

What is my Tier?

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Changes to the retirement plan over the years have resulted in several distinct membership categories, each with its own retirement eligibility requirements and early-age reductions. TRS has identified membership tiers to help you better understand the requirements and reductions that apply to you. Your tier is determined by the date you entered TRS membership, your “grandfathered” status and by the amount of service credit you had on Aug. 31, 2014. By reviewing the information about your tier, you can find out the age and years of service credit you must have to be eligible for normal-age service retirement, early-age service retirement and the Partial Lump Sum Option (PLSO).

Your tier is displayed on your annual statement and any retirement estimate that you receive from TRS.

Am I a grandfathered member?

You are a grandfathered member, under 2005 legislation, if you met at least one of the following criteria as a member of TRS before Sept. 1, 2005:

- you were at least 50 years of age,
- your age and years of service credit totaled at least 70, or
- you had at least 25 years of service credit.

If you are a “grandfathered” member:

- you are eligible to elect PLSO if you are eligible to receive an unreduced service retirement annuity and you are not a DROP participant,
- your standard annuity calculation will use an average salary based on your highest three annual salaries, and
- you are eligible for certain, more favorable actuarial reduction factors for early-age retirement starting at age 55 with at least 20 years of service credit.



Entry Date

Your tier category is affected by the date you became a TRS member:

- Your TRS membership began on the first day you were employed in a TRS-covered position. Even if you end your employment in Texas public education, your TRS entry date remains the same as long as you do not end your TRS membership by refunding your contributions.
- If you terminated your membership in TRS by refunding your member contributions, your entry date is the date your current TRS membership began. This will be the first day you were employed in a TRS-covered position after your last refund from TRS, even if you reinstated your service credit for the previous TRS-covered service.



2014 Five-Year Service Credit Requirement

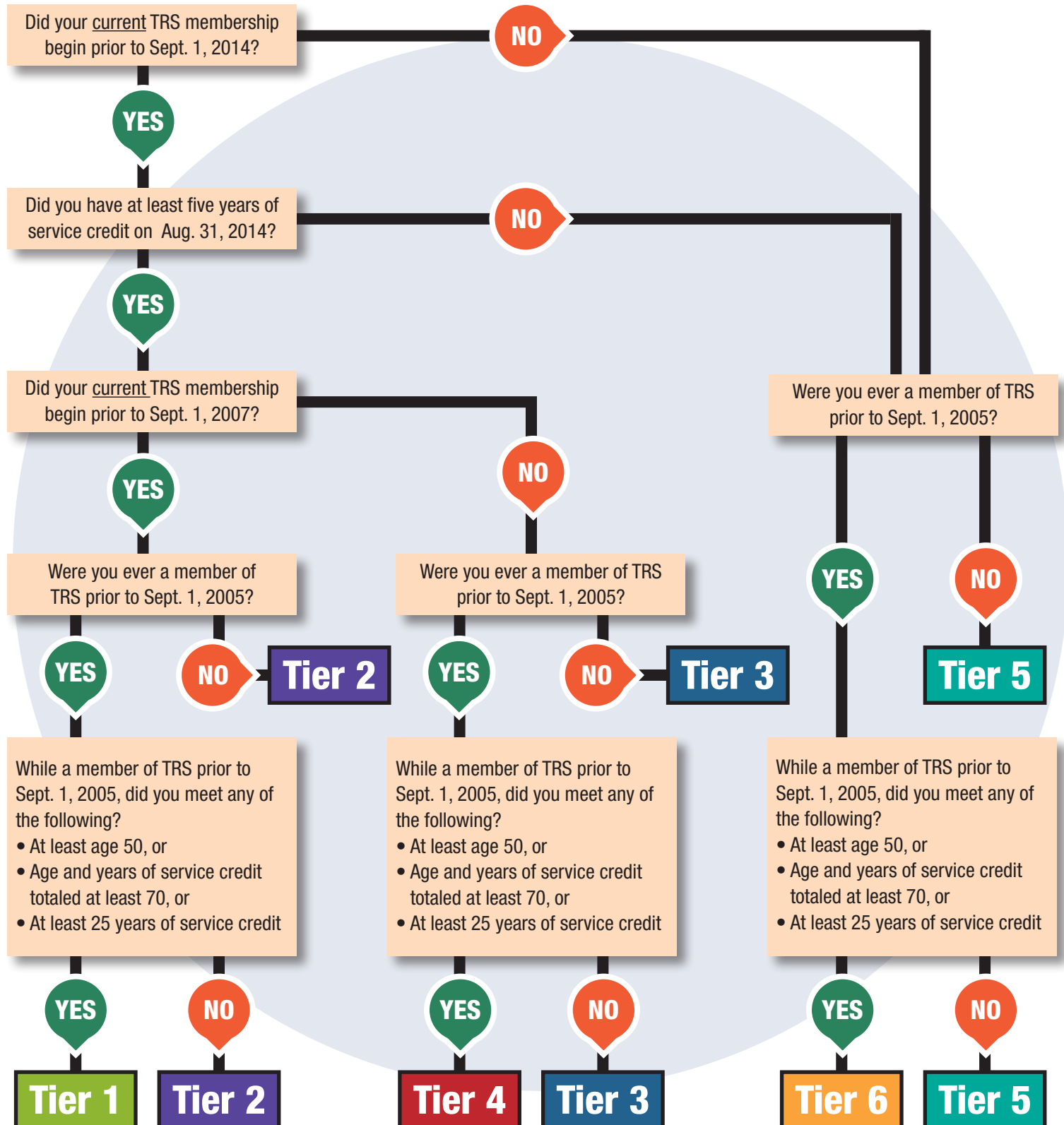
Beginning Sept. 1, 2014, any member with less than five years of service credit in TRS on Aug. 31, 2014, or any member who had an entry date, on or after Sept. 1, 2014, was affected by the changes made to service retirement eligibility criteria by Senate Bill 1458, passed by the Texas Legislature in 2013. These changes are encompassed in Tiers 5 and 6.

