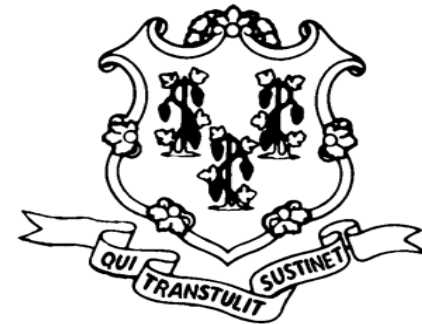


CONNECTICUT
MUNICIPAL EMPLOYEES
RETIREMENT SYSTEM
SUMMARY PLAN DESCRIPTION



Revised to July 1, 2007

YOUR RETIREMENT PLAN

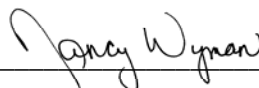
RETIREMENT...IT'S NOT SO FAR AWAY

Regardless of your age, it is never too early or too late to think about retirement. Maintaining your pre-retirement standard of living usually requires income from several different sources. Your employer understands this and provides you with retirement coverage through the Connecticut Municipal Employees Retirement System (CMERS).

The CMERS is a multi-employer pension plan that is administered by the Connecticut State Retirement Commission and operated in accordance with the provisions of Title 7 of the Connecticut General Statutes. The CMERS has been serving Connecticut's municipalities since 1947.

This booklet describes the plan's main provisions as clearly as possible with minimal use of technical words and phrases. Please read this booklet carefully so that you understand the benefits available to you and your family. If you have any questions about the CMERS after reading this booklet, you should first contact your personnel office. For further information, contact:

Retirement & Benefit Services Division
Connecticut Municipal Employees Retirement System Unit
Office of the State Comptroller
55 Elm Street
Hartford, CT 06106



Nancy Wyman
Comptroller,
State of Connecticut



Thomas C. Woodruff, Ph.D.
Director, Retirement &
Benefit Services Division

**CONNECTICUT MUNICIPAL EMPLOYEES
RETIREMENT SYSTEM
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MEMBERSHIP

IF YOUR DEPARTMENT PARTICIPATES IN THE CMERS, MOST EMPLOYEES ARE AUTOMATICALLY MEMBERS

Member

In general, you are a member of this plan if you are a regular employee of a municipal department that participates in the CMERS. In addition, some municipalities cover certain elected positions, employees of free public libraries that receive municipal funding, and housing authority employees.

You must customarily work at least 20 hours a week to qualify for membership. If you are a Police Officer or Firefighter hired over the age of 60, you are not eligible to be a member in the plan. Your municipality may place additional restrictions on CMERS eligibility, such as limiting CMERS membership to full-time employees.

This plan does not cover municipal teachers. Instead, teachers are covered by a separate State pension plan. This plan does not cover employees holding positions funded completely or partially by the federal government as part of an employment program or a job training program.

Who Administers The Pension Fund

The State Retirement Commission is responsible for the administration of the CMERS. This Commission oversees the CMERS and other State retirement systems. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

When Membership Begins

If you meet the membership requirements, you automatically become a member and contributions to the plan will be deducted from your pay. In most instances, you become a plan member on your date of hire, the day you commence your employment. If your municipality has a probationary period approved by the State Retirement Commission, your date of plan membership is the day after you complete the probationary period and begin contributing to the plan.

Counseling Services

In addition to the personnel office at your municipality, the Office of the State Comptroller provides retirement counseling services to CMERS members through its Retirement & Benefit Services Division, CMERS Unit, located at 55 Elm Street, Hartford, Connecticut 06106. For more information please contact the CMERS Unit at (860) 702-3500.

OTHER INFORMATION

Compensation Limitation

Federal law operates to impose a limitation on earnings covered for retirement purposes. For calendar year 2007, the limit is \$225,000; this amount may be adjusted on an annual basis.

Assignment Of Benefits

You may not use your CMERS Plan interests as collateral or security for a loan.

Reporting And Disclosure

You or your representative have the right to inspect and obtain copies of all plan documents. You must pay a reasonable charge for such copies.

