Retirement BENEFITS

JANUARY 1, 2023

For covered employees hired on or after July 1, 2010 - Tier 3

ARAPAHOE COUNTY

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INTRODUCTION

The County Commissioners adopted the Arapahoe County Retirement Plan on July 1, 1968, as one means of helping you establish a source of income for your retirement years. Through the plan, you and the County set aside money during the time you are working to provide a lifetime income for you after you retire. While the plan has changed over the years, the basic intent has not changed; that is, to help provide for your future financial security.

The County's retirement plan is one source of dependable retirement income. When it is combined with Social Security benefits and your personal savings, you should have the financial protection that will help you enjoy your retirement years.

The information that follows will give you a good idea of what retirement benefits you can expect to receive when you retire, how these benefits are calculated and other information about your participation in the plan. If you have questions about the plan after reading this booklet, please contact the Retirement Plan Administration office for more information.

Generally, your retirement benefits will be determined based upon the plan provisions that were in effect on your hire and termination date. However, if you were hired on or before January 1, 2014, your retirement benefits that accrue after January 1, 2014 will be based on the plan provisions that became effective January 1, 2014 and the plan provisions in effect on your termination date. In addition, if you stop your employment and are rehired by the County, your benefits could be affected.

This document is intended to describe the plan and its effect on all eligible employees. However, if there is any discrepancy between this document and the plan document or other legal documents, the plan document and other legal documents will govern.

The plan described in this booklet is generally effective January 1, 2023.

Please visit Arapahoe County's Web site – acgret.org – or www.arapahoegov.com for retirement information and news.

TABLE OF CONTENTS

PLAN HIGHLIGHTS

Your benefit from the retirement plan, along with your Social Security benefits and personal savings, is intended to give you a financial base for your retirement.

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Retirement can be a very special time - you are no longer tied to a daily schedule, but rather, you are free to do what you want to do. Whether your plans include travel, starting a new hobby, or just spending more time with your family, the County wants to help you make your retirement years a secure and happy part of your lifetime.

The Arapahoe County Retirement Plan can help assure steady financial support for your future. It is flexible enough to meet many of your individual needs, and it could be just the added security you need to make your retirement a comfortable one.

With the plan, you can choose from a number of options to put together the retirement package that is right for you.

First, you decide when you want to retire:

- **Normal retirement** begins at age 65 with a full benefit, based on your years of credited service and final average monthly compensation at retirement.

- **Special early retirement**

  Covered employees hired on or after July 1, 2010 – Tier 3
  You can receive a full benefit as early as age 60 as long as the sum of your age and years of credited service equals 85 or more at termination ("Rule of 85").

- **Regular early retirement**

  Covered employees hired on or after July 1, 2010 – Tier 3
  You can begin as soon as you reach age 55 and have at least eight years of credited service.

- **Delayed retirement**, working past your normal retirement age, is another option you might prefer.

Second, you can choose how you want to receive your benefit:

- **Adjusted payments for your lifetime** and your beneficiary will continue to receive 100% or 50% of the reduced amount for his or her lifetime after your death.

- **Payments for your lifetime only**, with no continued payments after your death.

- **Payments for your lifetime**, with the added assurance that at least 120 monthly payments (10 years) will be made. That means if you die before receiving all 120 payments, your beneficiary will receive the remainder of the 120 payments.

- **Partial lump-sum benefit** payable immediately, with reduced monthly payments beginning on or after your earliest retirement age.

- **Payments made directly to the provider for "qualified health insurance premiums,"** if you are an "eligible retired public safety officer," and the amount of the premiums is deducted from your monthly benefit. You may exclude up to $3,000 of these premiums from your gross income each year.

Third, the plan has provisions to protect your benefits. You do not have to worry about losing your benefit if you die, become disabled, or leave County employment before retirement.

- **If you terminate employment and have at least eight years of credited service,** you will still be eligible for a benefit when you reach retirement age. If you die before retiring, the plan will pay a benefit to your surviving spouse or beneficiary.

- **If you are employed by the County and die before retiring,** the plan will pay a benefit to your surviving spouse or beneficiary.

- **If you become disabled while working for the County,** you may be eligible to receive a disability retirement benefit from the plan.

Summary of Plan Provisions

Below is a "quick reference" of the major plan provisions, including the new provisions effective January 1, 2014. If you have credited service before January 1, 2014 and continue to work past January 1, 2014, your final monthly benefit amounts will consist of two parts that are added together. These parts are called the Part A Benefit and Part B Benefit. If you were hired on or after January 1, 2014, you will be a Tier 3 participant, but will NOT have a Part A Benefit, because you have no service prior to January 1, 2014.

Plan Provisions	For Employees Hired on or After July 1, 2010 TIER 3
Special Early Retirement	Rule of 85
Special Early Retirement Commencement Age	Age 60
Regular Early Retirement Commencement Age	Age 55
Monthly Benefit	Part A Benefit (if applicable) + Part B Benefit
Retirement Benefit Formula for Part A Benefit	FAMC60 x 2.00% x credited service earned prior to January 1, 2014
Retirement Benefit Formula for Part B Benefit	FAMC60 x 1.85% x credited service earned on or after January 1, 2014
Survivor Benefits Eligibility Age	Age 55
Deferred Vested Earliest Benefit Commencement Age	Age 55

The provisions reflected here are complicated. If you have questions regarding your particular situation or if you meet the 2006 Reemployment Rule, or the 2010 Reemployment Rule, please contact the Retirement Plan Administration office for more information.

DEFINITIONS

Accumulated Contributions, Break in Service, Compensation, Credited Service, Employee, Final Average Monthly Compensation, 2006 Reemployment Rule, 2010 Reemployment Rule and Vesting all affect the way your benefit is calculated. These and other important terms are defined here.

Accumulated contributions means the total of your accumulated Part A Benefit contributions and your accumulated Part B Benefit contributions. The accumulated Part A Benefit contributions means the total of your contributions (made by payroll deductions) to the retirement plan prior to January 1, 2014, plus credited interest. The accumulated Part B Benefit contributions means the total of your contributions (made by payroll deductions) to the retirement plan on or after to January 1, 2014, plus credited interest. Various rates of interest have been credited on contributions to the plan over the years. Beginning July 1, 2010, contributions in the plan will earn interest at 3% per year. You can receive a refund of your accumulated contributions, in lieu of any other plan benefits, if you leave the County before you are eligible for retirement or disability.

Break in service occurs if you stop working for the County and do not return to service within 12 months of your termination date. When a break in service occurs and you receive a distribution of your accumulated contributions, you lose your prior credited service.

If you return to work as a full-time employee before a break in service occurs, your credited service will be restored if you repay the trust fund - with interest and within twelve months of rehire - any fund amounts you received when your employment terminated. Lump-sum payments for repayments of any amounts received (including interest from date of receipt to date of repayment) because of a prior break in service may be repaid by a trustee-to-trustee transfer of non-Roth funds from a Code Section 403(b) annuity or a Code Section 457 plan.

