

RETIREMENT BENEFIT PAYMENT OPTIONS

If you retire as a member of PERS, JRS, GWPORS and SRS, you will have a choice of benefit payment options. The option you choose determines whether or not your benefit continues to someone else (a **contingent annuitant**) after your death.

Option 1 provides a monthly benefit for your lifetime only and is the largest monthly amount you can choose. Upon your death, your designated beneficiary will receive any balance left in your account. All Option 1 monthly benefit payments end when you die.

Option 2 provides a monthly benefit to you for your lifetime. When you die, your **contingent annuitant** will receive the same monthly benefit for the rest of their life. Please note that if the age difference between you and your non-spouse contingent annuitant is greater than ten years, you may not select Option 2. This limit does not apply to a spouse.

Option 3 will provide a monthly benefit to you for your lifetime. When you die, your **contingent annuitant** will receive **one-half of that amount** for the rest of their life. Because the contingent annuitant receives only one-half of your benefit, your Option 3 benefit would be larger than the Option 2 benefit.

Option 4 may provide a continuing benefit to one or more contingent annuitants. If you die before the end of a guaranteed period of time (10 or 20 years), your contingent annuitant will receive the benefit for the amount of time left. As with all options, you will receive the monthly benefit for **your life**. Payments to the contingent annuitant(s) will stop when the guaranteed period ends. This benefit has two alternatives:

10-year period certain. You must be **age 75 or younger** when you retire to be eligible for this lifetime benefit.

20-year period certain. You must be **age 65 or younger** when you retire to be eligible for this lifetime benefit.

Changing Your Option If You Chose Option 2 or 3

There are only two circumstances under which you can change either your Option 2 or Option 3 payment, or contingent annuitant. You may only change if your original contingent annuitant dies; or you and your contingent annuitant divorce, and there is no **Family Law Order** in place giving your contingent annuitant the right to receive part of your benefit.

Under these conditions, you may:

- revert to the higher Option 1 retirement benefit that was available at the time of your retirement, plus any guaranteed annual benefit adjustments (GABA) you have received; or
- change your benefit Option and name a new contingent annuitant; or
- keep the same Option and name a new contingent annuitant.

To change your payment option or contingent annuitant, you must designate a new contingent annuitant or payment option in writing, **within 18 months** of the death of or divorce from the contingent annuitant. Also,

if you select a new contingent annuitant your benefit amount will change because the calculations are based on your age and your new contingent annuitant's age at the time of the election.

You can change your Option 4 contingent annuitant designation after retirement at will. Contingent annuitant(s) receiving the Option 4 benefit may, in turn, designate their own contingent annuitants.