



TCRS Hybrid Plan

The Hybrid Plan is a combination of a defined benefit plan administered by the Tennessee Consolidated Retirement System (TCRS) and the State of Tennessee's deferred compensation plan (401(k)).

Components:

- TCRS Defined Benefit Plan (Defined Benefit (DB) portion of your benefit)
- State of TN 401(k) Plan (Defined Contribution (DC) portion of your benefit)

Vesting:

- 5 years vesting with TCRS
- Immediate vesting in the 401(k) (DC) plan

Service Retirement:

- 65 years of age OR rule of 90 (service credit + age = 90)

What determines your TCRS Retirement Benefit?

- **Average Final Compensation (AFC)** - The average of your highest 60 consecutive months of salary.
Not necessarily your last 60 months of salary prior to retirement
- **Years of Service** - Your total number of years and months of creditable service
- **Age at Retirement** - Determines early retirement deduction factors and benefits paid under the optional survivor benefits plans

TCRS Hybrid Plan Component Features

Defined Benefit Plan (TCRS)

- Required contributory rate-5% off earnable compensation
- Benefits are calculated with a set formula
- Lifetime monthly benefit at retirement once eligible
- Survivorship options available
- Employer bears investment risk

Defined Contribution Plan (401(k))

- Multiple distribution options
- Member contribution may be adjusted
- Participant selects investments
- Participant bears investment risk
- Benefit in retirement is based upon participant's account balance

Contributions to the Hybrid Plan			
	Employer ³	Member	Total
TCRS	4%	5%	9%
401(k)	5%	2% ⁴	7%
TOTAL	9%	7%	16%

*

Deductions will not begin until completion of six-month probationary period (if applicable)*