Depending on your date of hire, if you received more than 100% of your accumulated contributions when your employment terminated, the portion of your repayment that reflects 100% of your accumulated contributions (plus the interest that you repay on this portion) will be restored to your accumulated contributions. Amounts you repay for the previous purchase of service will be maintained separately from your regular accumulated contributions. Any additional amounts you repay are a repayment of employer contributions and will not be allocated to you.

Some situations do *not* count as a break in service, such as:

- A temporary layoff, with a return to service within one year;
- A formal leave of absence, with a return to service within one year after the leave of absence ends;

- A military leave of absence, with a return to service within 90 days of discharge in compliance with federal rules;
- A failure to be reelected as a County Official, with a return to service within eight years;
- A failure to be re-appointed as an appointed County Official, with a return to service within eight years; and
- A leave of absence taken under the Family and Medical Leave Act of 1993.

You will *only earn credited service* for the first four months of the time you are not actively employed by the County because of the situations described above. Federal laws regarding military service may provide an exception to this rule.

Code means the Internal Revenue Code of 1986, as amended.

Compensation is your total regular compensation, including back pay and any differential wage payments for military service. Compensation does not include bonuses, severance pay, extra pay, overtime pay, workers' compensation, lump-sum payments in lieu of vacation and sick leave upon termination of employment or during the course of employment, or required County contributions to this plan, or for Social Security, group insurance, retainers' fees under contract, or the like. Compensation also includes compensation that is deferred or reduced under Code Sections 125, 403(b), 414(h), 457 and 132(f)(4) and including any pay differential and/or any merit lump sum payments that are in lieu of a salary or hourly wage increase, and on-call pay. Compensation includes post-severance pay that would otherwise be considered to be compensation (as described in the previous sentences) for services, if it is paid to you by the later of 2 1/2 months after your severance from employment or the end of the calendar year that includes your date of severance, and you would have received these amounts if you had continued your employment with the County. Federal regulations limit the maximum amount of compensation that may be considered each year.

County means Arapahoe County.

County Official means any person elected or appointed to the following positions: County Commissioner, County Clerk and Recorder, County Treasurer, County Assessor, County Sheriff and County Coroner.

Covered Employee or Covered Employment refer to a class of employees eligible to participate in the Plan, including any County Official and any person assigned to a full-time position as defined by Arapahoe County Personnel Policies and Procedures. The following classes are excluded from Covered Employment:

- Officers and employees of a federally funded County program which specifically excludes the use of federal funds for retirement programs,

- Officers and employees of a grant-funded County program or positions which specifically exclude the use of grant funds for retirement programs, and

- Leased employees.

Credited service is the period of time you are employed by the County that is counted toward your retirement benefit calculation. Your Part A Benefit uses any eligible service that you have received credit under the plan for the period commencing with your date of hire and (assuming you have been in continuous service with the County) ending on December 31, 2013. Your Part B Benefit uses any eligible service whereby you have received credit under the plan for the period commencing on or after January 1, 2014 and ending on your last day of eligible employment.

Your credited service is counted from your date of hire, provided you became a member of the plan when first eligible.

Service is counted for each day you are employed as 1/365th of a year. Credited service continues to the date you retire or terminate employment with the County, whichever is earlier, subject to the break in service rules described earlier in this section.

Credited service accumulates only when you are an employee (as defined below) with the County, or when you are disabled (as described in the **If You Become Disabled** section of this document). Part-time or temporary employment does *not* count as credited service. Job-sharing service *will* count as credited service, but, for purposes of determining benefit amounts, an employee who began job sharing on or after March 1, 2004 will only receive a pro-rata portion of the credited service he or she would have received as a full-time employee in the same position.

If you have at least eight years of credited service with the County, you may be eligible to "buy up to five years of service" related to your employment with a previous public or private employer. Any service you buy will be added to your credited service and will be used to calculate your benefit from the retirement plan and to determine your eligibility for special early retirement.

If you take a military leave of absence under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), your "credited service" while on military leave is determined according to USERRA provisions.

Employee is any elected or appointed County Official and any person assigned to a full-time position, as defined by Arapahoe County Human Resources policies and procedures, including job-sharing employees and any employee of the Retirement Board. Officers and employees of

(1) federally-funded County program which specifically excludes the use of federal funds for retirement programs, or

(2) any grant-funded County program or positions which specifically exclude the use of grant funds for retirement programs

are not considered as employees and are not eligible for membership in this Plan.

Final average monthly compensation (FAMC) is used in calculating your retirement benefit, and may be made up of multiple amounts. If you meet the 2006 Reemployment Rule or the 2010 Reemployment Rule, your final average monthly compensation for your Part A Benefit is determined by taking 1/36th of your total compensation (limited by Federal regulations) during the 36 highest paid consecutive calendar months in the last 120 completed calendar months (ten years) of employment with the County. This will be known as FAMC36 and used in the calculation of your Part A Benefit amount FAMC60, which is described in the paragraph below, will be used in the calculation of your Part B Benefit amount regardless of your Tier.

If you are a covered employee hired on or after July 1, 2010, your final average monthly compensation is determined by taking 1/60th of your total compensation (limited by Federal regulations) during the 60 highest paid consecutive calendar months in the last 120 completed calendar months (ten years) of employment with the County. This will be known as FAMC60 and will be used in the calculation of your Part A Benefit amount if you are a Tier 3 employee, and in the Part B Benefit regardless of your Tier. If you are a job-sharing employee hired on or after July 1, 2010, your final average monthly compensation for FAMC60 of the Part A Benefit and Part B Benefit will consider the actual credited service, you receive (for purposes of determining your benefit amounts) during your 60 highest paid consecutive calendar months.

Part A Benefit means the benefit you have earned under the plan for credited service prior to January 1, 2014. The Part A Benefit is calculated as Final Average Monthly Compensation (FAMC60) x a multiplier x years of credited service earned prior to January 1, 2014.

Part B Benefit means the benefit you have earned under the plan for credited service on or after January 1, 2014. The Part B Benefit is calculated as Final Average Monthly Compensation (FAMC60) x 1.85% x years of credited service earned on or after January 1, 2014.

2006 Reemployment rule means you are a covered employee hired by the County before April 1, 2006; you subsequently terminate employment and are later rehired as a covered employee by the County on or after April 1, 2006. In addition, to meet the 2006 Reemployment Rule, you must have either (1) left your accumulated contributions in the retirement fund when your employment first ended, or (2) repaid your accumulated contributions, with interest, within 12 months after your rehire date. You may repay your accumulated contributions, with interest, only if you are rehired in covered employment within 12 months of your termination date.

2010 Reemployment rule means you are a covered employee hired by the County on or after April 1, 2006 and before July 1, 2010; you subsequently terminate employment and are later rehired as a covered employee by the County on or after July 1, 2010. In addition, to meet the 2010 Reemployment Rule, you must have either (1) left your accumulated contributions in the retirement fund when your employment first ended, or

(2) repaid your accumulated contributions, with interest, within 12 months of your rehire date. You may repay your accumulated contributions, with interest, only if you are rehired in covered employment within 12 months of your termination date.

