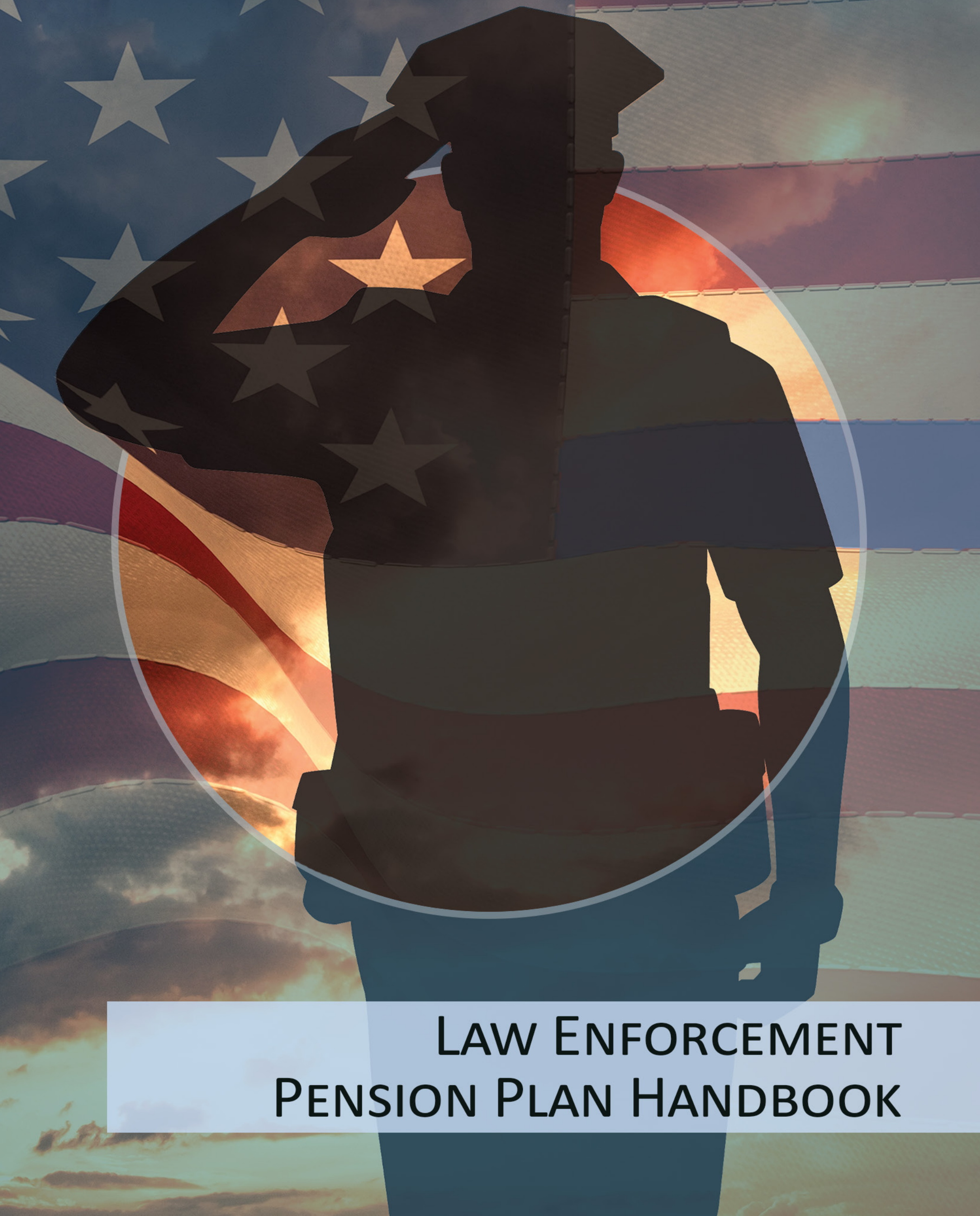
Wyoming
RETIREMENT SYSTEM



Law Enforcement Pension Plan Handbook

Introduction

This handbook is designed for members of the Law Enforcement Pension Plan. As one of the specialized plans administered by the Wyoming Retirement System (WRS), the Law Enforcement Pension Plan operates alongside seven other distinct pension plans and the supplemental 457(b) Deferred Compensation Plan. This plan is governed by state laws W.S. 15-5-301 through W.S. 15-5-314 as well as the rules established by the WRS Retirement Board.

WRS administers specialized plans for specific groups, including civil servants, educators, game wardens, highway patrol officers, DCI investigators, judges, firefighters, EMTs, and Search and Rescue personnel. To verify your specific plan, please consult your employer or contact WRS directly.

Important Note: Service credits and contributions do not transfer between plans.

Wyoming RETIREMENT SYSTEM BOARD

Board Members and Governance

WRS is governed by an 11-member Board tasked with acting in the best interest of all system members. The Board consists of the State Treasurer, two public employees, two representatives from the public school system or higher education, one retired WRS member, and five qualified Wyoming electors who are not employed by a participating WRS organization. With the exception of the State Treasurer, members are appointed by the Governor to six-year terms.