You should receive a summary plan description when you commence membership in the CMERS. You will be notified of any substantial plan changes within 210 days after their effective date. Each year you will receive a retirement contribution statement.

A FINAL NOTE

This booklet is designed to help you understand your retirement benefits. It summarizes the more important provisions of the CMERS. It is not intended to give you complete details on all plan provisions. If there is any conflict in wording between the law and this booklet, the official wording of the law will govern.

WHEN YOU ARE READY TO RETIRE

The Application Process

You must contact the personnel office of your employing municipality, in writing, to request the preparation of your "Application for Retirement Benefits" and other related retirement forms. You should allow a reasonable amount of time for this process, which is generally considered to be 2 to 3 months prior to your intended date of retirement. Because of the 90-day protection window explained in the section entitled "Survivor Benefits", you should not execute your retirement forms prior to 90 days from your requested retirement date. Your retirement application and all accompanying documentation should be received by the CMERS Unit before the effective date of your retirement.

You will need to provide to your municipality copies of:

- Your birth certificate
- Your contingent annuitant's birth certificate, if applicable
- If married, your marriage certificate (or civil union certificate)

You will need to make a benefit payment (option) election as described in the "Benefit Payment Options" section.

You are required to complete a form entitled "Spouse Waiver of Monthly Survivor Benefits" attesting to your marital status. If you have been married for at least one year as of your requested retirement date and elect an option that, following your death, will not provide your spouse with a guaranteed lifetime monthly benefit, your spouse must provide written consent, with proper witness certification, on this waiver form.

Please note: The term "spouse" is also intended to mean "civil union partner" whenever it appears herein.

If you are making application for a disability retirement, you must provide in addition to the aforementioned items, a form entitled "Disability Retirement Application Medical Report" as completed by your treating physician, as well as the supporting documentation addressed in the section entitled "Disability Retirement".

If you would like your retirement benefit check electronically deposited to your account at your financial institution, you will need to complete with your financial institution's representative a "Retirement - Direct Deposit Authorization and Input Form".

CONTRIBUTIONS TO THE PLAN

YOU AND YOUR EMPLOYER SHARE THE COST OF YOUR RETIREMENT BENEFITS

Your Contributions

Your contributions to the plan will be deducted from your pay each pay period. The amount you contribute depends on whether or not your employment is covered by Social Security.

If your employment *is not* covered by Social Security:

- You contribute 5% of your pay.

If your employment *is* covered by Social Security:

- You contribute 2¼% of the portion of your pay on which Social Security taxes are withheld; and
- You contribute 5% of the portion of your pay on which Social Security taxes are not withheld.

If your municipality has elected to do so, your contributions will be made on a pretax basis.

Your pay for CMERS contribution and benefit purposes is your salary, wages and earnings including overtime payments. Also, you must make CMERS contributions on Workers' Compensation payments (other than specific indemnity awards). Additionally, CMERS contributions are required on the imputed value of certain non-cash payments, such as board, lodging, fuel or laundry provided to you by your municipality. The imputed value of those non-cash payments is reported to the Internal Revenue Service as part of your taxable income. Lump sum payments that are not part of your regular earnings, such as accumulated sick and vacation payments, are not subject to CMERS contributions.

Contributions By The Municipality

Your contributions pay only a part of the cost of your retirement benefits. Your municipality makes contributions at rates set by the State Retirement Commission to fund the remaining cost. The municipality also contributes toward the administrative costs of the plan.

Your municipality will also pay your contributions if you are a CMERS member and serve in a branch of the armed forces while the United States is at war or in a national emergency, and are reemployed within six months of your discharge. The six-month period for reemployment may be extended if you are disabled as a result of such military service.

Your Beneficiary

When you first enroll as a member, you designate your beneficiary(ies) who, if entitled, will receive your CMERS contributions and interest in the event of your death. You may change this designation at any time. Consider making a change in your beneficiary designation whenever there is a birth, death, marriage or divorce in your family. It is important to have your beneficiary designation up to date. See your personnel office to change your beneficiary designation.