Vesting or Vested means the portion of your *retirement benefit* that you own. Vesting does *not* apply to the amount the County contributes to the plan. If you meet the 2010 Reemployment Rule, you will be 60% vested in your retirement benefit after you complete 4 years of credited service. Your vesting percentage will then increase 10% each year until you become 100% vested when you have 8 years of credited service. If you are a covered employee hired on or after July 1, 2010, you will become 100% vested when you have 8 years of credited service; there is no vesting before you have 8 years of credited service.

PARTICIPATION AND CONTRIBUTIONS

As an eligible full-time Employee of the County, you participate in the plan at the beginning of the first full pay period after you are hired. As a plan member, you contribute 9% of your plan eligible compensation. The County shares the cost of plan benefits by making contributions equal to 9.25% of plan eligible compensation.

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Eligibility

You are required to participate in the plan if you are in Covered Employment and:

- A full-time Employee scheduled to work at least 40 hours a week and 12 months per year,
- A job-sharing Employee assigned to a full-time position,
- An elected or appointed County Official.

You are not eligible to participate if you are a part-time employee, temporary, leased employee, or independent contractor.

Participation

You begin to participate automatically in the retirement plan at the beginning of the first full pay period after you are hired.

When you elect your benefit, you must provide appropriate documentation to verify your identity. A copy of your driver's license is requested at the time you complete your retirement application.

Contributions

You and the County share the cost of funding the benefits you will receive when you retire. You contribute 9% of your plan eligible compensation to the plan. The County contributes 9.25% of total plan eligible compensation to provide benefits for all eligible plan members. Both your contribution rate and the County's contribution rate may increase in the future. The administrative costs of the plan are paid from the plan's trust fund.

There are some special tax advantages to the contributions you make to the plan after January 1, 1984, because they are made on a *before-tax* basis. This means the amount of your retirement plan contribution is deducted from your monthly compensation *before* federal and state withholding taxes are calculated. Social Security taxes are calculated on your unreduced salary.

By having your contributions made on a before-tax basis, if your annual salary is $60,000, you are married filing jointly, use standard deductions, and have no other income, you save $885 per year in taxes in 2023. This increases your remaining income from what would have been available if your contributions were made on an after-tax basis. When you receive benefit payments from the plan you will pay taxes on the money not previously taxed, but at a more favorable rate, assuming you are in a lower tax bracket after retirement.

Earnings on Your Contributions

Your contributions (and the County's contributions) are deposited in a trust fund and invested. A separate account is kept for your contributions, which are credited with interest each year at a rate determined by the Retirement Board.

You, or your beneficiary, are always assured of receiving the full amount of your accumulated contributions (plus the accumulated value of the payments you made for purchased service, if any) if you terminate your employment with the County or die before being eligible for a retirement benefit. The total value of your monthly retirement benefits will also equal or exceed the amount of your accumulated contributions.

WHEN YOU CAN RETIRE

You can retire as early as: age 55 with at least 8 years of credited service. You can retire at age 65, which is called normal retirement, or you may retire later.

Normal Retirement

Normal retirement age is 65 under the Arapahoe County Retirement Plan. Your *normal* retirement date is the first of the month on or after your 65th birthday.

The plan has provisions, which allow you to retire before your normal retirement date, depending on your age and years of credited service. These early retirement options are described below.

Special Early Retirement

Usually, if you retire and begin receiving payments before age 65, the amount is reduced because payments are expected to be made over a longer period of time. Under special early retirement ("Rule of 85" described below), there are combinations of age and years of credited service that allow you to retire before age 65 with an unreduced benefit.

Rule of 85 for covered employees hired on or after July 1, 2010 – Tier 3

If your age plus total years of credited service (including purchased service) equals at least 85 *when you leave employment* ("Rule of 85"), you may retire and begin receiving benefits at any time on or after your 60^{th} birthday. You will begin receiving your total earned benefit on your retirement date.

Your special early retirement benefit will be calculated using the normal retirement formula and your final average monthly compensation and credited service as of your actual date of termination. Since your service - and probably your pay - will be less if you retire early, your benefit will be smaller than it would be if you continued to work until age 65. However, your calculated benefit amount will not be reduced for early payment.

NOTE: In order to qualify for this special early retirement benefit, you must meet the age and service requirements described above when your employment ends, depending on your date of hire and rehire.

Regular Early Retirement

Covered employees hired on or after July 1, 2010 – Tier 3

You may retire as early as age 55 and receive a benefit from the plan if you have completed *at least eight years* of credited service, when you will be 100% vested in your earned benefit.

You may begin receiving your regular early retirement payments at any age on or after age 55. If you decide to begin receiving your benefit payments before age 65, your monthly payments will be reduced because you are expected to receive them over a longer period of time. Special early retirement ("Rule of 85"), described above, is an exception to this reduction rule.

In addition, your regular early retirement benefit will be smaller than your normal retirement benefit because your years of service will be less than if you had continued working until at age 65.

Delayed Retirement

You may elect to continue working beyond age 65, thus delaying your retirement. In this case, you must file a written designation of a beneficiary for survivor benefits that will be payable if you die while still employed after age 65. Retirement benefit payments will begin once you actually retire.

Disability Retirement

If you become disabled as a County employee, you may be eligible for a disability retirement benefit from the plan.

When Payments Begin

All payments shall begin on the first day of the month on or after your last day worked. (Different rules apply for special early retirement. See below.) For example, if your last workday is February 15, your retirement date is March 1 and your first retirement benefit payment will be made March 1.

Retirement benefit payments are required to begin by April 1 of the calendar year following the later of the calendar year in which you turn 70½ (or 72 if you attain age 70 ½ after December 31, 2019), or actually retire. All benefit payments will be made in accordance with federal regulations governing minimum distribution requirements.

Payments under Special Early Retirement. Under special early retirement, you may begin receiving your total earned benefit (unreduced) on your retirement date provided that your retirement date is not earlier than: the first of the month on or after your 60th birthday and you meet the Rule of 85. If you have met the Rule of 85 prior to your 60th birthday, you may retire but benefit payments will not commence until the first of the month following your 60th birthday, as applicable[*].

[*] If you meet the 2006 Reemployment Rule or retired, and were reemployed on or after January 1, 2017, only the portion of your accrued benefit attributable to credited service earned prior to the period of reemployment shall be eligible for the Rule of 75. You can receive a full benefit with respect to the portion of your accrued benefit attributable to credited service earned during your period of reemployment as early as age 52 as long as the sum of your age and credited service equals 80 or more at termination (Rule of 80).

NORMAL RETIREMENT BENEFITS

The amount of your monthly benefit payment depends on your date of hire, final average monthly compensation, and credited service at retirement. These factors are used in a formula to calculate your benefit.

Retirement Benefits at Age 65 or Later

The retirement plan has a formula for calculating your monthly benefit at normal retirement (age 65) and at delayed retirement (after age 65). The benefit amount determined by the formula is payable for your lifetime under the basic form of retirement benefit.

The formula uses your years of credited service under the plan and your final average monthly compensation (FAMC) during the latter years of your career (when your pay should normally be highest) to calculate your monthly retirement benefit. Credited years of service and FAMC are adjusted to reflect the reduced regularly scheduled hours for an employee who began job sharing on or after March 1, 2004.