Board Responsibilities

The Board holds quarterly public meetings to establish policies and regulations for administering the pension and 457(b) Deferred Compensation plans. Key responsibilities include:

- **Management & Operations:** The Board employs an Executive Director to manage WRS staff and daily operations.
- **Investment Oversight:** In coordination with the Executive Director and Chief Investment Officer, the Board oversees the investment of all retirement funds and monitors the performance of external investment managers.
- **Actuarial Review:** The Board contracts with an actuarial firm to assess the funding levels of each plan and analyze long-term trends.
- **Administrative Decisions:** The Board renders final decisions on benefit appeals filed by members.

Please visit our website at retirement.wyo.gov for a list of current board members.

Pension Plan Basics

This pension is a defined benefit-401(a) plan. A 401(a) is a specific type of employer-sponsored retirement account governed by IRS code. This provides a guaranteed monthly payment for life, based on a formula. This is distinct from “defined contribution” plans, like 401(k)s or the supplemental 457(b) Deferred Compensation Plan, where you choose your investments and your retirement income depends entirely on your account balance.

Key features of the WRS pension plan include:

- **Mandatory Participation:** If your employer is a member of WRS, you are required to contribute.
- **Automatic Growth:** Your future payout grows with your years of service and increases in your highest average salary with a WRS-participating employer.
- **No Investment Risk:** Unlike self-directed plans (457(b), 403(b), or 401(k)), WRS manages the funds and investment management, assuming the responsibility for funding your pension.
- **Lifetime Income:** Your benefit is guaranteed for life. Even after your personal contributions are depleted, WRS investment earnings continue your payments, ensuring you never outlive your benefit.

Employers Who Participate in the Law Enforcement Pension Plan

More than 70 employers across the State of Wyoming participate in the Law Enforcement Pension Plan. This extensive network provides portability, meaning you can typically change jobs between participating employers without losing progress toward your pension. If you have questions about whether an employer participates in WRS, please call us at (307) 777-7691.

Enrolling in the Law Enforcement Pension Plan

If your employer participates in the Law Enforcement Pension Plan, enrollment is mandatory for all eligible employees upon hiring. Your employer will manage the enrollment process using the information you provide at the time of hire.

The Law Enforcement Pension Plan is specifically designed to include the following roles:

- County Sheriffs and Deputy County Sheriffs
- Municipal Police Officers
- Full-Time State Park Rangers
- Wyoming Department of Corrections Correctional Officers, and Probation and Parole Agents
- State of Wyoming Forestry Division Correctional Supervisors and Managers
- University of Wyoming Campus Police Officers
- Dispatchers and Detention Officers employed by law enforcement agencies
- Wyoming Law Enforcement Academy Instructors
- Wyoming Livestock Board Investigators meeting the specifications of W.S. 7-2-101(a)(iv)(E)
- Wyoming State Board of Outfitters and Professional Guides Investigators meeting the specifications of W.S. 7-2-101(a)(iv)(J)
- Wyoming Gaming Commission Officials meeting the specifications of W.S. 7-2-101(a)(iv)(P)

You are excluded from mandatory enrollment if:

If an individual performs law enforcement duties merely as a secondary job function, or is hired on a temporary or emergency basis, they are **strictly excluded** from participation in the Law Enforcement Pension Plan. This exclusion applies even if the employer requires the individual to stay fully current on specific peace officer certifications or tactical training.

Important Note: New employees at the University of Wyoming and Wyoming community colleges must make a one-time irrevocable decision to participate in a WRS pension plan or an alternative retirement plan.

Retirement Planning Resources

Estimating Retirement Income Needs

Benefits provided under the pension plans administered by WRS represent one aspect of a member's retirement assets and are not intended to replace 100 percent of their pre-retirement income. Cost-of-living and other benefit increases are not automatically incorporated into a WRS benefit. The WRS 457 Deferred Compensation Plan or other retirement plans can help supplement retirement needs.

WRS Retirement Planning Resources

WRS Website: Visit retirement.wyo.gov to manage your pension and 457(b) Deferred Compensation accounts online. You will find educational videos, resource links, and benefit calculators to help project your future retirement income.

Retirement Educators: WRS has dedicated retirement educators available to help you learn about your benefits and retirement planning.

We offer informational seminars and individual counseling meetings. You can view the educator travel schedule on our website or contact an educator to book an appointment directly by calling us at (307) 777-3314.

- **Local Seminars:** WRS educators regularly travel across the state to host informational workshops. To find out when an educator will be conducting a seminar in your area, visit retirement.wyo.gov to view our current travel schedule and consult your agency's HR department about scheduling a workplace visit.

- **Personal Consultations:** You can contact WRS to schedule individual counseling regarding your account timeline and options.

Professional Advice Disclaimer: While WRS staff are experts on system rules and benefit calculations, they cannot provide personal financial, tax, or legal advice. For specific tax implications or investment strategies, please consult a certified financial planner, CPA, or legal professional.

Pension Contributions & Account

The WRS investment team manages all pension contributions. State law establishes contribution rates for the Law Enforcement Pension Plan; please visit retirement.wyo.gov for the most current rate information. Employers may opt to pay a portion or all of your required employee contribution, in addition to their own mandatory share. Please contact your organization's human resources or payroll department for specific details regarding your employer's contribution coverage.