SERVICE INFORMATION

THE PLAN DISTINGUISHES BETWEEN ACTIVE SERVICE AND AGGREGATE SERVICE

Types Of Service

Active service: Periods when you are actively working and contributing to the CMERS. Additionally, if your municipality did not participate in the CMERS when you were hired, but subsequently joined the CMERS, you may receive credit for your service from your date of hire, less any applicable probationary periods, to your date of CMERS membership provided the appropriate payments were made by the municipality.

You will resume membership in the CMERS and receive additional service credit for this period of reemployment when you next retire. In either case, it is your responsibility to notify the CMERS Unit of your reemployment.

SPECIAL BENEFITS FOR POLICE OFFICERS AND FIREFIGHTERS

Heart And Hypertension Benefits

Special recognition has been given to the effects of heart disease and hypertension on certain uniformed Police Officers and Firefighters. Police Officers and Firefighters hired before July 1, 1996 who successfully passed a physical examination when hired which failed to show evidence of heart disease or hypertension and who later suffer death or disability due to heart disease or hypertension, are presumed to have incurred the condition on the job. In these cases, they or their survivors are entitled to the death or job related disability provisions of the CMERS.

Police Officers and Firefighters hired on or after July 1, 1996 are not eligible for this special heart and hypertension provision.

Additional Death Benefits For Police Officers And Firefighters

In addition to the CMERS, some municipalities participate in another separate fund called the Policemen and Firemen Survivors' Benefit Fund, which is also administered by the State Retirement Commission.

Police Officers and Firefighters, who are separately covered under this fund, contribute 1% of their compensation and are entitled to additional benefits at death. These supplemental benefits are paid to survivors of full-time Police Officers or Firefighters who die either before or after retirement. The CMERS Unit should be immediately notified of the death of a participating Police Officer or Firefighter so that survivor benefits, if any, may commence in a timely manner.

COST OF LIVING ADJUSTMENT

BENEFITS ARE ADJUSTED ANNUALLY TO OFFSET RISING COSTS OF LIVING

You will be eligible for an annual cost of living adjustment (COLA) payable on the July 1st following your retirement date and each July 1st thereafter. Your contingent annuitant will also continue to receive annual COLAs following your death.

The COLA for non-disability retirements will range from a minimum 2.5% to a maximum of 6% based on a formula which takes into account a portion of the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12 months immediately preceding your COLA anniversary date.

Specifically, the COLA will be determined in accordance with the following formula:

- 60% of the annual increase in the CPI-W up to 6%
- plus
- 75% of the annual increase in the CPI-W above 6%

For disability retirements, the COLA will range from a minimum of 3% to a maximum of 5% based upon the performance of the fund's investments.

REEMPLOYMENT AFTER RETIREMENT

If you are reemployed in a temporary position in a CMERS participating municipality after you have retired, you may work no more than 90 days in any one calendar year without affecting your pension rights. If you exceed the 90 days, you must reimburse the CMERS for all retirement benefits received during your reemployment period. If you are reemployed by a CMERS participating municipality in a permanent position after retirement, your pension payments and benefits will cease.

If you are a CMERS member and join a branch of the armed forces while the United States is at war or in a national emergency, and are reemployed within six months of your discharge, you will receive credit for that period of service for retirement purposes as if you were continuously employed by the municipality. The municipality will pay your contributions for the period. The six-month period for reemployment may be extended if you are disabled as a result of such military service.

Aggregate service: Any service that you may have purchased for periods when you were not actively working for a participating municipality. (See the following section on purchase opportunities for further information.)

Information On Purchase Opportunities

In order to purchase additional retirement credit you must submit a written request with all required documentation to the CMERS Unit. You will either be sent an invoice to complete the purchase or a letter explaining why you do not qualify.

Requesting a purchase does not obligate you to pay the invoice. However, no credit is allowed for any purchase unless all the required contributions and interest have been paid.

It is important to note that no credit shall be granted for any period of service for which any municipal or state governmental unit is or will be paying a retirement benefit or if such credit would result in multiple service credit for the same period of service.