The formula for calculating your monthly normal or delayed retirement benefit is:

Tier 3: Covered employees hired on or after July 1, 2010

The following is a detailed explanation of the benefit calculation that will be in effect for all Tier 3 employees. If you earned credited service prior to January 1, 2014, your final monthly benefit will be made up of two parts: the Part A Benefit and the Part B Benefit.

Your final monthly benefit amount will be the sum of these two parts. If you only earned credited service on or after January 1, 2014, your final monthly benefit will be made up of the Part B Benefit only.

Part A Benefit: FAMC60 x 2.00% x years of credited served earned prior to January 1, 2014 (including Purchased Service for the Part A Benefit)

Plus

Part B Benefit: FAMC60 x 1.85% x years of credited served earned on or after January 1, 2014 (including Purchased Service for the Part B Benefit)

Example of a Tier 3 Calculation

- Steve has worked for the County as a full-time employee since August 1, 2010. He will be 65 on September 15, 2030 and plans to retire that day.
- For the Part A Benefit formula, Steve had 3.417 years of credited service through December 31, 2013.
- For the Part B Benefit formula, Steve had 16.706 years of credit service from January 1, 2014 through retirement on September 15, 2030.
- The Part A Benefit FAMC (using FAMC60) is $4,116.67
- The Part B Benefit FAMC (using FAMC60) is $4,116.67

Calculating Steve's Monthly Retirement Benefit				
	FAMC	**Multiplier**	**Years**	**Benefit**
Part A Benefit	$4,116.67	x 2.00%	x 3.417	= $281.33
Part B Benefit	$4,116.67	x 1.85%	x 16.706	= $1,272.30
		Total Monthly Benefit		**$1,553.63**

Minimum Monthly Benefit

The plan provides an alternate method of calculating retirement benefits that may provide a greater benefit for some employees. It is called a *minimum monthly benefit* and is equal to $25 times years of credited service.

Estimating Your Normal Retirement Benefit

Estimating your retirement benefit is a detailed and complicated calculation; to do so you should contact Ben Colussy, Plan Administrator, at 303-795-4484 or bcolussy@arapahoegov.com and request a "what if" calculation for any retirement dates that you may be interested.

EARLY RETIREMENT BENEFITS

You may retire as early as: age 55 if you have at least 8 years of credited service and you were hired on or after July 1, 2010. If you retire under regular early retirement and payments begin immediately, your benefit amount will be reduced. Under special early retirement, you may begin receiving unreduced benefits.

Covered Employees Hired On or After July 1, 2010 – Tier 3

Regular Early Retirement

Once you reach age 55, you may retire early if you have at least eight years of credited service. With eight years of credited service, your benefit amount will be 100% "vested”.

You will receive the vested portion of the amount calculated using the plan's benefit formula if you elect to begin your payments at age 65.

If you want payments to begin before age 65, the vested amount of your monthly benefit will be reduced to reflect the longer time that you are expected to receive payments. The reduction is 6.660% for each year (up to five years) you retire before age 65, plus 4.500% for each additional year you retire before age 60.

Percentage of Age 65 Retirement Benefit
Payable Immediately at Ages 55 – 64

Age	64	63	62	61	60	59	58	57	56	55
Percent Payable	93.340	86.680	80.020	73.360	66.700	62.200	57.700	53.200	48.700	44.200

Special Early Retirement ("Rule of 85")

Under special early retirement ("Rule of 85"), you can retire early and receive *unreduced* benefits if you meet certain age and service requirements. *The requirements are that your age plus credited service (including purchased service) equals 85 or more when your employment ends.* If you meet the "Rule of 85”, your retirement benefit will not be reduced for early payment. Your retirement benefit can begin once you reach age 60.

Rule of 85 Eligibility												
Age at Termination	53	54	55	56	57	58	59	60	61	62	63	64
Minimum Years of Credited Service	32	31	30	29	28	27	26	25	24	23	22	21
Age at Which Payments Will Begin	60	60	60	60	60	60	60	60	61	62	63	64

Your benefit will be calculated using the normal retirement formula and your average monthly compensation and credited service *as of your date of termination*. Since your service - and probably your pay - will be less if you retire early, your benefit will be smaller than it would be if you continued to work until age 65. However, unlike regular early retirement, your calculated benefit amount will not be reduced for early payment.

You will receive 100% of your retirement benefit if you leave employment when the sum of your age plus years of credited service (including purchased service) equals 85 or more. Your retirement date will be the first of the month after your date of termination or the first of the month on or after your 60th birthday, whichever is later. Benefit payments will begin on your retirement date.

Special rules apply if you meet the 2006 Reemployment Rule or the 2010 Reemployment Rule. Please contact the Retirement Plan Administration Office for more information.

BUYING PREVIOUS SERVICE

If you have at least eight years of credited service under the plan, you may be eligible to "buy service" related to your employment with a previous public or private employer. Any service you buy will be used: (1) to increase your years of credited service, which is used to calculate the amount of your benefit from the retirement plan; and (2) to determine your eligibility for special early retirement. You must contact the Retirement Administration office to determine the cost and associated value of purchased service.

Once you have at least eight years of credited service with the County, you are eligible to increase your retirement benefit by "buying service" related to your employment with a previous public or private employer. Your purchased service will also be used to determine when you are eligible to receive unreduced benefits under special early retirement. You must elect to purchase service credit prior to your retirement. Your service credit purchase generally must be paid in full during your membership in the retirement plan. You may buy additional service under the following conditions:

- You may purchase up to five years of service credit for any full-time, non-vested previous employment with any public or private employer in the United States or its territories; and

- You must provide written proof that you were covered under your previous retirement plan and that the service credit to be purchased was non-vested. "Non-vested" means the service was not used by your previous employer to calculate a retirement benefit under your previous plan.

One month of service credit may be purchased for each full month of full-time, non-vested, previous employment. If you wish to purchase service credit, you must make your election prior to your retirement. The cost to purchase service credit must be paid in full before you receive a retirement benefit.

Cost to Purchase Service Credit

Your cost to purchase service credit will be based on the "actuarial cost" of your purchase. If you are interested in purchasing service credit, please contact the Retirement Plan Administration office for more information.

Purchase of Service with at least Eight Years of Credited Service

If you have at least 8 years of credited service with the County, and you have not yet purchased a total of 5 years of service credit, you may be eligible to purchase additional years of service credit, so that your total purchased service equals five years of service credit. The cost of purchasing service is calculated based on the additional cost to the retirement plan of granting you the purchased service. The formula for this cost calculation is complex and depends on whether you purchase service credit attributable to the Part A Benefit or the Part B Benefit. If you are interested in buying previous service, please contact the Retirement Plan Administration office for more information.

Purchase of Service Credit by a County Official with Term Limitations

If you are a County Official with term limitations, you must make your election to purchase service credit AND pay, in full, in a single payment, for the service credit being purchased, within 10 days prior to the end of your second term of office. Your cost to purchase service credit will be based on the "actuarial cost" of your purchase. If you are interested in purchasing service credit, please contact the Retirement Plan Administration office for more information.

How the Retirement Plan Uses Purchased Service Credit

Your purchased service credit will be used to increase the amount of your benefit and to determine the date you are eligible for an unreduced benefit (special early retirement).