Your Pension Account

WRS maintains a separate account for every member, tracking contributions and accrued interest. For vested employees, the account balance includes only the employees' required contributions and associated interest; it does not include required employer contributions. While an account balance is used to determine refund amounts and death benefits, it is not directly linked to the calculation of your final retirement benefit. At retirement, your benefit is initially paid from your account balance; once exhausted, benefits are paid from WRS investment earnings.

For non-vested members hired on or after July 1, 2018, the refundable balance consists only of out-of-pocket member contributions plus interest (employer-paid portions are excluded). Once vested, or for death benefit purposes, the balance includes the entire employee required contribution and interest.

Important Note: Additional funds beyond the set contribution rate **cannot** be accepted, except via a Service Purchase (outlined later in this handbook).

Account Management and Information

- **Interest:** Interest is calculated at a rate set by the WRS Board and compounded monthly.

- **Loans and Garnishment:** WRS does not permit loans against pension accounts. Furthermore, your account cannot be garnished until you take a refund or begin drawing a pension benefit.

- **Confidentiality:** Your records are strictly confidential and will not be released to any third party—including employers—without written authorization or a court order.

- **Online Access:** Manage your account at pension.wyo.gov. You can download statements, update personal information, change beneficiaries, estimate future benefits, request refunds, or submit retirement requests.

- **Statements:** Annual statements are posted to your online account during your birth month. You may opt out of electronic delivery by contacting WRS. Statements include information on interest accrued during the year and your earliest anticipated retirement date. *Benefit estimates are based on assumptions and may vary.*

Keeping Contact Information & Beneficiaries Up to Date

Keeping your contact details current is critical. We recommend using a personal email address to ensure you never miss official statements or communications. You can manage your contact information and beneficiary designations through your online account. Alternatively, you may submit the required form which can be found on our website or by contacting us directly.

Designating Your Beneficiary

At the start of your employment, you must log in to your online pension account and 457(b) Deferred Compensation account to designate your beneficiary. You must make **separate** beneficiary designations for your Pension Plan and your WRS 457(b) Deferred Compensation Plan. Designating a beneficiary for one plan does not automatically apply to the other.

Important Note for Married Members: If you are married, **spousal consent is legally required** to designate anyone other than your spouse as a primary beneficiary, or to make subsequent changes to your beneficiary designations. *Pension accounts are considered a marital asset in the State of Wyoming.*

Your Benefit Amount

Your retirement benefit is calculated using a formula based on your **months of service, highest average salary, multiplier** and **age at retirement.** Your monthly benefit will be affected by the benefit payout option you select, detailed later in this handbook.

Highest Average Salary

Your Highest Average Salary (HAS) is a core component of the benefit formula and is calculated by averaging your highest **60 months** of continuous acceptable salary.

Important Note on Missing Months & Multiple Positions: Although you may be vested, if you do not have the full number of required months for the HAS calculation, WRS will use zeros for the missing months. If you are concurrently employed in two or more contributing positions within the same plan, WRS will combine your salaries to calculate your HAS.

What Counts as Acceptable Salary?

The WRS Board defines acceptable “cash remuneration” in Chapter Eight of its administrative rules.

Included as Acceptable Salary	Excluded (Fringe Benefits & Special Payments)
Pay for services rendered	Unused leave payouts (administrative, sabbatical, annual, sick, vacation or personal)
Used leave (administrative, sabbatical, annual, sick, vacation, or personal)	Housing allowances & transportation expenses
Compensatory time (if earned during the last 12 months)	Early retirement incentives & severance pay
Retroactive payments (court orders, arbitration, litigation/grievance settlements)	Bonuses
National Board Certification Compensation for educators	Medical insurance & disability premiums/benefits
Overtime pay	Workers' compensation (except for state agencies and UW)
Court Reporter transcript compensation paid by the State	Salary spikes that are designed primarily to increase retirement benefits

Anti-Spiking Review: The WRS Board utilizes a mechanism to review and limit unusual increases in a member’s HAS if it is determined that the primary purpose of the compensation increase was to artificially inflate the retirement benefit.

Months of Service

One month of service credit is based on the number of hours reported to WRS per month. You must have 48 months of service credits to be considered a vested member:

- **Full Credit:** Working **86 hours or more** in a month.
- **Partial Credit:** Working **fewer than 86 hours** in a month.
- **Multiple Positions:** If you work part-time in two or more contributing positions, your combined hours will determine your service credit (up to one full credit).

Estimating Your Benefit

Your monthly retirement benefit is determined by a specific formula that applies a benefit multiplier of 2.5% of your Highest Average Salary (HAS) to each year of your service credit. The Law Enforcement Pension Plan caps at 75% of your highest average salary.

LAW ENFORCEMENT PENSION BENEFIT TABLE	
Multiplier	**2.5%**
Ceiling	**30 Years**
Years of Service	**Salary Replacement Ratio**
5	**12.50%**
10	**25.00%**
15	**37.50%**
20	**50.00%**
25	**62.50%**
30 (Ceiling)	**75.00%**

Get an Estimate

- **Vested Members:** Log into your personal online pension account for an official estimate.
- **Non-Vested Members:** Use the public benefit estimate calculator available on the WRS website at retirement.wyo.gov.

Potential Benefit Adjustments

- **Domestic Situations:** Certain circumstances, such as a divorce, can alter your monthly benefit amount.
- **Garnishments:** Once you begin drawing a retirement benefit or elect to take a refund, disbursements are considered income and may be subject to attachment or garnishment.