Only service credit actually credited in the retirement system on or before Aug. 31, 2014, is considered for meeting the five years of service credit requirement. Service credit that was purchased and paid in full by Aug. 31, 2014, is counted toward the five years of service credit requirement. However, any qualifying USERRA military service (maximum of five years), performed on or before Aug. 31, 2014, will be counted toward the five years of service credit requirement, even if it is not purchased.

As of Aug. 31, 2014, a TRS member who has service credit in another retirement system that participates in the Proportionate Retirement Program may combine the years of service credit in order to meet the five years of service credit requirement. Service credit in the other retirement system may be used even if the member has retired from the other retirement system or if the service credit is granted as “time only credit” in the other retirement system. Members must notify TRS of the service credit in the other retirement system prior to retirement in order for eligibility criteria to be considered.

Tier Placement Map

Use the tier placement map to correctly determine the tier that applies to you. To locate your tier, answer the questions in the order they appear. Once you know your tier, flip over to the next section to learn more. You may also find your tier by using the interactive version of the [TRS Tier Placement Map](#), located on the TRS website.



Tier 1



Your membership falls under Tier 1 if:

- you met the 2005 eligibility requirements to be grandfathered;
- your current TRS membership began prior to Sept. 1, 2007;
- you had at least five years of TRS service credit as of Aug. 31, 2014; **and**
- you maintain your membership until retirement.

To remain in Tier 1, you cannot terminate your membership, withdraw your accumulated contributions and resume membership in TRS after Aug. 31, 2014.

Normal-Age Retirement Eligibility

To be eligible for normal-age service retirement, you must meet one of the following conditions:

- you are age 65 with at least five years of service credit, or
- you meet the Rule of 80 (your age and years of service credit total at least 80) and you have at least five years of service credit.

Normal-Age Retirement Annuity

Your monthly annuity will be calculated using the average of your highest three annual salaries (based on creditable compensation) and according to the standard annuity benefit formula in effect when you retire.

Early-Age Retirement Eligibility

If you do not meet the normal-age service retirement requirements, then to be eligible for early-age service retirement, you must meet one of the following conditions:

- you are at least age 55 with five or more years of service credit but do not meet the Rule of 80, or
- you have 30 or more years of service credit but do not meet the Rule of 80.