FORMS OF BENEFIT PAYMENTS

There are several forms of payment available when you get ready to retire. You may elect to have benefits paid to you only or to you and a beneficiary.

The retirement plan has several ways in which your monthly benefit can be paid. When you get ready to retire, you *must elect* a form of payment in writing. You must elect a form of payment at least 60 days before you want the payments to begin. If you elect the Partial Lump-Sum Benefit option (described below), you must make your election at least 90 days before your first payment is due. Before your payments begin, you may change the option you have elected, but this change should also be made at least 60 days before the first payment is due (90 days for the Partial Lump-Sum Benefit option). Elections must be filed with the Retirement Board through the Retirement Plan Administration office. **Once your payments have begun, you cannot change your form of payment, even if you incur a change in status due to divorce, marriage, or the death of your beneficiary**.

SPOUSAL CONSENT: If you are married and want to receive benefit payments in any form *other than* the joint and survivor option, with your spouse as the beneficiary, your spouse must agree in writing to that form of payment. The agreement must be notarized or witnessed by a plan representative. The Retirement Plan Administration office has forms for this alternate designation. **Payments cannot begin until a properly completed form is received and approved by the Retirement Plan Administration office.**

SINGLE LIFE BENEFIT: You may elect to receive a monthly benefit for your lifetime only. The monthly payments stop when you die. There are no monthly survivor benefits. **This is the form of payment for the benefit amount calculated by the plan's benefit formula if you are a covered employee hired on or after July 1, 2010 – Tier 3 employee.**

LIFE AND 10-YEAR CERTAIN: This benefit is a monthly payment to you for your lifetime. If you die before receiving 120 payments (10 years), your beneficiary will receive the remainder of the 120 payments. For example, if you die after receiving payments for 48 months, your beneficiary will receive the remaining 72 payments (120 minus 48).

JOINT AND SURVIVOR: The joint and survivor benefit pays an adjusted benefit to you for your lifetime. After your death, either 100% or 50% (whichever you initially elected) of your adjusted benefit will continue to your beneficiary for his or her lifetime. Upon the death of your beneficiary, payments will stop. If your designated beneficiary dies before you, payments will stop when you die.

A joint and survivor form of payment (either 100% or 50%), with the spouse as beneficiary, is the only form of payment that married employees may elect without spousal consent.

If you elect a joint and survivor form of payment and your designated beneficiary predeceases you or your marital status changes, once your payments have begun, you may not change your beneficiary or your form of payment. Before choosing a joint and survivor form of payment, you should consider factors such as your age; your spouse's age; your overall health; your spouse's overall heath; and other assets available to you and your spouse during retirement, in addition to your pension.

PARTIAL LUMP SUM BENEFIT: You may elect to receive a partial lump-sum benefit and a reduced monthly benefit. Your partial lump-sum benefit must be:

- at least $1,000;
- an even increment of $1,000; and
- not more than 36 times your monthly retirement benefit (maximum $100,000) as calculated under the Single Life option.

When you terminate your employment and before you start your monthly payments, you may elect to receive a partial lump-sum benefit immediately.

You will receive your monthly benefit, which is reduced to account for your partial lump-sum payment, in any available form you elect.

DIRECT ROLLOVERS: If you receive a lump-sum payment from the plan, you may elect to directly roll over the eligible portion of the distribution into an eligible retirement plan. See the Special Tax Notice for details.

Payments to Your Former or Surviving Spouse or Former Partner in a Civil Union: Similar rules that apply to payments you receive under the plan generally also apply to payments made to your former spouse (as an alternate payee under a domestic relations order) or to your surviving spouse. A former partner in a civil union who does not qualify as an alternate payee under the Code may not receive a distribution under the plan until you (or a beneficiary) receive a distribution. You and your beneficiaries may obtain a copy of the plan's procedures regarding domestic relations orders from the Retirement Plan Administrator free of charge.

Payments to Your Beneficiary Who Is Not Your Surviving Spouse: If your beneficiary is not your surviving spouse, he or she may choose a direct rollover of any portion of his or her lump-sum payment from the retirement plan to an inherited IRA. The inherited IRA must be titled in your name, for the benefit of the beneficiary. If your non-spousal beneficiary elects a direct rollover, the County will not be required to withhold any amount for federal or state income taxes on the amount directly rolled over.

MINIMUM PAYMENT: If your monthly payment amount is less than $100, the Retirement Board will make the payments in an actuarially equivalent amount quarterly, semi-annually or annually, or pay the entire amount due in a lump sum.

In all cases, the total payments made to you and/or your beneficiary (or your estate if your beneficiary dies before you) will equal or exceed the total of your accumulated contributions plus the accumulated value of the amount you paid to purchase additional service, if any.

BENEFICIARY DESIGNATIONS

When you begin to participate in the plan, you will designate a beneficiary for your accumulated contributions, plus the accumulated value of the payments you make to purchase additional service, if any.

You may choose a form of benefit payment after you reach age 55. If your death occurs before you retire, benefit payments will be made according to the form of payment you elected.

When you retire and select the form of payment you want, you will designate a beneficiary for survivor benefits.

You may designate your spouse or any other person as beneficiary, subject to the spousal consent rules described at the beginning of this section. You may change your beneficiary designation, provided the change is made at least 60 days before pension payments are scheduled to begin.

Once your payments have begun under either of the joint and survivor forms of payment, you cannot change your beneficiary designation, even if you incur a change in status (such as divorce, marriage, or death of beneficiary). In other words, once benefits have begun under a joint and survivor form of payment, beneficiary designations are *irrevocable*. You may, however, change your beneficiary after payments have begun under the life and 10-year certain or single life forms of payment.

OBTAINING YOUR BENEFITS

When you decide to retire, you should notify the Retirement Plan Administration office at least 60 days in advance of the date you want payments to begin. You will decide on the form of payment you want to receive and when you want payments to begin. Also, you will name a beneficiary for any survivor benefits that may be paid from the plan.

If you terminate your employment with the County before you are eligible for early retirement, you will need to discuss with the Retirement Plan Administration office your status as a vested member and/or distribution of your accumulated contributions, plus the accumulated value of the payments you made to purchase additional service, if any.

Eligible Retired Public Safety Officer

If you are an “eligible retired public safety officer”, you may elect to have “qualified health insurance premiums” paid directly to the provider after being deducted from your monthly benefit from the retirement plan.

Up to $3,000 per year of qualified health insurance premiums may be excluded from your gross income. Only one $3,000 annual exclusion is available; if you elect to have the full

$3,000 exclusion apply for distributions from the retirement plan, you may not elect this exclusion from any other plan.

You may not exclude from your gross income any health insurance premiums paid by you and reimbursed with distributions from the retirement plan. Distributed amounts that qualify for exclusion from your gross income under this provision may not be taken into account in computing the itemized medical expense deduction.

An “eligible retired public safety officer” is a public safety officer (generally for the County, a sworn law enforcement officer) who, because of disability or attaining normal retirement age (65), is separated from service as a public safety officer with the County. If you are a public safety officer who is receiving a termination or retirement benefit, which began before your normal retirement age, you will not be eligible for this exclusion.