Increasing Your Pension Benefit via a Service Purchase

If you are an active, vested member you may make a one-time purchase of up to five years of service credit. Honorably discharged active duty U.S. military veterans may purchase additional service, for a combined total not to exceed eight years. A service purchase is a voluntary, lump-sum transaction that counts as service credit, potentially accelerating eligibility for an unreduced pension benefit. A Service Purchase is the only way to add additional funds to your pension account. You may fund this purchase using a non-taxable rollover from qualified pre-tax retirement vehicles (e.g., 401(k), 403(b), 401(a), 457(b), traditional IRA plans or personal funds). Please note that after-tax or Roth assets cannot be used. If you are interested in pursuing a service purchase, please contact WRS directly to obtain a specific cost calculation and discuss your options.

Retirement Eligibility

Vesting Requirements

You are considered vested and eligible to elect a monthly retirement benefit at your full retirement age after accumulating **48 months of service credit.**

Retirement Eligibility Ages

You are eligible for a full (unreduced) retirement benefit when you meet one of the following criteria:

- **Age Milestone:** You reach **age 60** and are fully vested.
- **Service Milestone:** You accumulate **20 years of service credit** at any age.

Taking a Reduced Retirement Benefit

You are eligible to retire early with a reduced benefit when you reach the age of 50 and are vested.

If you choose to take an early retirement benefit, the full benefit amount is **permanently reduced** for each year you retire prior to the full retirement age of 60.

- **Reduction Rate:** 5% per year below age 60
- **Partial Years:** Prorated on a monthly basis.

Future Benefit Adjustments

Once your benefit amount is established at retirement, it is fixed. It will only increase in the future if:

• The Wyoming State Legislature grants a Cost-of-Living Adjustment (COLA) *Note: By law, the state pension plan must be 100% funded before WRS can award a COLA from system funds. Because reaching this funding level will take many years, legislatively granted COLAs are rare and not guaranteed.*

• You may elect a self-funded COLA benefit option at the time of retirement: This option allows you to actively build inflation protection directly into your pension. More detailed information regarding self-funded COLAs can be found later in this handbook.

Previous Employment with WRS Employer

If you return to work for a WRS-participating employer after a break in service, your pension benefit path depends on what you did with your account balance when you left:

• **No Refund Taken:** If you left your account balance on deposit with WRS, your pension benefit will simply begin accruing right where you left off.

• **Refund Taken:** If you took a refund of your account balance, you forfeited that service credit. However, you have the opportunity to regain those years of service through a **redeposit.**

Redeposits

A redeposit allows you to re-establish the service credit you forfeited when you previously terminated employment and took a refund.

Rules and Timelines

• **The 2-Year Waiting Period:** You must complete a two-year waiting period from your official date of re-employment before you are eligible to execute a redeposit.

• **The 10-Year Deadline:** Once eligible, you have a maximum of ten years from your date of re-employment to complete the redeposit.

• **Payment Method:** A redeposit must be paid in a **single lump-sum** amount determined by WRS.

• **Eligible Funding Sources:** You can fund your redeposit using a non-taxable rollover from assets you hold in another qualified pre-tax retirement vehicle (e.g., 401(k), 403(b), 401(a), 457(b), traditional IRA plans or personal funds)

If you are interested in pursuing a redeposit, please contact WRS directly to obtain a specific cost calculation and discuss your options.

Service History Prior to July 1, 2002

The transition of historical law enforcement service credit into the current WRS Law Enforcement Pension Plan is governed by specific statutory rules based on your employment status around July 1, 2002:

• **Class A City Transfers:** If you were an active law enforcement officer for one of Wyoming's six designated Class A cities (**Casper, Cheyenne, Laramie, Rawlins, Rock Springs, or Sheridan**) at the time your agency joined the state system, all of your historical service credit and matching contributions were automatically transferred into WRS.

• **Forfeited Class A City Service:** If you previously worked for a Class A city law enforcement agency but chose to take a cash refund of your retirement contributions upon termination, **there is no legal provision or redeposit mechanism available to regain that specific service credit.**

• **The July 1, 2002, Transition:** If you were an active member of the WRS Public Employee Pension Plan working in an eligible law enforcement position as of July 1, 2002, your law enforcement service history and accrued contributions were automatically moved into this specialized Law Enforcement Pension Plan.

• **Split Accounts (Dual Benefits):** If you earned retirement credit under a WRS pension plan outside of law enforcement (such as the Public Employee Plan) and did not transfer those funds, those assets remain securely in their original plan. As a result, you will maintain **two separate WRS accounts** and will draw two distinct, independent benefits upon retirement.

Retirement Accounts with Non-WRS Employers

The Wyoming Retirement System (WRS) is a localized state program and is legally unable to accept direct service credit transfers or absorb pension benefits earned through an out-of-state or non-participating employer.

However, you may still be able to consolidate your retirement savings. Subject to IRS guidelines, members are often permitted to execute a tax-free rollover of eligible balances from former employer plans (such as a traditional 401(k), 403(b), or another 457(b) account) directly into the **WRS 457(b) Deferred Compensation Plan.** To initiate a rollover please call WRS for assistance.