If you apply for early-age service retirement, your annuity will be calculated according to the standard annuity benefit formula in effect when you retire, but the annuity amount will be actuarially reduced for early age.

Early-Age Reductions

Actuarial tables detailing the percentage reduction applied to your annuity may be found on the TRS website within TRS Rule 29.12. The tables or the *MyTRS* online calculator can show you the exact amount of the reduction, based on your age and years of service credit.

If you are between ages 55 and 64 and have between five and 19 years of service credit, but do not meet the Rule of 80:

- The early-age reduction to your standard annuity may be as great as 53%, depending on your age at retirement.

If you are between ages 55 and 59 and have between 20 and 24 years of service credit, but do not meet the Rule of 80:

- The early-age reduction to your standard annuity may be as great as 10%, depending on your age at retirement.

If you have at least 30 years of service credit but do not meet the Rule of 80:

- Your standard annuity will be reduced by 2% for every year your age is below the age of 50.

Standard Annuity Calculation

Average Salary = Average of Three Highest Annual Salaries

Total Percent = Total Years of Service Credit x 2.3%

Annual Annuity = Total Percent x Average Salary

Monthly Annuity = Annual Annuity ÷ 12

Retirement annuity calculators are available on the TRS website through MyTRS to assist you.

PLSO Eligibility Requirements

At retirement, you are eligible to select a Partial Lump Sum Option (PLSO) if:

- you are eligible to receive an unreduced service retirement annuity, and
- you are not retiring under the Proportionate Retirement Program.

Tier 2



Your membership falls under Tier 2 if:

- your current TRS membership began prior to Sept. 1, 2007;
- you did not meet the 2005 eligibility requirements to be grandfathered;
- you had at least 5 years of service credit as of Aug. 31, 2014; **and**
- you maintain your membership in TRS until retirement.

To remain in Tier 2, you cannot terminate your membership, withdraw your accumulated contributions and resume membership in TRS after Aug. 31, 2014.

Normal-Age Retirement Eligibility

To be eligible for normal-age service retirement, you must meet one of the following conditions:

- you are age 65 with at least five years of service credit, or
- you meet the Rule of 80 (your age and years of service credit total at least 80) and you have at least five years of service credit.

Normal-Age Retirement Annuity

Your monthly annuity will be calculated using the average of your highest five annual salaries (based on creditable compensation) and according to the standard annuity benefit formula in effect when you retire.

Early-Age Retirement Eligibility

If you do not meet the normal-age service retirement requirements, then to be eligible for an early-age service retirement, you must meet one of the following conditions:

- you are at least age 55 with five or more years of service credit but do not meet the Rule of 80, or
- you have 30 or more years of service credit but do not meet the Rule of 80.

If you apply for early-age service retirement, your annuity will be calculated according to the standard annuity benefit formula in effect when you retire, but the annuity amount will be actuarially reduced for early age.

Early-Age Reductions

Actuarial tables detailing the percentage reduction applied to your annuity may be found on the TRS website within TRS Rule 29.11. The tables or the *MyTRS* online calculator can show you the exact amount of the reduction, based on your age and years of service credit.

If you are between ages 55 and 64, have at least five years of service credit, but do not meet the Rule of 80:

- The early-age reduction to your standard annuity will be as great as 53%, depending on your age at retirement.

If you have at least 30 years of service credit but do not meet the Rule of 80:

- Your standard annuity will be reduced by 2% for every year your age is below the age of 50.

Standard Annuity Calculation

Average Salary = Average of Five Highest Annual Salaries

Total Percent = Total Years of Service Credit x 2.3%

Annual Annuity = Total Percent x Average Salary

Monthly Annuity = Annual Annuity ÷ 12

Retirement annuity calculators are available on the TRS website through MyTRS to assist you.

PLSO Eligibility Requirements

At retirement, you are eligible to select a Partial Lump Sum Option (PLSO) if:

- you are eligible for service retirement,
- your age and years of service credit total 90, and
- you are not retiring under the Proportionate Retirement Program.