To be considered “qualified health insurance premiums” the premiums paid with deductions from your disability benefit or retirement benefit must be for coverage for you, your spouse, and/or dependents by an accident or health insurance plan, including a self-insured plan, or a qualified long-term care insurance contract.

In order to have qualified health insurance premiums deducted from your monthly benefit and paid directly to the provider:

- you must make a written election on a form provided by the Retirement Plan Administration office;
- the election must be made after you separate from service as a public safety officer (generally, a sworn law enforcement officer) with the County; and
- the election can apply only to amounts not yet distributed to you from the retirement plan.

IF YOU BECOME DISABLED

If you qualify for disability benefits, you will continue earning credit toward retirement benefits. The disability retirement benefit is payable to you at the later of age 65 or when Long Term Disability plan payments stop.

If you can no longer work because of a disability, you will be eligible for disability retirement benefits under the plan. To be considered disabled, you must qualify for Social Security disability benefits or disability benefits under the County's Long Term Disability (LTD) plan.

While you are disabled, you will continue to earn credited service as if you are continuously employed by the County until the latest of age 65 or the date payments stop under the County's LTD plan or Social Security Disability, (SSD).

Disability retirement benefit payments will begin on your normal retirement date, or, if later, the first day of the month after payments stop under the County's LTD plan. You may elect to suspend your payments under the County’s LTD plan and begin receiving payments under this plan, provided you are eligible for early or normal retirement.

The amount of your disability retirement benefit will be calculated using the applicable retirement formula (described beginning in the **Normal Retirement Benefits** section). Your final average monthly compensation for the Part A Benefit and the Part B Benefit will be based on the greater of your compensation in the calendar year preceding the year in which you are determined to be disabled, or your annual rate of compensation in the calendar year in which you are determined to be disabled.

If You Recover

You are considered to have recovered from disability if your Social Security disability benefits and/or your County LTD plan benefits stop. Recovery may affect your benefit as follows:

- If you recover after disability retirement payments have started, payments will continue without change.
- If you recover before age 65 and return to work with the County as a full time employee, you will resume participation in the plan and your credited service will include the period of your disability with the imputed credited service for the period of disability prior to January 1, 2014 being attributed to the Part A Benefit and the imputed credited service for the period of disability on or after January 1, 2014 being attributed to the Part B Benefit.

- If you recover before age 65 and do *not* return to work with the County, no disability retirement benefits will be paid. You may be eligible for an early or vested retirement benefit based on your credited service at the time you recovered from disability, including credit for service during the period of your disability (with the imputed credited service for the period of disability prior to January 1, 2014 being attributed to the Part A Benefit and the imputed credited service for the period of disability on or after January 1, 2014 being attributed to the Part B Benefit) and your final average monthly compensation for the Part A Benefit and the Part B Benefit at the time you were determined to be disabled.

PROTECTION FOR YOUR SURVIVORS

Certain benefits under this plan are protected for your survivors in the event that you die before retirement.

Death While Active Plan Member or Terminated Vested/Disabled Member Before Benefits Begin

If you are married and do not designate someone other than your spouse as beneficiary, your spouse *must* elect to receive either a lump-sum payment or a monthly benefit.

If you are single, or you are married and designate someone other than your spouse as beneficiary, a lump-sum payment will be made to your beneficiary, if living, to your partner in a civil union under the Colorado Civil Union Act (if applicable) or your estate (if your beneficiary is no longer living).

If your death occurs after you reach 55, and you have elected an optional form of payment, payments will be made according to the option you elected. If you had not elected an optional form of payment, your beneficiary will receive the applicable death benefit described above. If you die after you reach age 52, and you meet the 2006 Reemployment Rule, consult the Plan Administrator for options.

The tables describe the payment forms, using the following codes:

Code	Form of Survivor Payment
A	Two times the amount of your accumulated contributions as of the date of your death, *plus* the accumulated value of the payments you made for purchased service, if any, *payable to your spouse*.
B	A monthly benefit, *payable to your spouse* for life, of 65% of the *vested* benefit you have earned as of your date of death. If your spouse is more than five years younger than you are, the monthly benefit will be reduced by 1½% for each year beyond five by which the spouse is younger.
C	Two times the amount of your accumulated contributions as of the date of your death, *plus* the accumulated value of the payments you made for purchased service, if any, *payable to your beneficiary, if living, to your partner in a civil union under the Colorado Civil Union Act (if applicable), or to your estate.*

<u>**Tier 3: Covered employees hired on or after January 1, 2010**</u>

	Options Available		
Employee Status, Age at Death	**Married with Spouse as Beneficiary***	**Single, Married with Non-Spousal Beneficiary, or party to a civil union**	**Date Payable**
Active member, before age 55	A or B	C	A&C: Immediately B: First day of month on or after date employee would have become age 55
Active member, on or after age 55 and before retiring	*According to option elected (if any), otherwise:*		
	A or B	C	A&C: Immediately B: First day of month on or after date of death
Terminated vested or disabled member whose payments have not started	A or B	C	A&C: Immediately B: First day of the month on or after the later of: 1. Date of employee's death, or 2. Date employee would have become age 55
Retired member receiving payment	Payments continue according to form of retirement benefit being paid -- form of benefit cannot be changed		First day of month after date of death

*Spouse *must elect* A or B

Death **Before** Retirement Benefit Begins: If your designated beneficiary dies before he/she receives payments that are equal to two times your accumulated contributions plus the accumulated value of the payments you made for purchased service, if any, the difference will be paid to the appropriate estate or beneficiary.

Death **After** Retirement Benefit Begins: If you and your designated beneficiary die after payments have started but before payments have been made that are equal to your accumulated contributions plus the accumulated value of the payments you made for purchased service, if any, the difference will be paid to the appropriate estate or beneficiary.

Qualified Military Service

Effective January 1, 2007, if you die while performing qualified military service, your survivors are entitled to any additional benefits (other than benefit accruals relating to the period of your qualified military service) provided under the plan, had you resumed and then terminated employment because of death.

IF YOU LEAVE

Terminating your employment with the County after you have reached age 65 or after you have earned eight years of credited service entitles you to a vested benefit, payable at age 65, or in a reduced amount at any time after age 55. If you terminate before you have reached age 65 and before you have earned eight years of credited service, you will receive your accumulated contributions.

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If your employment terminates for reasons other than retirement, disability, or death, you will receive the benefits described below. County Officials are subject to some differences in the retirement plan terms described below.

Covered Employees with Less Than Eight Years of Credited Service

If you terminate your employment with the County before you are age 65 and when you have less than 8 years of credited service, you may receive a refund of your accumulated contributions as of the date of your termination.

If the amount of your refund is *less than $200*, your refund will be paid directly to you.

If the amount of your refund is *greater than or equal to $200*, you may elect to have your refund (less applicable taxes) paid directly to you, or you may elect to directly roll over all, or a portion (must be at least $500), of your refund to an eligible retirement plan, including a Roth IRA.

Covered Employees Hired on or after July 1, 2010 – Tier 3

After 8 years of credited service, you have two options if you terminate your employment before age 65.

- Option 1: You may leave your accumulated contributions in the retirement trust and receive a deferred retirement benefit; or
- Option 2: You may receive a lump sum of your accumulated contributions, as described below, in lieu of a retirement benefit.