Leaving Employment Before Retirement Age

Options When Leaving Employment

If you stop working for a WRS-participating employer before reaching retirement age, you have two primary options regarding your pension account balance:

Option 1: Leave Your Funds with WRS

If your account balance is **at least $1,000**, you can choose to leave your money on deposit with WRS.

- **Vested Accounts:** If you are vested, your account balance will continue to accrue interest at the rate established by the WRS Board. You will remain eligible to elect a monthly retirement benefit once you reach full retirement age.
- **Non-Vested Accounts:** If you are not vested, you may still leave your funds on deposit, but the account will no longer accrue interest.

Option 2: Take a Refund or Rollover

You can choose to withdraw your account balance as a cash refund or roll it over into an eligible retirement account (such as an IRA or a 401(k).

Important Considerations Before Taking a Refund or Rollover:

- **Employer Contributions Forfeited:** Your refund or rollover consists only of your required contributions and accumulated interest. The employer's share of required contributions remains in the pension plan and is not paid out to you.
- **Loss of Benefits:** Taking a refund completely terminates your membership. If you were vested, you permanently forfeit your service credit and your right to a lifetime monthly retirement benefit.
- **Irreversible Decision:** Once a refund is processed, the transaction is final and irreversible.

Death Claims & Beneficiaries

Reporting a Death

We understand that losing a loved one is an incredibly difficult and busy time. As soon as you are able, please contact WRS to notify us of the member's passing by calling **(307) 777-7691.**

Important Note on Confidentiality: To protect member privacy, WRS staff can only disclose beneficiary information to individuals who are explicitly designated as beneficiaries on the deceased member's account.

To help us process the claim as smoothly as possible, please have the following information ready when you call:

Information Needed for the Deceased Member

- Full name, address, and date of birth
- Date of death
- RAIN ID or Social Security number
- Death Certificate

Information Needed for the Contact Person

- Your name and relationship to the deceased member
- Primary contact details (if different from the person calling), including:
    - o Name, mailing address, and telephone number
    - o Relationship to the deceased member

If Death Occurs Before Retirement

If you pass away prior to retirement, the benefit payout depends on whether the death was line-of-duty related, and whether the primary beneficiary is a spouse or a non-spouse.

Defining "Member's Salary" for Death Benefits

For the purpose of calculating monthly death benefits, the "member's salary" is automatically set to whichever of the following amounts is **greater:**

- Your Highest Average Salary (HAS) at the time of death.
- Your final actual salary at the time of death (defined as the gross salary earned during your last full month of credited service).

Spousal Death Benefits

- **Duty-Related Death:** The surviving spouse will receive a lifetime monthly benefit equal to the **greater** of:
    - o **90%** of your salary, OR
    - o **2.5%** of your salary multiplied by your total years of service credit.
    - o Child Stipend: An additional monthly benefit of **6%** of your salary will be paid for each unmarried child under the age of 18. The total combined monthly benefit (spouse + children) cannot exceed **100%** of your salary.
- **Non-Duty-Related Death:** The surviving spouse will receive a lifetime monthly benefit equal to **50%** of your salary.
    - o *Child Stipend:* An additional monthly benefit of **6%** of your salary will be paid for each child under the age of 18. The total combined monthly benefit cannot exceed **100%** of your salary.

Non-Spousal Beneficiary Options

If you are unmarried you may designate a non-spousal beneficiary or your estate, please see rules and restrictions below:

- **Vested Members:** If you were vested (at least 48 months of service credit) at the time of death, a designated non-spousal beneficiary may elect a lifetime monthly benefit based on your years of service, highest average salary, and the beneficiary's age.
    - o *Timeline Constraint:* To elect this lifetime monthly benefit rather than a lump sum, the beneficiary must be of retirement age and able to begin drawing the benefit **within one year** of your date of death. Otherwise, they are only eligible for a lump-sum payout.
    - o *Five-Year Rule:* Any lump-sum payouts distributed to a non-spousal beneficiary or an estate must be fully paid out **within five years** of your date of death.
- **Non-Vested Members:** If you were not vested at the time of death, the designated non-spousal beneficiary will receive a single lump-sum payment equal to **twice your accumulated contributions and interest.**

If Death Occurs After Retirement

If you pass away after you have retired, the benefit payout option selected by you at retirement will strictly determine how, or if a beneficiary continues to receive payments (please see the Benefit Options Table).

Important Notice Regarding Bank Accounts: WRS is required to stop pension payments immediately upon notification of a member's death. WRS will automatically recover any electronic payments issued to the deceased's account for the month following their date of death. **Please do not close the deceased member's bank account until these funds have been successfully recovered by WRS.**

Applying for Retirement

Choosing a Retirement Date

You can find your earliest possible date for an unreduced retirement benefit on your member statement, available through your online pension account, or by calling WRS.

- **Maximizing Your Benefit:** Keep in mind that your retirement benefit increases with every additional month of service credit you complete.
- **Establishing Your Date:** Your official retirement date will be any day following your last working day.

Application Process

Logging into your online pension account is the quickest way to apply for and receive your retirement benefits. While online applications ensure the fastest processing times, you may download, print, and mail a paper retirement application from the WRS website.

- **When to Apply:** You should submit your application **no more than 30 days before your last day of work.**

- **If Your Last Day Changes:** If your final working day changes after you have already submitted your retirement application, you must **cancel and resubmit** a new application online with the correct date.