The following summarizes important information about purchase opportunities:

1. Restoring Prior CMERS Retirement Credit

- Description: All retirement credit obtained in the CMERS for which you were refunded your contributions and interest
- Documents required: A written request
- Application deadline: Prior to retirement

- Payment deadline: As outlined on the invoice you will receive from the CMERS Unit
- Type of credit allowed: Active

2. Prior Military Service

- Description: Active duty served during war-time in any branch of the armed forces of the United States for which you received an honorable discharge
- Documents required: A written request and a DD-214 from the federal government and your first twelve months wages reported by your employer
- Application deadline: Within one year of employment with a participating municipality
- Payment deadline: As outlined on the invoice you will receive from the CMERS Unit
- Type of credit allowed: Aggregate

3. Prior State of Connecticut Service

A. Restoration of contributions withdrawn from the State Employees Retirement System

- Description: Period(s) of prior employment with the State of Connecticut during which time you were a contributing member of Tier I of the State Employees Retirement System, and subsequent to your separation from State Service, you received a refund of your contributions
- Documents required: A written request
- Application deadline: Within one year of your employment with a participating municipality

Leaving Employment Without Vested Rights

When you leave employment before you become vested, you may elect one of the following choices:

1. You may elect to take a lump-sum refund of your retirement contributions. This amount will include interest at 5% per year credited from July 1, 1983 or the July 1st following the date you began contributing to the CMERS, whichever is later, to the July 1st coincident with or preceding the date you leave municipal service. You should request, from your personnel office, the preparation of an application for refund of retirement contributions. Your completed and signed refund application should be sent to the CMERS Unit.
2. You may elect to leave your retirement contributions in the CMERS and retain your CMERS service credit. You may want to consider this option if you plan to participate in the CMERS through other employment opportunities. If you do not request a refund within 10 years of your termination, your contributions and interest will revert to the CMERS Fund.

Special Notes

If you do not withdraw your contributions following your termination of employment, your prior service will be counted toward your active years of service if you become reemployed in a CMERS covered position. If you do withdraw your contributions, your prior service will not count unless the withdrawn contributions are repaid with interest.

IF YOU LEAVE BEFORE RETIREMENT

Leaving Employment With Vested Rights

You will have earned a permanent vested right to a retirement benefit if you have at least 5 years of continuous active service with a CMERS participating municipality.

When you leave employment with vested rights, you may make one of three choices:

1. You may elect to retain your vested right to a retirement benefit and begin receiving normal retirement benefits upon reaching age 55. You should request, from your personnel office, the preparation of an application for vested rights retirement benefits at the time of termination even though the effective date of your retirement may be years in the future. Your personnel office should forward the completed and signed application and all other required paperwork to the CMERS Unit upon your termination. You should also advise the CMERS Unit in writing of any address changes that follow your severance from municipal service.
2. You may elect to receive a reduced, early retirement benefit at the time of your termination. Your normal retirement benefit is reduced based on the years and months by which your early retirement date precedes your 55th birthday. You should request, from your personnel office, the preparation of an application for early retirement benefits. Your personnel office should forward the completed and signed application and all other required paperwork to the CMERS Unit prior to your termination. Please see the section entitled "When You Are Ready To Retire" for more information.
3. You may elect to take a lump-sum refund of your retirement contributions in lieu of receiving monthly retirement benefits. Your refund will include your contributions plus interest at 5% per year credited from July 1, 1983, or from the July 1st following the date you began contributing to the CMERS, whichever is later, to the July 1st coincident with or preceding the date you leave municipal service. You should request, from your personnel office, the preparation of an application for refund of retirement contributions. Your completed and signed refund application should be sent to the CMERS Unit.

- Payment deadline: As outlined on the invoice you will receive from the CMERS Unit
- Type of credit allowed: Aggregate

B. Transfer of credit from the State Employees Retirement System

- Description: For periods of prior employment with the State of Connecticut during which time you were a member of the State Employees Retirement System (Tier I members who received a refund of their contributions are not eligible under this provision but may apply for credit under the provision outlined in 3.A of this section.)
- Documents required: A written request
- Application deadline: Prior to retirement
- Payment deadline: For Tier I and Tier IIA - As outlined on the invoice you will receive from the CMERS Unit; for Tier II - No payment is required
- Type of credit allowed: Aggregate