Tier 3



Your membership falls under Tier 3 if:

- your current TRS membership began on or after Sept. 1, 2007 but prior to Sept. 1, 2014;
- you did not meet the 2005 eligibility requirements to be grandfathered;
- you had at least five years of service credit in TRS as of Aug. 31, 2014; **and**
- you maintain your membership in TRS until retirement.

To remain in Tier 3, you cannot terminate your membership, withdraw your accumulated contributions and resume membership in TRS after Aug. 31, 2014.

Normal-Age Retirement Eligibility

To be eligible for normal-age service retirement, you must meet one of the following conditions:

- you are age 65 with at least five years of service credit, or
- you are at least age 60, you meet the Rule of 80 (your age and years of service credit total at least 80), and you have at least five years of service credit.

Normal-Age Retirement Annuity

Your monthly annuity will be calculated using the average of your highest five annual salaries (based on creditable compensation) and according to the standard annuity benefit formula in effect when you retire.

Early-Age Retirement Eligibility

If you do not meet the normal-age service retirement requirements, then to be eligible for early-age service retirement, you must meet one of the following conditions:

- you are at least age 55 with five or more years of service credit but do not meet the Rule of 80,
- you have at least 30 years of service credit, do not meet the Rule of 80, and are less than age 60, or
- you meet the Rule of 80 with at least five years of service credit but you are less than age 60.

If you apply for early-age service retirement, your annuity will be calculated according to the standard annuity benefit formula in effect when you retire, but the annuity amount will be actuarially reduced for early age.

Early-Age Reductions

Actuarial tables detailing the percentage reduction applied to your annuity may be found on the TRS website within TRS Rule 29.11. The tables or the *MyTRS* online calculator can show you the exact amount of the reduction, based on your age and years of service credit.

If you are between ages 55 and 64, have at least five years of service credit but do not meet the Rule of 80:

- The early-age reduction to your standard annuity may be as great as 53% depending on your age at retirement.

If you have at least 30 years of service credit, do not meet the Rule of 80, and are less than age 60:

- Your standard annuity will be reduced by 5% for every year your age is below the age of 60.

If you meet the Rule of 80 with at least five years of service credit but are less than age 60:

- Your standard annuity will be reduced by 5% for every year your age is below the age of 60.

Standard Annuity Calculation

Average Salary = Average of Five Highest Annual Salaries

Total Percent = Total Years of Service Credit x 2.3%

Annual Annuity = Total Percent x Average Salary

Monthly Annuity = Annual Annuity ÷ 12

Retirement annuity calculators are available on the TRS website through MyTRS to assist you.

PLSO Eligibility Requirements

At retirement, you are eligible to select a Partial Lump Sum Option (PLSO) if:

- you are eligible for service retirement,
- your age and years of service credit total 90, and
- you are not retiring under the Proportionate Retirement Program.

Tier 4



Your membership falls under Tier 4 if:

- you met the 2005 eligibility requirements to be grandfathered;
- your current TRS membership began after Sept. 1, 2007 but prior to Sept. 1, 2014;
- you had at least five years of service credit in TRS as of Aug. 31, 2014; **and**
- you maintain your membership in TRS until retirement.

To remain in Tier 4, you cannot terminate your membership, withdraw your accumulated contributions and resume membership in TRS after Aug. 31, 2014.

Normal-Age Retirement Eligibility

To be eligible for normal-age service retirement, you must meet one of the following conditions:

- you are age 65 with at least five years of service credit, or
- you are at least age 60, you meet the Rule of 80 (your age and years of service credit total at least 80), and you have at least five years of service credit.

Normal-Age Retirement Annuity

Your monthly annuity will be calculated using the average of your highest three annual salaries (based on creditable compensation) and according to the standard annuity benefit formula in effect when you retire.

Early-Age Retirement Eligibility

If you do not meet the normal-age service retirement requirements, then to be eligible for early-age service retirement, you must meet one of the following conditions:

- you are at least age 55 with five or more years of service credit but do not meet the Rule of 80,
- you have at least 30 years of service credit, do not meet the Rule of 80, and are less than age 60, or
- you are less than age 60 but you meet the Rule of 80 with at least five years of service credit.