Benefit Payout Options

When applying for your retirement benefit, you will be required to make important decisions that are **final and irreversible** once your distributions begin. Because every member's financial situation is unique, WRS offers several payout options to fit your needs.

Schedule a Consultation: WRS encourages you to contact us for individual counseling before submitting your final retirement application. This ensures you fully understand your choices and select the option best suited for your future.

Core Features of Options

While each option is structured differently, they all share these foundational elements:

- **Lifetime Security:** Every benefit payout option provides a guaranteed lifetime benefit (annuity) for the member.

- **Key Differences:** The options differ in their initial monthly payment amounts and your ability to provide continued protection for a single beneficiary or multiple beneficiaries.

- **Locked-In Beneficiaries:** If you have already retired and started receiving benefits, you **cannot change** your named beneficiary if you selected payout Options 2, 2P, 3, or 3P. **This includes death or divorce.**

A comprehensive summary of each available benefit payout option for the Law Enforcement Pension Plan is provided below:

Law Enforcement Pension Benefit Options	
OPTION 1:	Single Lifetime Benefit with Beneficiary. You can have more than one primary and/or contingent Beneficiary. Beneficiary can be a trust.
OPTION 2:	100% Joint and Survivor Benefit. This is a lifetime benefit for the member and includes a provision for a 100 percent lifetime benefit to your primary beneficiary upon your death. Only one primary beneficiary is allowed, **cannot change primary beneficiary.** You may have multiple contingent beneficiaries.
OPTION 2P:	100% Joint and Survivor Benefit with Pop-Up Provision. This is a lifetime benefit for the member and includes a provision for a 100 percent lifetime benefit to a beneficiary upon the member's death. Only one primary beneficiary is allowed, **cannot change primary beneficiary.** No contingent beneficiaries allowed.
OPTION 3:	50% Joint and Survivor Benefit. This is a lifetime benefit for the member and includes a provision for a 50 percent lifetime benefit to a beneficiary upon the member's death. Only one primary beneficiary is allowed, **cannot change primary beneficiary.** You may have multiple contingent beneficiaries.
OPTION 3P:	50% Joint and Survivor Benefit with Pop-Up Provision. This is a lifetime benefit for the member and includes a provision for a 50 percent lifetime benefit to a beneficiary upon the member's death, **cannot change primary beneficiary.** Only one primary beneficiary is allowed. No contingent beneficiaries allowed.
OPTION 4A:	10-year Certain. If you pass away before the 10-year certain period ends, your beneficiaries will receive the monthly payments for the remainder of that timeframe. However, if you outlive the 10-year period, payments will not continue to your beneficiaries. You may designate multiple primary and/or contingent beneficiaries, and you can also name a trust as a beneficiary.
OPTION 5:	Single Lifetime Benefit without Beneficiary. This is a lifetime benefit for the member only and any remaining funds would revert to WRS. No Primary or Contingent Beneficiaries allowed.

Self-Funded Cost-of-Living Adjustment (COLA) Feature

You may choose to combine any of the standard WRS benefit payout options with a self-funded COLA. This option allows you to build inflation protection directly into your pension.

• **How It Pays Off:** You fund a COLA by accepting a smaller initial benefit, but the annual COLA compounds (add up) over time. Eventually, your monthly benefit will grow larger than it would have been without the COLA.

• **Survivor Protection:** If you select a retirement payout option that provides a continuing monthly benefit to a beneficiary after your passing, your compounding annual COLA will carry over to their payments as well.

• **Decision is Final:** You must choose or decline the self-funded COLA when you retire. **Once your pension benefit starts, you cannot change your mind.**

How the Trade-off Works

To make sure the pension fund stays balanced, you agree to a smaller starting monthly benefit to pay for your future annual raises.

You can choose from three different raise options:

If you choose this COLA	Your Inflation Protection is	Your Starting Benefit Payment Will Drop By
1% Annual Raise	Modest growth with a minimal starting benefit cut	About 9% to 10%
2% Annual Raise	Balance growth with a medium starting benefit cut	About 18% to 20%
3% Annual Raise	Highest growth and highest inflation protection	About 27% to 30%

Timeline & The Break-Even Point

Before choosing this option, it is important to understand the timeline so you can plan your retirement budget:

• **2-Year Wait:** By law, your annual raises do not start right away. They begin on the **July 1st following your two-year retirement anniversary.** You will need to be prepared for your fixed, lower starting pension benefit for those first two years.

• **12-to-15-Year Catch Up**: It usually takes **12 to 15 years** for your COLA raises to catch up to the standard “No COLA” pension benefit amount.

• **Long-Term Win:** If you live past this 12-to-15-year “break-even” point, your raises will keep compounding every single year, eventually giving you a larger monthly benefit than a standard pension.

• **Legislatively Approved COLAs:** Will be in addition to your self-funded COLA.

Legislatively Approved COLAs

If you do not choose the self-funded option above, your pension amount is locked in. Any future across-the-board COLA increases depend entirely on state legislation.

• **Not Automatic:** General COLAs are not automatic and require approval from the Wyoming Legislature.

• **The 100% Rule:** By law, lawmakers cannot grant a COLA unless the pension fund is 100%.