4. Service with a Non-Participating Municipality

A. Credit for service with a Non-Participating municipality that has subsequently accepted participation in the CMERS

- Description: Credit for an active CMERS member who terminated their membership in a non-participating municipality's pension system which was subsequently replaced by the CMERS. Credit may be obtained provided the member pays the full actuarial cost of the additional CMERS benefit resulting from the purchase.
- Documents required: A written request
- Application deadline: Prior to retirement

- Payment deadline: As outlined on the invoice you will receive from the CMERS Unit
- Type of credit allowed: Aggregate

Credit for service with a Non-Participating Municipality

- B.
- Description: Service during which you were a contributing member of an eligible pension plan of a non-participating municipality
1. If the former municipality voluntarily transfers all employer and employee contributions and interest resulting from such service to the CMERS
 - Documents required: A completed purchase application
 - Application deadline: Prior to retirement
 - Payment deadline: The transfer from the former municipal employer must occur prior to retirement
 - Type of credit allowed: Aggregate
 2. If the former municipality declines to transfer all employer and employee contributions and interest resulting from such service to the CMERS or if the member has received a refund of the employee contributions and interest, the member must pay the CMERS directly for the full actuarial cost to obtain the additional service credit.
 - Documents required: A completed purchase application
 - Application deadline: Prior to retirement
 - Payment deadline: As outlined on the invoice you will receive from the CMERS Unit
 - Type of credit allowed: Aggregate

receive a lump-sum payment. The amount will equal your contributions plus 5% annual interest credited annually from July 1, 1983 or the July 1st following date of entry into the plan, whichever is later.

After You Apply For Retirement - But Before Benefits Begin - The 90 Day Protection Window

Suppose you apply for retirement and select Option 3 or Option 4 (refer to the section entitled “Benefit Payment Options”). If you die within 90 days after you first elect either one of these options, but prior to your date of retirement, your contingent annuitant may receive payments in accordance with your selection. If your death occurs after this 90 day period and you have not yet retired, or if you die within 90 days after electing Option 1 or 2 but prior to your date of retirement, the benefit paid will be as described earlier in the subsection entitled “Spousal Benefits Before You Retire”. Again, both the municipality where you were employed and the CMERS Unit should be immediately notified of your death.

After Retirement Benefits Have Started

If you die after benefits have started, your designated contingent annuitant or beneficiary will receive any benefits due under the option you chose before retirement. It is necessary to have the CMERS Unit notified of your death as soon as possible to facilitate the commencement of benefits for your contingent annuitant or beneficiary.

Suppose you elect the Straight Life Annuity option and you die before your contributions and earned interest are depleted. In this case, your designated beneficiary will receive a lump sum refund equal to the remaining portion of your contributions and interest. If no beneficiary was designated, the lump-sum refund will be paid to your estate.

If you provide for an income to continue to a contingent annuitant for life and both you and that contingent annuitant die before your contributions and earned interest are depleted, a similar refund will be made. If no beneficiary was designated, the lump-sum refund will be paid to the estate.

Please note: The term “spouse” is also intended to mean “civil union partner” whenever it appears herein.

SURVIVOR BENEFITS

DEATH BENEFITS MAY BE PAYABLE TO YOUR SURVIVOR

Before You Retire

If you should die before you retire, death benefits may be due to your survivor(s). It is important for you to know that as a CMERS member you can, in some instances, influence the type and amount of benefits which may be available to your survivor(s). Should you become seriously ill or injured, or have a life threatening condition, you or someone on your behalf should contact the CMERS Unit as soon as possible, either directly or through your personnel office.

Spousal Benefits Before You Retire

Your spouse may receive monthly benefits if you die before retirement.

Should you die while actively employed or while on an approved leave of absence, your spouse will receive a monthly benefit if:

- You are eligible for normal or early retirement and
- You and your spouse have been married at least twelve months.

The municipality where you were employed should be notified of your death as soon as possible.

Your spouse's benefits will begin on the day after your death. Monthly payments will then continue for his or her lifetime. The benefit amount will equal 50% of the following: The payment you would have received under Option 2 (the 50% spouse option) averaged with the payment you would have received under Option 1 (the Straight Life Annuity option) had you retired on your date of death. If you had not reached age 55 at the time of your death, the benefit will be calculated as though you were age 55.

