

TRS 31
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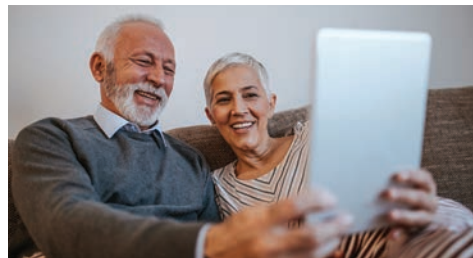
TEACHER RETIREMENT SYSTEM of TEXAS

Instructions for Service Retirement



Teacher Retirement System of Texas
1000 Red River Street
Austin, Texas 78701-2698
800.223.8778
512.542.6597 Fax





PLANNING FOR RETIREMENT



STEP 1 10-12 MONTHS prior to retirement:



Use the retirement calculator in *MyTRS*



Form TRS 18 – *Request for Estimate of Retirement Benefits*
Complete and submit

TRS will mail retirement packet within 60 days.



Watch **Member Education and Financial Awareness** videos



Review retirement options



Attend benefits presentation

TRS counselor will provide information you need to know about your benefits.



Purchase service credit or transfer credit

TRS will provide a service credit purchase statement for eligible purchases.



If needed, schedule an appointment with a Benefits Counselor

TRS counselor will meet with you one-on-one to review your retirement estimate and guide you through the paperwork.

STEP 2 6 MONTHS prior to your retirement date, submit:



Form TRS 30 – *Application for Service Retirement*

TRS processes application for retirement within 31 days of receipt. You will receive a *Retirement Application Acknowledgment* (Form TRS 32).



Driver's license or birth certificate for age verification



IRS Form W-4P – *Withholding Certificate for Periodic Pension or Annuity Payments*

TRS will use this to determine annuity payment Federal Income Tax Withholding.



Form TRS 278 – *Direct Deposit Request*

TRS processes request to ensure your annuity payment is delivered directly to your account.

STEP 3 30-60 DAYS prior to retirement:



If you are currently employed by a TRS-covered entity, notify your employer of your intent to retire/terminate all employment with TRS-covered entities



TRS will contact your employer(s) near your retirement date to confirm your termination date and final salary information.

TRS certifies retirement and annuity payment information. TRS sends a final letter. Completion time: Usually within 31 days of receipt of all paperwork.



Review and consider available health benefit options

This timeline is meant to be a general example of the retirement process. Your specific timeline may differ. Planning ahead can help ensure a smooth transition into retirement. TRS experiences a high volume of retirements during the months of May through August. **Don't delay!**

All the forms you need to apply for retirement are included in your retirement packet. This pamphlet explains how to complete the retirement process. Please read the instructions carefully and contact a TRS benefits counselor if you have any questions. You may also find more detailed information in the TRS Benefits Handbook or in special topic brochures available on the TRS website or directly from TRS. You may disregard any of the steps that you have already completed.

Completed forms may be mailed to TRS or faxed to 512.542.6597.

Step 1: Complete and Return the *Application for Service Retirement* form (TRS 30) to TRS

Your service retirement application establishes your retirement date, retirement annuity plan, and beneficiary. We recommend that you have your retirement estimate from TRS (form TRS 25) handy to refer to when completing your application. Initial all corrections you may make on the form to ensure that your intentions are clear. Complete the *Application for Service Retirement* form (TRS 30) and send it to TRS, even if you are not yet able to complete the other steps. State law requires a written application to establish your retirement date, and the form TRS 30 is the document used for this purpose. If your name is pre-printed on your application, check to be sure it is correct. If your name has changed, follow the instructions in the *TRS Benefits Handbook* to send a name change to TRS. If your name is not pre-printed, print your name. Print your TRS Participant ID or social security number so we can match your application to your TRS account. Submit the form directly to TRS, not your employer.

Once you have filed your retirement application with TRS, you must submit all other required documents and forms, as described by TRS in these instructions or by letter, within 12 months from your retirement effective date. Your application for retirement will be void if you do not meet this 12-month deadline. If your application becomes void for this reason, your earliest retirement date can then be no earlier than the last day of the month in which TRS receives a new retirement application, or the last day of either of the two preceding months, provided employment has terminated. No annuity payments will be payable for the intervening months.

TRS 30, SECTION A – Selection of Retirement Date

Fill in the month and year you want your retirement to be effective. For TRS purposes, retirement is always effective on the last day of a month, even if you ended your employment earlier in the month. Your retirement can be effective no earlier than either the last day of the month in which TRS receives the form TRS 30 or the last day of either of the two previous months, provided you terminated employment the effective date of your retirement. For example, if you want your retirement to be effective January 31 and you terminate your employment by January 31, TRS must receive your retirement application no later than March 31. You cannot change your retirement date after your first annuity payment has been issued by TRS.

Terminating Employment

You must terminate all employment with all employers in Texas public education by the effective date of your retirement. Termination does not occur until your official resignation date and you have stopped all employment with all TRS-covered employers. For retirement purposes, employment has not terminated if you are on paid or unpaid leave.

If, however, you must work into the month of June but no later than June 15 to complete work required for the school year, you may establish a May 31 retirement date. To do so, TRS must receive your retirement application no later than July 31, and you must terminate employment on or before June 15.