Retirement Payments

Timing of Your First Payment

Your first pension payment is issued retroactively back to your official retirement date. However, processing relies on documentation from your former employer.

• **The Timeline:** You can generally expect your first payment the month **following** the month WRS receives both your final payroll contributions and a formal termination notice from your employer.

• **Proactive Planning:** It is highly recommended that you speak with your employer before retiring to confirm exactly when they will submit these final items to WRS. This will help you anticipate and budget for your first deposit date.

Direct Deposit and Payment Schedule

WRS asks for direct deposit information during the retirement application process.

- **Monthly Schedule:** All ongoing pension benefits are deposited directly into your designated financial institution on the **last business day** of each month.
- **Arrears Payout:** Each monthly deposit represents your retirement benefit for that preceding month (paid in arrears).

Income Tax Withholdings

Monthly pension benefits are considered taxable income by the IRS, and retirees are responsible for all applicable tax liabilities. This applies to both state and federal income tax requirements.

- **Tax Withholding Elections:** WRS has the capability to withhold both state and federal taxes based on your authorized request.
- **Annual Reporting:** Every year, a Form 1099-R will be uploaded directly to your online WRS account for your annual tax reporting.
- **Professional Guidance:** WRS staff members are legally prohibited from providing tax advice. For guidance on your specific withholding elections, please consult a certified tax professional or the IRS.

Returning to Work After Retirement

Rehired Retiree Rule

If you return to work for a WRS-participating employer (or a third-party contractor) in a vacant, full-time position, you must submit a written, **irreversible choice** to WRS. You must choose whether to continue drawing your monthly retirement benefit or suspend it while you work. *This only applies when the employer is participating in the same pension plan.*

However, before you can make this choice, you must first meet the legal requirements of a true retirement.

Mandatory Requirement: A True Break in Service

To comply with WRS and IRS rules and regulations, you must have a "bona fide" (true) break in service of **at least 30 calendar days** between your retirement date and your first day back at a participating employer.

A retirement is only considered true and valid if:

- You completely end your employment with all employers under the Law Enforcement Pension plan.
- You and your employer **did not** have any formal or informal agreement before you retired indicating that you would be rehired.
- Neither you nor your employer expected you to perform any further services after your retirement date.

Warning on Non-Compliance: If WRS determines that a true break in service did not occur, your retirement benefit will be **canceled immediately.** You will be retroactively enrolled as an active, contributing member, and any benefits you already received will be taken out of your future payments.

Your Two Irreversible Options Upon Re-employment

Once you have completed your 30-day break in service and return to work, you must make one of two irreversible choices:

Option 1: Continue Receiving Your Benefits

You continue receiving your monthly pension benefit while earning your new paycheck.

- **The Rules:** You will **not** earn any new service credit, and your pension benefit amount will not increase.
- **Employer Action:** Your new employer is required to pay WRS an amount equal to both the required member and required employer contribution rates. Your employer may take some or all of the contribution from your check.

Option 2: Discontinue Your Benefits (Reinstatement)

You stop your monthly pension benefit and return to the plan as an active, contributing member.

- **The Rules:** You **will** earn new service credit while working. When you choose to retire again, WRS will recalculate your benefit by combining both of your employment histories.
- **Employer Action:** Your employer pays standard active contributions.

Important Notes for Reinstated Members (Option 2)

If you choose to suspend your benefit and build new service credit, keep these strict guidelines in mind:

- **No Benefit Reduction:** Your pension will be adjusted to account for the checks you already received during your first retirement. While you will not receive a lower benefit in your second retirement, there is no guarantee you will receive more. If the new calculation is lower than your original check, WRS will pay you your higher initial benefit amount.
- **No Retroactive Back-Pay:** WRS will not pay you retroactive benefits for the time you were back at work.
- **Initial Choices are Locked:** The retirement payout option and the beneficiary you chose when you first retired are **permanent and cannot be changed** for any reason.
- **No Refunds:** You are not allowed to take a refund or rollover of any contributions paid during your time as a rehired employee.

Social Security

- **Varying Participation Requirements:** Not all members of the WRS Law Enforcement Pension Plan are required to participate or pay into Social Security. Mandates vary depending on your specific hiring agency and local agreements.

- **Coordinated Coverage:** For members who are required to participate, the Social Security coverage available to you automatically includes your years of service with your WRS-participating employer.
- **The Social Security Fairness Act:** Following the passage of the Social Security Fairness Act, the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) were officially repealed. This means public sector pensions no longer trigger automatic reductions in your personal or spousal Social Security benefits.
- **Post-Retirement Tax Rules:** Your monthly WRS pension benefit payments are not subject to Social Security or Medicare payroll withholdings.

For complete details, calculators, and information regarding your specific federal benefits, please contact the Social Security Administration directly at [www.ssa.gov.](http://www.ssa.gov)

Disability

Qualifying for disability benefits through Social Security, Workers' Compensation, or other programs does not automatically qualify you for a WRS disability retirement.

If you become mentally or physically incapacitated to the point that you can no longer perform your peace officer duties, you may be eligible for a disability retirement. WRS recognizes two categories of disability, both of which must be expected to last for **at least 12 months:**

Disability Retirement Eligibility

To qualify for a disability retirement benefit under the Law Enforcement plan, you must meet all of the following criteria. You must apply:

- **While Active:** You must be an actively contributing member of the Wyoming Retirement System at the time you apply
- **Age Limit:** You must submit your application **before reaching age 60**.