Option 1: Retirement Benefit. If you leave your accumulated contributions in the retirement trust, you become entitled to a retirement benefit at age 65.

After completing 8 years of credited service in the retirement plan, you have the right to receive a retirement benefit at age 65. The amount of that benefit will be calculated using the benefit formula and a vested percentage shown in the table below. Your vested percentage depends on how many years of credited service you have completed as of your termination date.

Tier 3 Completed Years of Credited Service at Termination	Percentage of Earned Benefit
Less than 8	0%
8 or more	100%

Option 2: Lump Sum of Accumulated Contributions. If you elect to receive a refund of your accumulated contributions in lieu of a deferred monthly benefit, you will receive a lump- sum payment. You will receive 100% of your accumulated contributions, plus 100% of the accumulated value of the payments you made for purchased service, if any.

If you do not elect either Option 1 or Option 2 within 90 days after your termination date, you will be considered to have elected Option 1, which is to leave your accumulated contributions in the retirement trust and become entitled to a deferred retirement benefit. However, unless you are a County Official with term limits, you may elect to receive a lump sum of your accumulated contributions at any time prior to reaching age 65. Your accumulated contributions will be credited with interest through the last day of the month in which you receive the lump sum.

If you are married and elect to withdraw your accumulated contributions and give up your rights to a retirement benefit, your spouse must agree in writing.

Covered Employees Who Meet either the 2010 Reemployment Rule or the 2006 Reemployment Rule and Have Four or More Years of Credited Service

If you meet the 2006 Reemployment Rule, or 2010 Reemployment Rule, please contact the Retirement Plan Administration office for more information.

Special Provisions for County Officials

These special provisions apply only when you are a County Official. If you do not remain in office, resign, or are not employed by the County within 30 days after your term expires or you resign, you will be treated as having achieved the number of years of credited service required to obtain a vested benefit (8 years for members in Tier 3).

Option 1: Retirement Benefit. If you leave your accumulated contributions in the retirement trust, you become entitled to a retirement benefit at age 65.

You have the right to receive a retirement benefit at age 65. If you are in Tier 3, the amount of that benefit will be calculated using the benefit formula described in the **Normal Retirement Benefits** section and a vested percentage of 100%.

Option 2: Lump Sum of Accumulated Contributions. If you are an elected County Official with term limits and you choose a refund of your accumulated contributions, your lump sum will equal 200% of your accumulated contributions and your accumulated contributions during the period you remained in office will include interest at a rate that is 2% per year higher than the rate shown in the definition of “accumulated contributions.” Your election to receive a refund must be made within 90 days of your date of termination.

All Covered Employees

Income Tax

The taxable portion of your accumulated contributions or retirement benefit becomes subject to income tax when distributed. The taxable portion of your accumulated contributions or lump-sum benefit may also be subject to a 10% penalty tax if withdrawn early and not rolled over to an eligible retirement plan.

If you are employed by the County as a qualified public safety employee and you are at least 50 years of age by the end of the calendar year in which you separate from service, the taxable portion of your distributions will not be subject to the 10% penalty tax for early withdrawal.

A “qualified public safety employee” is an employee of the County whose principal duties include services requiring specialized training in the area of police protection, firefighting services, or emergency medical services for any area within the jurisdiction of the County. For the County, a qualified public safety employee is generally a sworn law enforcement employee.

Retirement Benefit Payments. If the retirement benefit payable to you is less than $100 per month at age 65, you will be paid a lump sum when you leave. The lump-sum amount will be paid to you in lieu of the series of monthly payments that would otherwise have been payable at age 65. The lump-sum amount is the actuarial equivalent of your monthly payments.

You may elect to have your lump-sum amount (less applicable taxes) paid directly to you or you may elect to have all, or a portion (must be at least $500), of your lump-sum amount directly rolled over to an eligible retirement plan, including a Roth IRA.

You may elect to receive a partial lump-sum payment immediately. If you elect a partial lump-sum payment, you will be entitled to receive a reduced monthly benefit beginning on the first of any month on or after your 55th birthday (or possibly earlier if you meet the 2006 Reemployment Rule), depending on your date of hire.

PLAN ADMINISTRATION

The Arapahoe County Board of Retirement governs the plan and directs the administration of the plan.

....

Control and Administration

The Arapahoe County Board of Retirement ("Retirement Board") governs the Arapahoe County Retirement Plan. The Retirement Board approves any changes to the plan and manages the administration of the plan. The five-member Board consists of:

- The incumbent County Treasurer;
- Two non-elected County employees, selected by their fellow employees; and
- Two registered electors of the County, appointed by the County Commissioners.

The decision and actions of the Retirement Board related to the administration of the retirement plan will be conclusive and binding upon all persons.

Plan Permanence

The County intends to continue the Arapahoe County Retirement Plan indefinitely, but reserves the right to change the plan or discontinue it.

If the plan ends, you will stop earning benefits and contributions to the plan would stop; all affected funds in the retirement fund will be converted to cash and allocated to members and beneficiaries; and payments may be made in cash or nontransferable annuity contracts. Members or beneficiaries would first receive the total of their accumulated contributions (plus the accumulated value of the amount paid for service purchased, if any) and then the remaining funds would be allocated in accordance with the plan document.

No funds may be returned to the County unless all liabilities to members and beneficiaries have been satisfied. The Board of Retirement will determine when benefits are to be paid.

Assignment of Benefits

The plan is intended to pay benefits to you or your beneficiaries only. Your benefits cannot be used as collateral for loans or be assigned in any other way, except as permitted under Colorado law for child support or for payments made in compliance with a court order due to a legal separation, divorce or dissolution of a civil union.

Unclaimed Benefits: If you or your beneficiary are unresponsive to notices from the Plan Administrator or Retirement Board, your benefit may be forfeited to the plan. The Plan Administrator will mail a demand notice by registered or certified mail to you at your last known address. The demand notice will request your current address or for satisfactory evidence that you are still alive, or both. If you do not furnish this information to the Retirement Board or Plan Administrator within three (3) months from the mailing of such notice, the Retirement Board may determine that you are deceased and your benefit forfeited to the plan. Your benefit will be restored if a legitimate claim is filed with the Retirement Board.

Maximum Benefits

In accordance with federal regulations, the plan has provisions detailing the maximum benefit you can receive. While most employees will never reach this maximum, the maximum is stated in the plan's legal document.

Effect on Employment

The plan in no way guarantees you continued employment with the County. If you terminate your employment with the County or if you are discharged, the plan does not give you any right to any benefit or interest in the funds contributed by the County or earned by the retirement trust, except as specifically provided in the plan.

Similarly, there is no prohibition in the plan on terminated or retired employees receiving or continuing to receive retirement benefits, if eligible under the plan, because they obtain employment with another employer.

Reemployment of Former Members

If you stop your employment with the County before being eligible for a retirement benefit and are later rehired as a full-time employee, your credited service for calculating future benefits will be determined by the break-in-service rules described in the definition of “break in service”. Also, see the 2006 Reemployment Rule and the 2010 Reemployment Rule described in the **Definitions** section.

