Choose Your CORP-AOC Retirement Benefit Plan…

As a probation or surveillance officer working for the Administrative Offices of the Court (AOC), you have a choice between two retirement plan options:

1) The Tier 3 defined benefit (DB) plan, or
2) The Public Safety Personnel Defined Contribution Retirement Plan

Both plans will bring you closer to achieving a secure retirement, but they are structured in very different ways. Which plan is right for you? Some questions to ask yourself include: How long do I plan to work in AOC? How comfortable am I in managing investments? What is my risk tolerance? What type of benefit will I want when I retire? Here are some considerations to help you decide:

	Defined Benefit Plan	Defined Contribution Plan
This is a…	Traditional pension plan. It is designed for those who plan to work at least 10 years with AOC and who want a guaranteed monthly retirement benefit they can never outlive.	401(a) investment plan. It is designed for employees who want greater control over how their contributions are invested, or do not plan to remain in AOC for 10 years.
Investment choices are made by…	PSPRS investment staff. PSPRS is responsible for investing assets in the plan.	You choose investments from a diversified set of funds and manage your account. The default account setting is target date funds.
Your benefit is based on…	A formula that includes years of credited service, salary and a multiplier. Your benefit is not based on investment performance.	Your account balance. This includes your contributions, your employer's matching contributions and investment earnings.
You are fully vested after…	Ten years of credited service, which is required for a full pension at 55 years of age. A reduced pension is available for members who are at least 52.5 years old. Members who leave prior to having 10 years of credited service are entitled to a refund, plus interest.	Three years of service. Your contributions and investment returns are immediately vested. You will own 25% of your employer's contributions after your first year, 50% after your second year, and, after three years you will be fully vested in your employer's contributions, plus investment returns.
When you retire, your benefit can be paid to you as…	Monthly payments for the rest of your life.	Frequent withdrawals, lump sum payment or rollover into another qualified plan. Early withdrawals may be subject to IRS penalties.

Tier 3 Plan Comparison Chart

Defined Benefit (DB) Plan	Defined Contribution (DC) Plan
Member Contribution Rates Member contribution rates are based on a percentage of how much it costs to fund benefits each year, plus the costs of unfunded liabilities. Both members and employers contribute to a member's pension.	**Member Contribution Rates** Members contribute 7% of their salary to their 401(a) account and split the cost of funding their disability insurance with their employer. Upon hiring, members can make a one-time decision to reduce their contribution rate to as low as 5% or increase their contribution rate.
Disability Benefits You are entitled to all disability benefits, payable monthly, should you become disabled during your career.	**Disability Benefits** You are entitled to all work-related disability benefits (payable monthly) but not eligible for non-work-related injury benefits. Monthly disability benefits amounts are offset by the balance of your 401(a) account.
Survivor Benefits Survivor benefits are paid to eligible spouse or eligible children. Contribution balances paid to beneficiaries on file if members do not have eligible spouse or children.	**Survivor Benefits** Survivor benefits for eligible spouse or children are limited to line-of-duty deaths. Benefits are offset by the balance of member 401(a) account. Contribution balances are paid to beneficiaries on file if members do not have eligible spouse or children.
Investment Choices Investment decisions are handled by investment professionals. You do not determine how investments are managed, and your pension does not rely on investment performance.	**Investment Choices** The amount you receive at retirement is dependent on how well the investments you selected have performed.
Cost of Living Adjustment (COLA) Retirees receive cost of living adjustments – capped at 2% a year – after being retired for seven years or reaching the age of 60 (whichever comes first). Cost of living adjustments are also dependent upon the corrections-AOC Tier 3 plan having a funded status of at least 70%.	**Cost of Living Adjustment** Not applicable.

This brochure is a summary of some of the retirement options for Tier 3 CORP employees. Additional details can be found on the PSPRS website (www.psprs.com) or in Arizona Revised Statutes Title 38, Chapter 5. In case of a conflict between the information in this brochure and the statutes, provisions of the statutes will control.

Still Have Questions?

If you need help determining which plan is best for you, PSPRS has contracted with Public Safety Financial/Galloway to provide benefit education services. You can contact an advisor Monday through Friday between 8 a.m. – 5 p.m. by calling (480) 325-8668 or toll free (877) 778-2351. PSPRS does not endorse fee-based asset management services.