If A Spousal Benefit Is Not Applicable

If you are not married or if your spouse is not eligible to receive monthly benefits, your designated beneficiary (who could be your spouse) will

Part-Time Service

If you have had part-time service, you should know that:

- For retirement eligibility purposes, your part-time service will be treated as if it were full-time service.
- For retirement income calculation purposes, however, your benefit will be adjusted to reflect the portion of the standard full-time schedule you worked throughout your employment.

Remember, you must customarily work at least 20 hours per week in order to qualify for CMERS membership.

ELIGIBILITY FOR BENEFITS AND TYPES OF RETIREMENT

ELIGIBILITY FOR BENEFITS

How Eligibility Is Determined

Your eligibility for a retirement benefit is determined by the length of time you actively work for a CMERS participating municipality and whether or not that service was continuous. Continuous active service is when you are working for a participating municipality and contributing to the CMERS and you have no periods of unpaid absence in excess of 90 days in one calendar year. A period of unpaid absence of more than 90 days will break the continuity of your service unless the unpaid absence was due to a medical disability, a layoff or an approved leave of absence. Unpaid absences due to a medical disability, a layoff or an approved leave of absence are not considered active service and you will not receive credit for them either in determining your eligibility for a benefit or the amount of the benefit but such absences will not break the continuity of your service. Only your active service before and after these unpaid absences will be used to determine your eligibility for a benefit and to calculate that benefit.

An example of continuous active service is when you work continuously for a CMERS participating municipality for four years and then take a one year unpaid medical leave and return to work for a CMERS

participating municipality for a year following the unpaid medical leave; you will have 5 years of CMERS continuous active service. In this case, the unpaid medical leave period is not counted as active service and it does not break your continuity of service.

An example of non-continuous active service is when you work continuously for a CMERS participating municipality for four years and then you leave to take a job that is not covered by the CMERS and then return to work for a CMERS participating municipality for a year following the absence, you will have a total of four years of CMERS continuous active service, and a total of five years of non-continuous active service. In this case, the leave period is not counted as active service and it does break your continuity of service.

Normal Retirement

You are eligible for Normal Retirement if:

- You have attained age 55 with at least 5 years of continuous active service or 15 years of non-continuous active service with a CMERS participating municipality

OR

- You have not attained age 55, but you have a total of 25 years of service, inclusive of aggregate service, consisting of at least 5 years of continuous active service or 15 years of non-continuous active service with a CMERS participating municipality

Early Retirement

You are eligible for reduced early retirement benefits, regardless of your age, if you have completed at least 5 years of continuous active service with a CMERS participating municipality. Your retirement benefit is actuarially reduced in order to account for the probability of a longer payout period resulting from your early retirement. The amount of the reduction depends on how far away you are from age 55. You may contact the CMERS Unit for the actuarial reduction information.

If you elect a benefit option that will continue an income to a surviving contingent annuitant, the benefit amount you receive will be less than if benefits were paid to you alone. The amount your benefit is reduced depends on your closest age and, with the exception of Option 4, the closest age of your contingent annuitant. In the case of Option 4, your closest age is the only determining factor.

Important Information To Consider When Making Your Option Election

If you have been married for at least one year prior to the commencement of your retirement benefits, written spousal consent will be required if you do not provide your spouse with a lifetime benefit (50% or 100% option) in the event of your death.

Regardless of your option choice or marital status, you must submit proof and/or attest to your marital status at the time of your retirement. Failure to submit the required waiver and documentation prior to your effective date of retirement may result in a delay of retirement income payments.

If you retire and have not designated in writing the benefit payment option you would prefer or have not obtained the consent of your spouse, your benefit will be paid according to your marital status when payment begins.

Except for Option 4, each option requires you to designate a beneficiary. Your beneficiary would receive a lump sum refund of any remaining contributions and interest, if any. This lump sum payment occurs only after your death and the death of your designated contingent annuitant, if applicable.

Please note: The term “spouse” is also intended to mean “civil union partner” whenever it appears herein.

