



## CITY OF PHOENIX EMPLOYEES' RETIREMENT SYSTEMS

### RETIREMENT OPTIONS

The City of Phoenix Employees' Retirement Systems (COPERS) gives you the choice of retirement payment options, any option you choose is paid once per month and is for your lifetime.

At the time of retirement, you will need to choose an option. Once an option is chosen, it becomes **irrevocable** upon payment of your first pension check. If you choose a survivorship option, the named survivor choice becomes **irrevocable** upon payment of your first pension check. Spousal consent is necessary for choosing any option other than Option A Standard and a signed consent form is required by the Retirement Office.

### Tier 1, 2 and 3 Retirement Options

**Option A Standard** – 100% Survivorship option, required for all married individuals.

- You receive less than the Straight Life Option amount; however, after your death, your designated survivor will receive 100% of your pension benefit for the remainder of his/her lifetime. If your designated survivor dies before you, your pension benefit does not change; you cannot designate another survivor.

**Option A Pop-Up** – 100% Survivorship option, *requires spousal consent*.

- You receive less than the Straight Life Option amount; however, after your death, your designated survivor will receive 100% of your pension benefit for the remainder of his/her lifetime. If your designated survivor dies before you, your pension will increase (pop-up) to equal your maximum benefit as calculated under the Straight Life Option.

**Option B Standard** – 50% Survivorship option, *requires spousal consent*.

- You receive less than the Straight Life Option amount; however, after your death, your designated survivor will receive 50% of your pension benefit for the remainder of his/her lifetime. If your designated survivor dies before you, your benefit does not change, you cannot designate another survivor.

**Option B Pop-Up** – 50% Survivorship option, *requires spousal consent*.

- You receive less than the Straight Life Option amount; however, after your death, your designated survivor will receive 50% of your pension benefit for the remainder of his/her lifetime. If your designated survivor dies before you, your pension will increase (pop-up) to equal your maximum benefit as calculated under the Straight Life Option.

**Option C “Ten Year Certain & Life”** – Non-survivorship option, *requires spousal consent.*

- You receive less than the Straight Life Option amount, payable for the remainder of your lifetime. This option guarantees that a minimum of 120 monthly payments (10-years) of pension payments will be paid. If you die before receiving 120 monthly payments, the remainder of the payments (up to 120) will be paid to your designated beneficiaries. Unlike Options A or B, **you can change your designated beneficiaries at any time.** If you live more than 10 years after your retirement, monthly pension payments will cease at your death.

**Straight Life Option** – Maximum pension amount, non-survivorship option, *requires spousal consent.*

- This is the maximum pension benefit available to you. Upon your death, the pension benefit ceases. If, at the time of your death, you did not receive payments equal to the total of your member contributions existing at the time of your retirement, the difference will be refunded to your beneficiaries of record.

## **TIER 3 EMPLOYEES ONLY**

**Optional Cost of Living Adjustment Option** – Available on all six options listed above.

- You receive an actuarial reduced monthly pension benefit in order to fund the optional cost of living adjustment (COLA) annually. To be eligible to receive the first COLA adjustment, you must have **received** 36-monthly pension payments as of January 1 of the year in which such adjustment is provided. The final percentage adjustment, if any, is equal to the percentage increase, not less than zero, in the Phoenix area Consumer Price Index as determined by the Center for Business Research at Arizona State University, or if this index is not available, the Consumer Price Index of the Department of Labor.
  - Example: If you retired on June 15, 2021, with an actuarial adjusted monthly pension amount of \$1,000, you would not be eligible to receive the Optional Cost of Living Adjustment until January 1, 2025.
  - If the Consumer Price Index had increased by 2% as of January 1, 2025 from the previous year, you would receive a 2% increase in your monthly pension payment ( $\$1,000 \times .02 = \$20$ ) as of the April 1, 2025 payment (which is your payment for March). This monthly payment increase would be added to your original payment amount to equal your new monthly pension payment amount of \$1,020 and constitutes a permanent adjustment to the pension benefit. You would also receive a one-time retroactive monthly increase for January and February (\$40). April 1, 2025 payment would be \$1,060, future monthly pension payments would be \$1,020.
  - After the first eligible COLA increase, future increases would be based on the percentage increase of the Consumer Price Index, if any.