If you apply for early-age service retirement your annuity will be calculated according to the standard annuity benefit formula in effect when you retire, but the annuity amount will be actuarially reduced for early age.

Early-Age Reductions

Actuarial tables detailing the percentage reduction applied to your annuity may be found on the TRS website in TRS Rule 29.12. The tables or the *MyTRS* online calculator can show you the exact amount of the reduction, based on your age and years of service credit.

If you are between ages 55 and 64, have between five and 19 years of service credit, but do not meet the Rule of 80:

- The early-age reduction to your standard annuity may be as great as 53% depending on your age at retirement.

If you are between ages 55 and 59 and have between 20 and 24 years of service credit, but do not meet the Rule of 80:

- The early-age reduction to your standard annuity may be as great as 10%, depending on your age at retirement.

If you have at least 30 years of service credit, do not meet the Rule of 80, and are less than age 60:

- Your standard annuity will be reduced by 5% for every year your age is below the age of 60.

If you are less than age 55 but you meet the Rule of 80 with at least five years of service credit:

- Your standard annuity will be reduced 5% for every year your age is below the age of 60.

If you are at least age 55 but less than age 60, have at least 20 years of service credit, and meet the rule of 80:

- Your standard annuity is not reduced based on actuarial tables, but you are still considered an early-age retiree.

Standard Annuity Calculation

Average Salary = Average of Three Highest Annual Salaries

Total Percent = Total Years of Service Credit x 2.3%

Annual Annuity = Total Percent x Average Salary

Monthly Annuity = Annual Annuity ÷ 12

Retirement annuity calculators are available on the TRS website through MyTRS to assist you.

PLSO Eligibility Requirements

At retirement, you are eligible to select a Partial Lump Sum Option (PLSO) if:

- you are eligible to receive an unreduced service retirement annuity, and
- you are not retiring under the Proportionate Retirement Program.

Tier 5



Your membership falls under Tier 5 if you did not meet the 2005 eligibility requirements to be grandfathered and any of the following applies:

- you did not have at least five years of service credit on Aug. 31, 2014,
- your current membership in TRS began on or after Sept. 1, 2014, or
- you had at least five years of service credit on Aug. 31, 2014, but you terminated your membership in TRS by withdrawing your accumulated contributions and resumed membership in TRS after Aug. 31, 2014.

Normal-Age Retirement Eligibility

To be eligible for normal-age service retirement, you must meet one of the following conditions:

- you are age 65 with at least five years of service credit, or
- you are at least age 62, you meet the Rule of 80 (your age and years of service credit total at least 80), and you have at least five years of service credit.

Normal-Age Retirement Annuity

Your monthly annuity will be calculated using the average of your highest five annual salaries (based on creditable compensation) and according to the standard annuity benefit formula in effect when you retire.

Early-Age Retirement Eligibility

If you do not meet the normal-age service retirement requirements, then to be eligible for early-age service retirement, you must meet one of the following conditions:

- you are at least age 55 with five or more years of service credit but do not meet the Rule of 80,
- you have at least 30 years of service credit, do not meet the Rule of 80, and are less than age 62, or
- you meet the Rule of 80 (your age and years of service credit total at least 80) with at least five years of service credit but you are less than age 62.

If you apply for early-age service retirement, your annuity will be calculated according to the standard annuity benefit formula in effect when you retire, but the annuity amount will be actuarially reduced for early age.

Early-Age Reductions

Actuarial tables detailing the percentage reduction applied to your annuity may be found on the TRS website in TRS Rule 29.11. The tables or the *MyTRS* online calculator can show you the exact amount of the reduction, based on your age and years of service credit.

If you are between ages 55 and 64, have at least five years of service credit, but do not meet the Rule of 80:

- The early-age reduction to your standard annuity may be as great as 53% depending on your age at retirement.

If you have at least 30 years of service credit, do not meet the Rule of 80 and are less than age 62:

- Your standard annuity will be reduced by 5% for every year your age is below the age of 62.

