

THE VALUE OF YOUR MEMBERSHIP IN THE DENVER EMPLOYEES RETIREMENT PLAN

As a new employee of the City and County of Denver (the City), you are automatically enrolled in the Denver Employees Retirement Plan (DERP) pension plan. As your new employer, the City wants to increase your total compensation by providing you with guaranteed lifetime retirement benefits if you work in a covered position for at least five years.

If you stay five years or more, your retirement benefits will be based on your years of service and your average salary at the end of your career with the City. Here's an example:

Years of Service	5	10	20	30
x Formula Multiplier per Year of Service	1.5%	1.5%	1.5%	1.5%
= % Payable of Average End-of-Career Salary	7.5%	15.0%	30.0%	45.0%
x Average End-of-Career Salary	\$40,000	\$50,000	\$65,000	\$80,000
= Annual Lifetime Benefit Payable from Retirement Date	\$3,000	\$7,500	\$19,500	\$36,000
= Monthly Lifetime Benefit Payable from Retirement Date	\$250	\$625	\$1,625	\$3,000

Your contribution of 8% from your pay is part of what funds these future benefits. In addition, the City is also contributing 11.5% of pay to help fund your future benefits. (If you leave before the five years are up, you will receive all your employee contributions back, plus annualized interest.)

This type of pension plan is called a "Defined Benefit" pension plan, because your future benefits are "defined," meaning they are calculated and set according to a pre-determined formula. They are not subject to market conditions or how much you contributed during your employment. The monthly retirement benefit amount is guaranteed for your lifetime and that of a surviving beneficiary if you choose. Access to a pension plan like this sets you apart from most other employees in Colorado and nationally. According to the U.S. Bureau of Labor Statistics, less than 15% of private-sector (non-governmental) employees in Colorado have access to an employer-sponsored defined benefit pension plan like DERP.

Since City employees also pay in to Social Security, the future retirement benefits that you will receive in total from DERP and from Social Security will form a very solid basis for your retirement. To learn more, DERP has developed a set of 3 videos to provide an overview of planning for your financial security in your retirement years. The series focuses on the 3 main sources of income in retirement: Social Security, the Denver Employees Retirement Plan benefit, and Personal Savings. You can view these videos by visiting <http://www.derp.org/financialeducation>.

For more information, please visit www.derp.org or email mbrsvs@derp.org