Critical Deadline: If you terminate your employment *before* officially submitting a disability benefit application to WRS, you will completely lose your eligibility to apply for a disability retirement.

Disability Benefit Payouts

Disability retirement benefit amounts are calculated based on your baseline gross pay, using the highest **12 months of unreduced salary** immediately preceding your disability:

- **Duty-Related Disability:** If your disabling condition occurs as a direct result of injuries or illness sustained in the line of duty, you will receive a monthly benefit equal to **62.5%** of your last 12 months of unreduced salary.
- **Non-Duty-Related Disability:** If your disabling condition is not related to your law enforcement duties, you will receive a monthly benefit equal to **50%** of your last 12 months of unreduced salary.

Disability Application Process

1. **Initiate the Claim:** You can begin the application process by contacting WRS directly. To see if you might qualify before reaching out, you can take the introductory self-assessment found on the WRS website.
2. **Medical Verification:** A licensed, examining physician must formally document and verify your disabling medical condition.
3. **Independent Review:** An independent, external medical review company will evaluate your complete medical records and submit an unbiased recommendation to WRS.

In the event that your application is denied, and you wish to contest the decision, formal administrative appeal procedures are available.

WORKERS' COMPENSATION

In most cases, WRS cannot legally count Workers' Compensation payments as part of your "acceptable salary." The only exceptions to this rule are state agencies and the University of Wyoming.

Because of this, being on Workers' Compensation can directly lower your Highest Average Salary (HAS) and reduce your overall months of service credit—both of which are core components used to calculate your future pension benefit.

If you are currently on Workers' Compensation or need more information about applying for disability retirement, please contact WRS immediately at **(307) 777-7691.**

Other Topics Of Interest

Military Deployment

If you are called to active military service while actively contributing to WRS, you can receive retirement service credit for your time deployed. To qualify for this missed credit upon your return, you must meet the following criteria:

- **Return to Employment:** You must return to work with your pre-deployment WRS employer after being honorably discharged.
- **Provide Documentation:** You must provide WRS with a copy of your DD-214 form to verify your deployment dates and honorable discharge status.
- **Make Up Missed Contributions:** You must pay your required employee contributions for the period of missed service to your employer. Your employer will then be required to submit both your portion and their matching portion to WRS.

First Responder Funding Note: Funding may be available through the Wyoming Adjutant General's office to help cover the employee and employer contribution portions for deployed first responders. Your employer will be notified directly if these special funds are available.

Divorce

WRS enforces strict statutory rules regarding divorce settlements and the division of retirement assets:

- **Domestic Relations Order (DRO):** WRS requires a formal Domestic Relations Order (DRO) signed by a judge to legally split your pension account.
- **Permanent Lifetime Reduction:** If your former spouse is awarded a percentage of your pension, your monthly retirement benefit is **permanently reduced for your lifetime.** This reduction remains in place even if your former spouse chooses to take their awarded portion as a one-time, lump-sum payout.

- **Locked-In Beneficiaries:** If you divorce *after* you have already retired and started receiving benefits, you **cannot change** your named beneficiary if you initially selected payout Options 2, 2P, 3, or 3P.
- **457(b) Plan Requires a Separate Order:** Your pension and your WRS 457(b) Deferred Compensation Plan are completely separate accounts. A separate, specific DRO is required to split 457(b) Plan assets.

Complete DRO templates and requirements can be found within the Wyoming Retirement Board Rules and Regulations.

Term Life Insurance

If you are an active member you have the option to continue your supplemental term life insurance underwritten by Prudential.

- **Post-Retirement Portability:** You may choose to continue this life insurance coverage into your retirement.
- **Contacting the Underwriter:** WRS does not manage these policies directly and cannot update your account. To update your address, change your life insurance beneficiaries, or ask coverage questions, please contact Prudential Life Insurance directly at **(800) 525-8056.**

Dispute Resolution & Appeals

If you disagree with an adverse decision made regarding your account, you are legally entitled to a formal administrative hearing before the WRS Board. These appeal proceedings strictly follow the guidelines established under the **Wyoming Administrative Procedures Act,** which is public record and available through the Secretary of State's office.

WRS Financial Information & Transparency

- **Annual Audits:** WRS undergoes a comprehensive independent financial audit at the end of each fiscal year (December 31). The resulting Annual Comprehensive Financial Reports are public records and can be reviewed on the WRS website.

- **No Taxpayer Cost for Administration:** All daily administrative expenses required to run the Wyoming Retirement System are paid for entirely out of WRS investment earnings, not state tax dollars.

Funding the System

WRS is financed through three primary sources: member contributions, employer contributions, and investment earnings. Pension administrative expenses are paid from WRS funds, while administrative costs for the 457(b) Deferred Compensation plan are funded by member fees.

Contact, Plan Administration, and Service of Process

Current state statutes, administrative rules, future modifications to this handbook, and official actuarial reports are maintained by the Plan Administrator. Legal service of process must be directed to:

Wyoming Retirement System

Attn: Executive Director

2515 Warren Avenue, Suite 450

Cheyenne, WY 82002

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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