



# TRS/ERS TRANSFER

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TEACHER  
RETIREMENT  
SYSTEM OF  
TEXAS



October 2006

# TRS-ERS Transfer

*This brochure describes optional service transfer. If you are employed by a state agency that transferred all membership from TRS to ERS in 1993 or 1994, please contact ERS at 1-877-275-4377 for assistance with your transfer questions.*

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## INTRODUCTION

**E**ligible active members of the Teacher Retirement System (TRS) may transfer service credited under the Employees Retirement System (ERS) to TRS. Conversely, eligible active members of ERS may transfer TRS-credited service to ERS. The transfer of service takes place at the time a member retires or at the time a pre-retirement death benefit becomes payable. Members who have already retired under either system are not eligible to transfer service credit.

A TRS member must have at least three years of active TRS service credit to be eligible to transfer ERS service to TRS. Likewise, an ERS member must have three years (36 months) of active ERS service credit to transfer TRS service to ERS. A person who has at least three years of active service credit in both systems may make a transfer from either system to the other.

### **Consider these examples:**

- A person has 20 years of TRS service credit and 2 years of ERS service credit. This person may transfer ERS service to TRS.

- A person has only one year of TRS service credit and 12 years of ERS service credit.  
This person may transfer TRS service to ERS.
- A person has 10 years of TRS service credit and also has 10 years of ERS service credit. This person may either transfer the ERS service to TRS **or** transfer the TRS service to ERS.

A person who transfers service credit from one retirement system to the other terminates membership and the right to benefits in the system from which service credit was transferred.

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## **SERVICE ELIGIBLE FOR TRANSFER**

**S**ervice which is eligible for transfer is current membership service which meets the requirements for service credit under TRS laws and rules. For additional explanation, refer to the “Establishing TRS Service Credit” section of the *TRS Benefits Handbook*, available by mail or on the TRS Web site ([www.trs.state.tx.us](http://www.trs.state.tx.us)).

- ERS service will be evaluated on a September 1 through August 31 basis to determine if it is creditable under TRS laws and rules. ERS service of at least five calendar months in a fiscal year will be counted as one year of service credit when transferred to TRS.
- For members transferring TRS service credit to ERS, each year of TRS service credit will be counted as 12 months of service at ERS.

- Members who have both TRS and ERS credit for service performed within the same school year will receive no more than one year of credit. Overlapping service is credited only once.

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## **PURCHASE OF SERVICE CREDIT**

**A**ctive members of TRS who have at least three years of credited TRS service may reinstate service credit which was withdrawn from ERS without becoming a current member of ERS. Conversely, active ERS members with at least three years (36 months) of credited ERS service may reinstate service credit which was withdrawn from TRS without becoming a current member of TRS. To be eligible for reinstatement and transfer, service must meet the requirements outlined in the section of this brochure titled “Service Eligible for Transfer.”

ERS members who reinstate TRS withdrawn service may use that reinstated TRS service to qualify for the purchase of other eligible TRS special service. To purchase other types of service, the requirements under TRS laws and rules for those purchases must be met.

**For example**, TRS requires a member to have at least five years of active membership service to be eligible to purchase military service credit. An ERS member who reinstates at least five years of withdrawn TRS service may qualify to purchase military service with TRS, provided all other requirements under the TRS laws and rules are met.

The cost of service purchased for the purpose of transfer at retirement must be

paid in full by the effective date of retirement.

**Note:** ERS members with less than 36 months of active ERS service credit may reinstate TRS withdrawn service under the Proportionate Retirement Program.

For additional information, refer to the “Withdrawn Service” and “Proportionate Retirement” sections of the *TRS Benefits Handbook*.

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## **SERVICE TRANSFER FOR RETIREMENT**

**A** minimum of five years of service credit is required for a member to be eligible for service retirement benefits with either TRS or ERS. Service may be transferred from ERS to TRS, or vice versa, to meet this requirement. Age requirements of the system under which the member plans to retire must also be met. Service credit transfer is also available to members who are approved for disability retirement.

Members who transfer service at retirement must terminate their employment with all TRS-covered employers *and* all ERS-covered employers by their effective date of retirement. Please refer to the section of this brochure titled “Employment after Retirement with Service Transfer” for additional information.

The average compensation to be used in the benefit formula will be determined using the higher of the member’s average TRS compensation or average ERS compensation. Average compensation is determined by each system under applicable laws and rules. TRS and ERS compensation

*cannot* be combined to determine the average.