If you meet the Rule of 80 with at least five years of service credit but are less than age 62:

- Your standard annuity will be reduced by 5% for every year your age is below the age of 62.

Standard Annuity Calculation

Average Salary = Average of Five Highest Annual Salaries

Total Percent = Total Years of Service Credit x 2.3%

Annual Annuity = Total Percent x Average Salary

Monthly Annuity = Annual Annuity ÷ 12

Retirement annuity calculators are available on the TRS website through MyTRS to assist you.

PLSO Eligibility Requirements

At retirement, you are eligible to select a Partial Lump Sum Option (PLSO) if:

- you are eligible for service retirement,
- your age and years of service credit total 90, and
- you are not retiring under the Proportionate Retirement Program.

Tier 6



Your membership falls under Tier 6 if you met the 2005 eligibility requirements to be grandfathered and any of the following applies:

- you did not have at least five years of service credit on Aug. 31, 2014;
- your current membership in TRS began on or after Sept. 1, 2014; or
- you had at least five years of service credit on Aug. 31, 2014, but you terminated membership in TRS by withdrawing your accumulated contributions and resumed membership in TRS after Aug. 31, 2014.

Normal-Age Retirement Eligibility

To be eligible for normal-age service retirement, you must meet one of the following conditions:

- you are age 65 with at least five years of service credit, or
- you are at least age 62, you meet the Rule of 80 (your age and years of service credit total at least 80), and you have at least five years of service credit.

Normal-Age Retirement Annuity

Your monthly annuity will be calculated using the average of your highest three annual salaries (based on creditable compensation) and according to the standard annuity benefit formula in effect when you retire.

Early-Age Retirement Eligibility

If you do not meet the normal-age service retirement requirements, then to be eligible for early-age service retirement, you must meet one of the following conditions:

- you are at least age 55 with five or more years of service credit but do not meet the Rule of 80,
- you have at least 30 years of service credit, do not meet the Rule of 80 and are less than age 62, or
- you are less than age 62 but you meet Rule of 80 with at least five years of service credit.

If you apply for early-age service retirement, your annuity will be calculated according to the standard annuity benefit formula in effect when you retire, but the annuity amount will be actuarially reduced for early age.

Early-Age Reductions

Actuarial tables detailing the percentage reduction applied to your annuity may be found on the TRS website in TRS Rule 29.12. The tables or the *MyTRS* online calculator can show you the exact amount of the reduction, based on your age and years of service credit.

If you are between ages 55 and 64, have between five and 19 years of service credit, but do not meet the Rule of 80:

- The early-age reduction to your standard annuity may be as great as 53% depending on your age at retirement.

If you are between ages 55 and 59 and have between 20 and 24 years of service credit, but do not meet the Rule of 80:

- The early-age reduction to your standard annuity may be as great as 10%, depending on your age at retirement.

If you have at least 30 years of service credit, do not meet the Rule of 80, and are less than age 62:

- Your standard annuity will be reduced by 5% for every year your age is below the age of 62.

If you are less than age 55 but you meet the Rule of 80:

- Your standard annuity will be reduced by 5% for every year your age is below the age of 62.

If you are age 61, you meet the Rule of 80, and you have 19 years of service credit:

- Your standard annuity will be reduced by 5%.

If you are at least age 55 but less than age 62, have at least 20 years of service credit, and meet the rule of 80:

- Your standard annuity is not reduced based on actuarial tables, but you are still considered an early-age retiree.

Standard Annuity Calculation

Average Salary = Average of Three Highest Annual Salaries

Total Percent = Total Years of Service Credit x 2.3%

Annual Annuity = Total Percent x Average Salary

Monthly Annuity = Annual Annuity ÷ 12

Retirement annuity calculators are available on the TRS website through MyTRS to assist you.

PLSO Eligibility Requirements

At retirement, you are eligible to select a Partial Lump Sum Option (PLSO) if:

- you are eligible to receive an unreduced service retirement annuity, and
- you are not retiring under the Proportionate Retirement Program.