

Your Retirement - Which is the Best Option for You?

As a permanent or project City of Portland employee scheduled to work 21 or more hours per week, you have one opportunity to join or not join Maine Public Employees Retirement System (MainePERS) Defined Benefit Plan. Your status as an optional member, or non-member, of MainePERS will be your status during all periods of employment with the City of Portland. Visit www.mainepers.org to view the New PLD Employee video for a better understanding of optional membership and the importance of one-time election.

If you elect not to join MainePERS, then you shall participate in the City's alternative pension plan choice, ICMA RC 401(a) Defined Contribution Plan. This is because federal law requires employees to participate in a qualified pension plan since the City of Portland does not cover employees under Social Security.

You need to decide which pension plan is best for you.

Below is a brief description and comparison of these plans to help you decide. To review further information for MainePERS Defined Benefit Plan, go to [http://www.mainepers.org/PDFs/handbooks/Welcome Booklet.pdf](http://www.mainepers.org/PDFs/handbooks/Welcome%20Booklet.pdf) and to read more about the ICMA RC 401(a) Defined Contribution Plan, visit [http://www.icmarc.org/products-and-services/401\(a\)-defined-contribution-plans.html](http://www.icmarc.org/products-and-services/401(a)-defined-contribution-plans.html)

MainePERS Defined Benefit (DB) Plan

ICMA RC 401(a) Defined Contribution (DC) plan

| Plan Features | MainePERS Defined Benefit (DB) Plan | ICMA RC 401(a) Defined Contribution (DC) plan |
|---|--|---|
| Plan Features | Upon vesting, this plan guarantees you an income after you retire based on your years of service, level of compensation and the age at which you retire. Your membership ends upon retirement, upon your death or if you take a refund of your contributions & accrued interest. | This plan bases your benefits on the total amount of money in your account at retirement or other eligible event. There is no guarantee on the amount of your retirement benefit – your account will depend on the performance (positive or negative) of your investment choices. |
| Retirement Benefit | 2% of average final compensation (AFC) for each year of service at age 65 or 25 years of service | Accumulation of Employee and Employer contributions & investment earnings |
| Employee Contribution | 7.35% of gross weekly salary *Contact HR for contribution rates for members in the age 60 plan. Pre-tax federal only | 7.35% of gross weekly salary *Contact HR for contribution rates for members in the age 60 plan. Pre-tax federal and state |
| City Contribution | Determined on an annual actuarial basis | 7.5% of gross weekly salary at this time |
| Disability Benefits paid by the City | Yes – Disability Retirement | Yes – Administered by Unum |
| Survivor Benefits | Lump Sum, Monthly Benefit or Option 2 (Beneficiary's choice) | Employee's & Employer's contributions & investment earnings regardless of years of service |
| Statements | Upon request | Quarterly |
| Investment Choices | No | Yes |
| Vesting | 5 years of creditable service or reaching normal retirement age of 65 with at least 1 year of creditable service | Employee contributions & investment earnings=100% Employer contributions & investment earnings based on years of service: 1=33%, 2=67%, 3 or more=100% Age 60/death/disability=100% |
| Portability | You take retirement credit with you when moving between employers in the same plan | Not applicable |
| Cash Refunds/Rollovers on Resignation or Termination | Employee contributions only & accrued interest | Vested account balance |

**** Note: Loans and/or hardship withdrawals are not available with either of these pension choices.**