Members who are ready to retire and have service eligible for transfer should notify *the system under which they plan to retire* of their intent at least three months prior to their anticipated retirement date. Such members should request retirement documents, including a service credit transfer request form. The transfer form must be completed and signed by the member and returned to the system under which the member is retiring.

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## **SERVICE TRANSFER FOR PRE-RETIREMENT DEATH BENEFITS**

**M**embers who have service in both TRS and ERS should inform their beneficiaries of the possibility of service transfer in the event of the member's death while actively employed under either system. For a beneficiary to be eligible to transfer service credit upon the death of a member before retirement, the designated beneficiary under *both* TRS and ERS *must be the same person*. For this reason, it is extremely important that individuals with dual membership maintain up-to-date beneficiary designations with both systems. Both TRS and ERS require that members designate beneficiaries on forms prescribed by each system.

In the event of the pre-retirement death of a member, the beneficiary may transfer service credit only if the transfer will result in the payment of a death benefit annuity. Each system has other specific requirements

for payment of a pre-retirement death benefit; such requirements must also be met. Refer to the *TRS Benefits Handbook* for additional information on TRS death benefits for active members.

**For example**, if an active, currently contributing TRS member who has three years of TRS service credit and at least two years of ERS service credit dies, the TRS beneficiary may elect to transfer the ERS service to TRS for payment of a death benefit annuity, provided that the TRS beneficiary is the same person as the ERS beneficiary. **Note** that, with service transfer, the total service is five years. A minimum of five years of service is required for payment of some death benefit annuities under TRS law.

The beneficiary must file a completed transfer request form with the receiving system within 90 days after the date of the member's death. Service credit can *only* be transferred if neither system has yet paid benefits.

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## **EMPLOYMENT AFTER RETIREMENT WITH SERVICE TRANSFER**

**M**embers who transfer service at retirement must terminate their employment with all TRS-covered employers *and* all ERS-covered employers by their effective date of retirement. A TRS retiree may work after retirement for a TRS-covered employer without adverse effect on the monthly annuity payment *only* in accordance with specified limits on the type and length of service.

A break in service of at least one full calendar month must also occur before beginning any employment after retirement. Refer to the *TRS Benefits Handbook* for additional information on employment after retirement limitations.

A TRS retiree may work for an ERS-covered employer following retirement without limits on the type and length of service. A TRS retiree who transferred ERS service credit to TRS to increase the TRS retirement benefit and whose last place of employment before retirement was with an ERS-covered employer, must have a break in service of one full calendar month after the retirement date. During this break, the retiree may not work in any capacity for any TRS- or ERS-covered employer. A TRS retiree who goes to work for an ERS-covered employer will be required to become a new member of ERS and make contributions to that system. The same is true for an ERS retiree who becomes employed by a TRS-covered employer.

Members who use service transfer at retirement are encouraged to contact the system under which they retired prior to accepting any employment with a TRS- or ERS-covered employer.

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*For a complete statement of the laws and administrative rules that pertain to TRS-ERS transfer, consult the TRS Laws and Rules (Laws, Chapter 805; Rules, Section 25.113). Available via the TRS Web site ([www.trs.state.tx.us](http://www.trs.state.tx.us)).*

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## **Frequently Asked Questions:**

**1. I am currently a member of TRS and I have previously withdrawn service from employment with a state agency. Who do I contact to reinstate that service?**

Contact ERS at: P.O. Box 13207, Austin, TX 78711-3207 or 1-877-275-4377.

**2. I am currently a member of TRS and have less than one year of previous state agency service under ERS. Is that time eligible for transfer?**

If your ERS service credit is at least five months in one fiscal year (September 1 through August 31), it is eligible for transfer to TRS as one creditable year of service.

**3. I am working for a school district now but will transfer my TRS service to ERS and retire under that system. May I return to full-time public school employment after my ERS retirement?**

Yes, but you must have one full calendar month break in service after your retirement date during which time you do not work at all for any TRS- or ERS- covered employer. You will also be required to make contributions to a new TRS account.

**4. If I retire from ERS and later begin working for a TRS-covered employer, do I have to pay TRS deposits?**

As an ERS retiree, once you meet the break in service requirement (one full month), you may return to TRS-covered employment as an active TRS member and begin a new member contribution account. You must pay TRS deposits and will be entitled to the same benefits as any other active TRS member.

**5. I am employed full-time by a school district, but I also work part-time for a state agency. May I combine my service under one retirement system?**

Simultaneous service under TRS and ERS may not be transferred or combined. You are eligible for benefits from each system separately, based on the laws and rules of each system.



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