a traditional IRA. The 457 Plan can also accept rollover money from after-tax contributions that were made to 401(k) Roth, or 403(b) Roth account but cannot accept rollovers from Roth IRAs. If you have pre-tax or after-tax balances in another 457 plan, you may transfer those assets to the 457 Plan.

LEAVING EMPLOYMENT BEFORE RETIREMENT AGE

Options When Leaving Employment

If you stop working for a participating employer and have an account balance of at least \$1,000, you may leave your account with WRS. If you are vested or hired prior to July 1, 2019, your account balance will continue to accrue interest at the rate set by the WRS Board. If you are vested, you can later apply for a lifetime benefit when you reach retirement age.

If you leave your account with WRS and later return to work for an employer who participates in the Guard Firefighter Pension Plan, you and your employer would resume making contributions, and you would start to earn service credit again.

Another choice available if you stop working for a WRS participating employer is to withdraw or “refund” your account balance or roll it over to an eligible retirement account. **A refund does not include the employer share of contributions** which remain in the plan to reduce future employer costs. A refund decision should be made carefully, as it is usually hard to recover the lost retirement security caused by premature withdrawals of retirement assets.

A refund is irreversible unless you become eligible for a redeposit. 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.

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. If your account balance is less than \$1,000, and you do not take a refund after a three-year period, your account may be absorbed into the system. Only if you are re-employed with a participating employer will the contributions and interest be reinstated to your account and your service credit restored.

DEATH CLAIMS & BENEFICIARIES

Not having a beneficiary on file could be a disadvantage to your family and loved ones. Log in to your online pension account to designate a beneficiary who will receive the benefits associated with your account in the event of your death. You may change your designation through your online account at any time. Spousal consent is required if you are married.

A lump sum payment is always available to a beneficiary, although in some cases, your pension could provide a lifetime monthly retirement check for your beneficiary. If you designate multiple individuals or an entity, such as a trust or estate as primary beneficiary, monthly retirement benefits would not be an option. In these cases, lump sum payments would be made to the beneficiary(ies) in equal shares, unless otherwise specified in writing to WRS prior to your death.

You are responsible for keeping your beneficiary designation current. You must make separate beneficiary designations for the pension, 457 Plan and Prudential Life Insurance. Questions regarding the designation of a beneficiary or beneficiaries should be directed to WRS.

If You Die Before Retirement

If you were to die before retirement, whether or not you are vested in the plan makes a difference in the choices your beneficiary(ies) would have.

Not Vested: If you are not vested (have less than 48 months of service) in the plan and die before retirement, your beneficiary is entitled to receive a lump sum payment equal to your account balance at the time of your death.

Vested: If you are vested (have at least 48 months of service) and die before retirement, your beneficiary is entitled to receive either a lump sum death benefit or a lifetime monthly benefit (if you have designated a person to be your single primary beneficiary). The lifetime benefit would be based on your beneficiary's age along with your service and salary history.

In order to receive a lifetime benefit, a spousal beneficiary must be of retirement age. Spousal beneficiaries must begin taking a benefit by the time the member would have reached 70.5 years of age.

For a non-spousal beneficiary to elect a lifetime benefit rather than a lump sum, the beneficiary must be of retirement age. Otherwise, the non-spousal beneficiary would only be eligible for the lump sum death benefit. Lump sum payouts to non-spousal beneficiaries or estates taking a lump sum payout must be distributed within five years of the date of death.

Death After Retirement

The benefit option you select when you begin receiving retirement benefits will determine how the account is paid out upon your death. Refer to the benefit options in the following section for more on this topic.

APPLYING FOR RETIREMENT

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 75 for a retirement with no reduction in benefit.

If you are vested, view an estimate of your retirement benefit by logging into your online pension account.

Applying for Retirement

Log in to your online pension account to apply for benefits on or shortly before your last working day. If you apply online and your last working day changes, you will have to cancel and redo the online application. You may also download a paper application for retirement and submit it to WRS.

Be sure to get all the benefit counseling you want from WRS well in advance, so you will be able to make the decisions required by the retirement application.