BENEFIT PAYMENT OPTIONS

YOU MAY ELECT THE FORM OF YOUR BENEFIT PAYMENT

Benefit Options

When you apply to retire you must elect one of four benefit payment "Options". Your benefit payment option cannot be changed after retirement. Therefore, you should review your option choices with care and select the one that will provide you with retirement income in the form best suited to your personal needs. If you elect to have your retirement benefits paid to someone else when you die, the recipient would be your contingent annuitant, commonly referred to as your "optionee". The optional forms of payment available are:

- **Option 1 - Straight Life Annuity.** This option provides you with the highest monthly benefit for your lifetime. However, all payments stop at your death.
- **Option 2 - 50% Spouse.** This option first provides a reduced monthly benefit to you for life. Then, after your death, 50% of that benefit will continue to your spouse for their lifetime.
- **Option 3 - 50% or 100% Survivor.** This option provides a reduced monthly benefit to you for your lifetime. In the event of your death, either 50% or 100%, whichever you choose, of your reduced monthly benefit will be paid to your contingent annuitant for their lifetime. This contingent annuitant can be any person, including your spouse.
- **Option 4 - 10 Year or 20 Year Period Certain.** This option provides a reduced monthly benefit to you for your lifetime with payments guaranteed from your retirement date for 10 or 20 years, whichever you choose. If you should die within 10 years (120 payments) or 20 years (240 payments) from your date of retirement, the remaining payments, in accordance with your selection, will be made to your contingent annuitant(s). This is the only option which allows you to name more than one contingent annuitant, each of whom would share each remaining monthly payment equally.

Disability Retirement

If you become permanently and totally disabled and have completed 10 years of continuous active service with a CMERS participating municipality, you may be eligible for a disability retirement. If your disability occurs as a result of your job, you may be eligible for a disability retirement benefit regardless of your years of service.

INCOME AT RETIREMENT

YOUR RETIREMENT BENEFIT IS BASED ON A FORMULA

How Your Benefit Is Calculated

The amount of your pension benefit from the plan depends on:

- Your years and months of service credit in the CMERS
- Your Final Average Pay (FAP) (defined below)
- The Earnings Breakpoint for members covered by Social Security (defined below)

Final Average Pay

Your Final Average Pay (FAP) is the average of your pay for your three highest paid years of municipal service. A year is any 12 consecutive month period. For example, May 1st through the following April 30th equals one year. Total your earnings from your three highest paid years, then divide this total by three to determine your FAP. Remember, pay means annual salary or wages, including overtime, temporary Workers' Compensation payments, and the value of any food, lodging, fuel, or laundry provided to you by your municipality. It excludes any fees or allowances for expenses, and any lump sum reimbursement for accrued sick and vacation time.

Breakpoint

This table shows you the earnings breakpoints through the year 2014.

For The Year	The Breakpoint Is
2007	\$46,000
2008	\$48,800
2009	\$51,700
2010	\$54,800
2011	\$58,100
2012	\$61,600
2013	\$65,300
2014	\$69,200

For each year after 2014, the breakpoint will increase by 6%, rounded to the nearest \$100. In the benefit formula, use the breakpoint for the calendar year in which your last severance from CMERS membership occurs.

Minimum And Maximum Benefits

No benefit plus payments from Social Security or Workers' Compensation will be less than \$1,000 per year. The maximum annual benefit allowed, including Workers' Compensation and Social Security benefits, is 100% of your final average pay.

The Benefit Formulas

Your basic normal retirement benefit is calculated using one or two formulas, depending on whether or not you are covered by Social Security, and if you are covered by Social Security depending on your age and whether or not you are receiving a Social Security Disability Award.

If your employment is not covered by Social Security, your basic annual retirement benefit equals:

2 %	<i>Final Average Pay</i>	<i>X</i>
<i>X</i>		<i>Years of Service</i>

The Disability Benefit

If you are approved for a non-service connected disability retirement, your benefit will be calculated as if you had reached the normal retirement age as of the date of your disability, with no actuarial reduction for early retirement. Your benefit will be calculated using the basic normal retirement benefit formulas. If you are covered by Social Security, your CMERS benefit will be reduced at age 62 or upon receipt of a Social Security Disability Award, if earlier. You must promptly provide a copy of your award letter from the Social Security Administration to the CMERS Unit to ensure the continuation of your retirement benefit.