Reemployment of Retirees

If you are rehired by the County as a full-time employee after having retired, your monthly benefit payments will stop while you are employed. When you retire again, your monthly benefit will be recalculated to include any additional credited service and to exclude the value of your previous benefit payments received prior to your normal retirement date.

If you are rehired by the County in a position that is not eligible for plan participation (see “employee” in the **Definitions** section), you will continue to receive your monthly benefit while you are employed, provided you had previously retired on or after the date you were eligible for normal retirement (see “normal retirement” in the **When You Can Retire** section) or on or after the date you were eligible for special early retirement (see “special early retirement” in the **When You Can Retire** section). If you had retired before you were eligible for normal retirement or special early retirement, your monthly benefit payments will stop while you are employed, even though you are not in a position that is eligible for plan participation.

Note:

To have a true termination of service/retirement, a member must not be employed by the County in any capacity for at least sixty (60) continuous days, from his or her last day of active service.

What this means is if you leave employment as a "retiree" and commence a monthly retirement benefit, you are not eligible for rehire in any capacity for a period of at least sixty (60) continuous days from your official day or termination of service/retirement. Furthermore, if you do come back it cannot be in a pre-determined, pre-decided, pre-arranged position within the County. If it is determined that this has happened, then as a retiree you will be required to repay any benefits you may have received plus interest, and it may also jeopardize the benefits you are to receive in the future.

Plan Document

The information in this booklet describes the plan in everyday language and tries to avoid the technical language of the plan's legal document. If, in our efforts to make the plan easy to understand, we have omitted or misstated any of the plan's provisions, the plan's official legal document must remain the final authority. If you wish, you may examine the legal document in the Retirement Plan Administration office. The plan as described in this booklet is the Arapahoe County Retirement Plan (As Amended and Restated Effective January 1, 2019), and subsequently amended.

Limitation on Actions

Unless a shorter statute of limitations applies, any administrative actions or civil actions brought by you, your spouse, your beneficiary, or any other person regarding any benefit payable under the plan, including, but not limited to, actions regarding the eligibility for or amount of benefits, must commence within two-years after you begin receiving retirement benefits or you terminate and receive a refund of your accumulated contributions. Administrative actions or civil actions brought by you, your spouse, your beneficiary, or any other persons regarding the amendments to the prior plan that are generally effective January 1, 2014 must commence on or before January 1, 2016.

SOCIAL SECURITY AND MEDICARE BENEFITS

You and the County contribute to provide Social Security benefits for you and your dependents. Monthly payments, and medical, prescription drug and survivor benefits, are part of Social Security and Medicare benefits.

Social Security benefits add to your County retirement plan benefits to provide income for your retirement years. Throughout your working career you and the County (and other employers, if applicable) contribute annual amounts set by Federal law to provide Social Security benefits.

These benefits may include monthly payments beginning as early as age 62, or sooner if you become disabled or die. Hospital and medical benefits begin for you and your dependents at age 65, or earlier in case of disability. Your dependents may qualify for survivor's benefits if you die.

When You Are Eligible

Before you can qualify for benefits, you must work for a required period of time under the Social Security program. Under current law, you receive one quarter of coverage (to a maximum of four quarters per year) for certain amounts of earnings in a year. For example, in 2023 you receive one quarter of coverage for each $1,640 of earnings in the year.

Once you have 40 quarters of coverage, you are fully "insured" for life. "Insured" means you'll be able to receive benefits at retirement. The amount of the monthly benefit will depend on your earnings during your working career.

Your Benefits

Calculating your monthly Social Security benefit is complicated and requires detailed information about your age, date of retirement, disability, or death, and your year-by-year earnings history. The Social Security Administration makes this calculation for you when you retire.

If you are born before 1938, the age at which you can receive your *full* Social Security benefit (your full retirement age) is age 65. If you are born in 1938 or later, your full retirement age gradually increases from age 65 to age 67, as discussed below. You can begin your benefits before your full retirement age, but not earlier than age 62. If you begin your benefits before your full retirement age, you will receive a permanently reduced amount.

A change in the Social Security law passed in 1983 provides that beginning in 2003 the retirement age for *full* Social Security benefits will gradually be raised, reaching age 67 in the year 2025:

- The full retirement age has increased by two months each year from 2003 to 2008, to age 66.
- Starting in 2020, the full benefit age will increase by two months a year until 2025, when it will be age 67.

Medicare

The four parts of Medicare - hospital insurance (Part A), medical insurance (Part B), Medicare Advantage (Part C), and prescription drug coverage (Part D) - provide health care protection for people age 65 and older. Also eligible for Medicare are disabled people under age 65 who have been entitled to Social Security disability benefits for 24 months. Insured employees and their dependents who need dialysis treatment or a kidney transplant because of permanent kidney failure also have Medicare protection.

More Information

Detailed information about monthly benefit payments and Medicare coverage is available from the local Social Security office. Representatives will answer your questions and provide booklets about Social Security programs. You can find the location of the nearest office in the telephone directory under "U.S. Government, Social Security Administration." Otherwise, for additional information about these benefits, you may contact the Social Security Administration toll-free at 1-800-772-1213, or access the Social Security Administration Web site at www.ssa.gov.

To receive a statement showing earnings covered by Social Security and an estimate of future benefits, you are encouraged to go online at www.ssa.gov and create your own account. You will be able to view estimates of retirement and disability benefits you may receive; estimates of benefits your family may get when you receive Social security or die; a list of your lifetime earnings according to Social security's records and much more.

ANNUAL STATEMENT

Each year, a personalized statement showing retirement benefits you have earned to date based on your compensation and service, your accumulated contributions, and an estimate of the benefit amount you can expect to receive from the retirement plan if you continue to work for the County until age 65 and retire at that time will be available via the Arapahoe County Retirement Plan employee website. Purchased service credit will be reflected on your annual statement the year following final payment.

FACTS ABOUT THE PLAN

This section gives you some general information about the plan.

Plan Sponsor
Arapahoe County, Colorado
5334 South Prince Street
Littleton, CO 80120

Type of Administration
Administered by Retirement Board

Plan Name and Plan Number
Arapahoe County Retirement Plan
Plan Number: 001

Plan Year
January 1 through December 31

Type of Plan
401(a) Defined Benefit Plan

Plan Administrator and Agent for Legal Process for the Plan
Mr. Ben Colussy, Arapahoe County Retirement Plan
Administrator Retirement Plan Administration

Mailing Address
5334 South Prince Street
Littleton, CO 80120
Telephone: (303) 795-4484
Fax: (303) 636-1524
acgret.org

Office Location
6964 S. Lima Street
Centennial, CO 80012
Telephone: (303) 795-4484
Fax: (303) 636-1524
acgret.org

Service of legal process may also be made on the Trustee of the Plan.

Trustee of the Plan
Corey Reavis
Vice President and Relationship Manager
U.S. Bank
DN-CO-T5T
P.O. Box 5168
Denver, CO 80217
Telephone: (720) 703-4549

Notice of Possibility of a Reduction in Benefits

Colorado state law requires the Retirement Board to inform you that your benefits could be reduced in the future to ensure the sustainability of the Retirement Plan.