Benefit Payout Options

You have important and irreversible decisions to make when starting your retirement benefit. Because everyone's needs are different, WRS offers several options for you to select from when you take your retirement benefit.

We encourage you to contact us for individual counseling regarding your benefit options before submitting a retirement application. Once you have a thorough understanding of your estimated benefit and your payout options, you must choose the option you want and indicate your selection on the retirement application.

Each benefit payout 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 pays throughout the lifetimes of both 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. In general, Option 1 is the normal benefit amount calculated by the formula. All the other options, except Option 5, are reductions from the Option 1 amount. You will select the option you want on the application you submit to start your retirement benefit.

Benefit Option Definitions

Option 1: Single Lifetime Benefit with Beneficiary

This is a lifetime benefit for you alone. If applicable, it is 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 payment is paid at a retiree's death.

Option 2: 100% Joint and Survivor Benefit

This is a lifetime benefit for you and includes a provision for a 100 percent lifetime benefit to a beneficiary upon your death. It is a reduction from Option 1 and is based on the life expectancy of both you and your beneficiary. Upon your death, 100 percent of the payment would continue for your beneficiary's lifetime regardless of marital status or other income. In the 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: 100% Joint and Survivor Benefit with Pop-Up Provision

This is a lifetime benefit for you and includes a provision for a 100 percent lifetime benefit to a beneficiary upon your death. It is a reduction from Option 1 and is 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: 50% Joint and Survivor Benefit

This is a lifetime benefit for you and includes a provision for a 50 percent lifetime benefit to a beneficiary upon your death. It is a reduction from Option 1 and is based on the life expectancy of both you and your beneficiary. Upon your death, one-half of the monthly benefit you had been receiving would be paid to your beneficiary. Payment would continue for your beneficiary's lifetime regardless of marital status or other income. In the 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 3P: 50% Joint and Survivor Benefit with Pop-Up Provision

This is a lifetime benefit for you and includes a provision for a 50 percent lifetime benefit to a beneficiary upon your death. It is a reduction from Option 1 and is based on the life expectancy of both you and your beneficiary. Upon your death, one-half of the monthly benefit you had been receiving would be 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: 10-year Certain Benefit

This is a lifetime benefit for you only. It is a reduction from Option 1 and is based only on your life expectancy. If your death occurs before you have received the benefit for 10 years, your beneficiary would receive the same monthly benefit for the balance of the 10-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 is 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.

Self-Funded COLA Feature

You may elect to combine your payout with a select a self-funded, cost-of-living adjustment (COLA). This feature provides a guaranteed annual increase each July 1, following the two-year anniversary of your retirement, in exchange for a reduction in the initial benefit amount (with zero percent COLA). It is designed to be the actuarial equivalent of the initial benefit and provide you a payout method that may suit your need to offset inflation in retirement. It will take a number of years before you exceed your initial benefit amount. However, you receive an on-going increase to your pension income of either 1 percent, 2 percent or 3 percent and increases are compounded. It is expected, at some point, the increases will surpass the amount of your initial benefit. Upon death, any applicable continuing benefits will be determined based on the payout option and COLA feature elected.

RETIREMENT PAYMENTS

Timing of Your First Retirement Payment

You may expect your first payment from WRS the month following the month WRS receives final contributions and a termination notice from your employer. Your first payment will be retroactive back to your retirement date.

If you talk with your employer, find out when they will be submitting the final contributions and termination notice pertaining to you. Once you know when WRS will get notice of termination and your final contribution, you can estimate that your first check will likely be on the retiree payroll date for the month after WRS received your information.

Direct Deposit

You will be asked to provide direct deposit information when completing your retirement application. All benefit payments are deposited directly to your financial institution by the last business day of each month. Each payment represents your retirement benefit for the preceding month. WRS strongly suggests the use of direct deposit.

Income Taxes

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. If you made contributions to your pension after-tax, such as with a service purchase, the non-taxable portion of your pension paid throughout the year will be reported on your 1099-R form. You will complete a Federal Income Tax Withholding Form W-4 when you apply for retirement 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.

Health Insurance Premium Withholding

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.