If you are approved for a service-connected disability retirement, your benefit will be calculated as if you had reached the normal retirement age as of the date of your disability, with no actuarial reduction for early retirement. Your benefit will be calculated using the basic normal retirement benefit formulas. However, your benefit will never be less than fifty percent of your annual rate of pay at the time your disability was incurred. Your annual pay at the time the disability began is calculated using the 52 week period preceding the start of the disability. If you are covered by Social Security, your CMERS benefit will be reduced at age 62 or upon receipt of a Social Security Disability Award, if earlier, provided the reduction does not lower your benefit to an amount less than fifty percent of your annual rate of pay at the time your disability was incurred. You must promptly provide a copy of your award letter from the Social Security Administration to the CMERS to ensure the continuation of your retirement benefit.

Disability benefits are subject to the same minimum and maximum as other retirement benefits. Your disability benefits will be reduced by the amount of any Workers' Compensation payments that you receive, other than specific indemnity awards. This offset may suspend your CMERS disability benefits if your Workers' Compensation payments are equal to or greater than your CMERS disability benefit. You should still apply for a disability retirement according to the deadlines described above. Also, the combination of your CMERS disability benefits, Workers' Compensation payments and Social Security benefits may not exceed 100% of your final average pay.

DISABILITY RETIREMENT

YOU MAY RECEIVE RETIREMENT BENEFITS IF YOU BECOME PERMANENTLY AND TOTALLY DISABLED

Eligibility For Disability Benefits

You may be eligible for a disability retirement benefit if you are permanently and totally disabled from engaging in any gainful employment in the service of your municipality, as determined by the State Retirement Commission. For individualized information you may contact your personnel office or the CMERS Unit.

Your disability may be either non service-connected or service-connected. To be eligible for a non service-connected disability retirement benefit you must have completed at least 10 years of continuous active service. If your disability occurred as a result of your employment you may be eligible for a service-connected disability benefit regardless of your years of service. The existence and continuance of the disability shall be determined by the State Retirement Commission based on medical evidence and other investigations. No disability allowance will be paid if the injury was caused by willful misconduct.

Applying For Disability Benefits

You must apply in writing for a disability retirement benefit within one year of incurring your disability. Your personnel office has the forms you are required to complete. In addition to these forms, you will be required to submit your treating physician's narrative reports as well as the reports of diagnostic tests, hospital summaries and any other relevant information of ongoing care for the condition on which your application is based. The medical evidence you provide will be reviewed by the Retirement Medical Examining Board. This Board will conduct a hearing in connection with your disability retirement application and will provide their recommendation to the State Retirement Commission. If the State Retirement Commission approves a disability retirement benefit for you, payments will be made retroactively to your date of retirement.

If your employment is covered by Social Security and you retire before age 62 and you are not receiving a Social Security Disability Award when you retire, your basic annual benefit equals:

$$2\% \times \text{Final Average Pay} \times \text{Years of Service}$$

Then at age 62 or upon receipt of a Social Security Disability Award, if earlier, your basic annual benefit will be recalculated as follows:

$$1\frac{1}{2}\% \times \text{Final Average Pay} \times \text{Years of Service} \\ \text{Up to the Year's Breakpoint}$$

Plus

$$2\% \times \text{Final Average Pay} \times \text{Years of Service} \\ \text{Above the Year's Breakpoint}$$

If you are 62 or older when you retire or you are under age 62 but you are in receipt of a Social Security Disability Award when you retire, your basic annual benefit will be calculated as follows:

$$1\frac{1}{2}\% \times \text{Final Average Pay} \times \text{Years of Service} \\ \text{Up to the Year's Breakpoint}$$

Plus

$$2\% \times \text{Final Average Pay} \times \text{Years of Service} \\ \text{Above the Year's Breakpoint}$$

Keep in mind your years of service include fractions of a year, based on completed months of service. The above charts provide you with your basic annual benefit. To determine what your basic monthly benefit would be, divide your basic annual benefit by 12.