Benefit Increases After Retirement

The decision to grant any cost of living adjustment (COLA) or benefit enhancement is made by the Wyoming Legislature. Before a COLA could be granted, statute requires actuarial projections to demonstrate the plan would remain above 100 percent funded after any COLA is awarded.

Benefits provided under the pension plans administered by the Wyoming Retirement System represent one aspect of your retirement assets and should not be expected to replace one hundred percent (100%) of your pre-retirement income. Cost-of-living and other benefit increases are not incorporated into your benefit, emphasizing the importance for you to build additional resources for retirement income, such as personal savings. Additionally, pursuant to Wyo. Stat. 9-3-428, although you have a nonforfeitable interest in your accrued and funded benefits, the state of Wyoming is statutorily obligated only for the contributions required by the Wyoming Retirement Act.

RETURNING TO WORK AFTER RETIREMENT

Rehired Retiree Rule

Generally, a retired member of the System who returns to work for a participating employer must have his or her retirement benefit canceled and be re-enrolled into the plan to resume earning service credit. However, retirees who meet certain criteria may elect to continue drawing their retirement benefit when returning to work for a participating employer.

You are considered to be a “retired” member if you have terminated your working career for a salary with all participating employers of this plan, have met the requirements for eligibility to receive a retirement benefit, and have had a bona fide break in service from your employer(s). In order for you to be considered retired, WRS must have received a termination notification from your employer(s), all contributions pertaining to your account and your retirement application. You are not considered to be “retired” if, at the time of submitting your retirement application, you have a pre-existing arrangement to return to work or any promise of future employment with a participating employer in this plan. Additionally, the break in service must be at least 30 days. Both of the above conditions must be met in order for you to have had a bona fide break in service.

Following a bona fide break in service, if you return to work for a participating employer in this plan and have been hired to fill a vacant full-time position of a regular contributing employee, you are considered a “rehired retiree.” As a rehired retiree, you must declare whether you will continue to receive your retirement benefit and not accrue any additional service credit, or stop your benefit and be reinstated as a contributing member of this plan. If you elect to continue your benefit, your employer must pay a rehired retiree payment equal to both the member and the employer contributions required by statute. This is to ensure that the plan is not disadvantaged by the position being filled by a non-contributing member. Your pension benefit will not increase as a result of this payment.

If you choose to be reinstated as a contributing member, you will accrue additional service credit, and your retirement benefit will be recalculated upon your new retirement date. Your new benefit will be based on the same option you selected the first time you retired, and you will be required to keep the same designated beneficiary.

In some cases, your monthly benefit may decrease because your new benefit will be adjusted by an amount reflecting any payments distributed to you in your first retirement. **Additionally, all cost-of-living adjustment (COLA) increases that may have been awarded during your first retirement will be eliminated.**

If you do not have a bona fide break in service following your retirement and are rehired by a participating employer in this plan, your retirement benefit will be canceled, and you will be reinstated as a contributing member of the plan.

If you return to work under any of the other pension plans administered by WRS, or with an employer not participating in WRS, you would not be considered a rehired retiree and your employer would not be required to pay the rehired retiree payment.

If you are retired or intending to retire and are considering re-employment with a participating employer, you must contact WRS at (307) 777-1977 for assistance with understanding your choices and determining whether you are eligible to be a rehired retiree.

SOCIAL SECURITY

Your Pension and Social Security

At this time, all members of WRS' Guard Firefighter Pension Plan are required to pay into Social Security. The Social Security coverage available to you will include your service under your WRS participating employer and will not be reduced according to the Windfall Elimination Provision or the Government Pension Offset. The WEP and GPO would apply to pensions received from governmental employment during which you did not pay Social Security taxes. For complete information on your Social Security benefit, contact Social Security at www.ssa.gov.

After you retire, your pension benefit payment is not subject to Social Security or Medicare withholding.

DISABILITY

If you become incapacitated to the point you cannot perform your duties, you may be eligible for a disability retirement. A “total disability” means a condition rendering 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 rendering you unable to fulfill the occupation for which you are reasonably suited by training or experience, which is expected to last at least 12 months but still allows you to function in other employment. Contact WRS for more information about applying for a disability retirement benefit.

Disability Retirement Eligibility

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

- While you are a contributing member of the Wyoming Retirement System
and
- Before you are age 60
and
- After you have 10 or more years of service if the disability is not because of injury in the scope of employment

Disability Benefit Application

You can obtain the application for a disability benefit from WRS. The physicians, who recently examined you, must verify the disabling condition. An external company makes a recommendation after reviewing your medical records. Please note that if you terminate employment prior to submitting a disability benefit application, you will no longer be eligible for a disability retirement. In the event of a contested decision, there are appeal procedures available to you.

Workers’ Compensation

In most cases, WRS cannot consider payment from workers’ compensation as part of your salary. 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) 777-1977 for more information.

OTHER TOPICS OF INTEREST

Military Deployment

If you're called for active military service while employed and contributing to the Wyoming Retirement System (WRS), WRS rules allow you to receive service credit for missed contributions upon your return as long as certain requirements are met:

- » You must return to work with the pre-deployment employer after being honorably discharged.
- » You must pay any required employee contributions on the service missed to your employer, and your employer will be required to pay their portions of the employee and employer contributions to WRS.*

If military service credit applies to you, call your employer to make arrangements to make up missed retirement contributions. You will need to provide your employer with your DD-214 form verifying an honorable discharge and deployment dates.

* There may be funds available from the Adjutant General's office to help pay the employee and employer portion of the first responders' contribution. Your employer will be notified if these funds are available.

Divorce

WRS requires a Domestic Relations Order (DRO) signed by a judge to split your retirement benefit between you and your former spouse. If your former spouse is awarded a percentage of your benefit, 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 DRO is required to split your 457 Plan account for a divorce settlement. Sample DRO language for the pension and 457 Plan, as well as additional explanatory materials, are available at retirement.wyo.gov.

Life Insurance

WRS offers a life insurance plan for \$16 a month prior to retirement. 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. An insurance agency called Member Benefits administers the program and refers to it as NCPERS Life Insurance. You may receive correspondence from Member Benefits. If you need to make any changes to your beneficiary or address information, contact Member Benefits at (800) 525-8056.

Dispute Resolution

You are entitled to a hearing with the WRS Board regarding any dispute, and the Wyoming Administrative Procedures Act (available from the Secretary of State's office) will be followed.

WRS Financial Information

WRS undergoes an audit for each fiscal year ending Dec. 31, and resulting reports are available on our website. All administrative expenses are paid for from WRS investment earnings.

Statutes, rules, modifications to this handbook, and financial and actuarial reports are available at the address below for Plan Administrator and Service of Process:

Wyoming Retirement System
Executive Director
2515 Warren Avenue, Suite 450
Cheyenne, WY 82002

GUARD FIREFIGHTER PENSION BENEFIT TABLE

Years of Service	Option 1 Salary Replacement Ratio
5	12.5%
10	25%
15	37.5%
20	50%
25	62.5%
30	75%
Ceiling	None

Your pension benefit is calculated using a “multiplier” for each year of service. A quick way to estimate your future benefit is to approximate your years of service at retirement and apply the multiplier. WRS also has online calculators you can use to approximate your benefit.

ADDITIONAL RESOURCES

For a more complete picture of your retirement benefits and how they work together, visit WRS’ website, where a variety of additional resources are available.

WRS’ retirement educators are available to help you learn about benefits, investing for retirement, and retirement planning. To find out when WRS educators will be conducting seminars in your area, visit retirement.wyo.gov to view the educator travel schedule.

Wyoming Retirement System

Vision

Partnering to build financial security for members and their families.

Mission

Provide expert administration and responsible investment of Wyoming's public retirement and supplemental savings program.

Values

Integrity, accountability, commitment, excellence.

**2515 Warren Avenue, Suite 450
Cheyenne, WY 82002**

**retirement.wyo.gov
pension@wyo.gov**

(307) 777-7691

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This publication was created by and is provided to you by the Wyoming Retirement System. It serves as a summary plan document for the Guard Firefighter Pension Plan and is meant to provide information about the main features of the plan. State statutes and administrative rules will govern in the event of any discrepancies with information in this book. No information in this publication should be construed as advice. Consult an appropriate professional for specific tax, financial, legal or investment advice.