Additionally, even arranging or negotiating for future employment before you retire can mean that your employment has not terminated and you are not eligible for retirement. If you plan to arrange for future employment around the time of your retirement, please see the *Employment After Retirement* brochure, which is available on the TRS website or directly from TRS.

Choosing to Revoke Retirement

You may choose to revoke your application for retirement by sending written notice to TRS before TRS issues your first annuity payment. If you revoke your retirement, you must return any retirement-related benefits you received, including TRS-Care claim payments. You may not elect to revoke your retirement after the first annuity payment is made.

Automatic Revocation of Retirement; Minimum Required Break in Service

You will automatically revoke your retirement if you become employed in any position in any Texas public education institution during the minimum one full calendar month required break in service. This means that:

- you may not be employed during the first full calendar month following the effective date of your retirement, **or**
- if you retire effective May 31 under the “June 15 rule” described above, you may not be employed during the first **two** calendar months following the effective date of your retirement.

This break in service requirement applies to both normal age and early age retirees. Working even one day during the required one full calendar month break in service as a substitute, in a temporary or part-time position and/or in a full-time position will revoke your retirement. Volunteering service, working without pay, or working as an independent contractor during the required break in service may also be considered employment that will jeopardize your retirement.

If your retirement is automatically revoked, you must return all retirement and TRS-Care benefits you received, including any lump sum payments paid directly to you or that you rolled over to another eligible retirement plan.

TRS 30, SECTION B – Selection of Retirement Annuity Payment Plan

In Section B on the *Application for Service Retirement* form (TRS 30), check only one box to select the retirement annuity payment plan you want. Please read the explanations of the Standard Annuity and Options 1 through 5 very carefully. Also, review your retirement estimate carefully before making your choice of retirement annuity payment plan. Your estimate shows you the approximate **gross** dollar amount payable under each plan. Remember that deductions, such as your federal income tax and/or TRS-Care retiree health benefit premiums, will reduce the **gross** amount. Because of the lifelong effect of your plan selection, it is very important that you fully understand the plan that you select.

If, at retirement, you select a different beneficiary than you indicated when your estimates were prepared, the amount TRS will pay under Option 1, 2, or 5 (if you select one of these) will be different from the amount shown on your estimate(s). This is because the amount of annuity under these options is based on the joint life expectancy of you and your beneficiary. When your beneficiary is changed, most likely the life expectancy of the beneficiary will change as well. Also, be aware that you may not be eligible to select Option 1 if you designate a non-spouse beneficiary whose adjusted age difference is more than 10 years younger than you, and you may not be eligible to select Option 5 if you designate a non-spouse beneficiary whose adjusted age difference is more than 19 years younger than you. The adjusted age difference is calculated as follows:

Step 1: Age 70 minus your age at retirement = allowable adjustment to actual age difference.

Step 2: Your age at retirement minus your beneficiary's age = actual age difference.

Step 3: Actual age difference minus allowable adjustment = adjusted age difference.

You may change your retirement annuity payment plan selection after your first annuity check has been issued, but only in certain circumstances. These circumstances include if you selected an Option 1, 2, or 5 payment plan and want to return to a standard annuity amount after you receive at least one payment. If you named your spouse as beneficiary, your spouse must consent or a court must authorize or order the change. If you are receiving a standard annuity and marry after retirement and want to select an Option 1, 2, or 5 payment plan and name your spouse as beneficiary, you must do so by the second anniversary of your marriage. Consult the *TRS Benefits Handbook* for more information. All retirement annuity payment plans are payable for the life of the retiree.

In addition to benefits payable under the retirement annuity payment plan you select, retiree survivor benefits are payable to your beneficiary upon your death. See Section C below for more information on these benefits and on designating a beneficiary for the different benefits that may be payable after your death.

TRS 30, SECTION C – Designation of Beneficiary(ies)

Even though you may have a designation of beneficiary on file with TRS, when you retire, you must designate one or more beneficiaries for benefits that may be payable at the time of your death. The designation you complete on form TRS 30 revokes all previous designations, except as may be provided by law. If you fail to designate a beneficiary on the TRS 30 and you die before TRS receives a new designation of beneficiary form, TRS will pay the survivor benefits payable at your death to the person(s) described in law. In Section C, for each primary beneficiary you wish to designate, print the beneficiary's first and last name, social security number, relationship, date of birth, and mailing address. You are not required to designate an alternate beneficiary; an alternate beneficiary is eligible to receive the survivor benefit only if all persons named as primary beneficiaries predecease you.

However, if you wish to designate one or more alternate beneficiaries, print the information for those beneficiaries in the spaces indicated. If you do not have all of the information for your beneficiaries, include as much information as possible so that TRS can identify and locate them. If you designate a primary or alternate beneficiary that is not a natural person, such as a charity, print the full name of the organization, the organization's tax identification number if you have it, and the mailing address.

For some benefits, you may designate more than one beneficiary. However, if you are eligible and

select the Option 1, 2, or 5 retirement annuity payment plan, you may designate only one beneficiary for the monthly benefits that will continue to your surviving beneficiary under the plan after your death. You may change your beneficiary for Option 1, 2, or 5 one time after you have retired and received your first monthly annuity payment. If the beneficiary designated at the time you retired is your spouse or former spouse at the time of the designation, TRS must receive either your beneficiary's consent or a court order that authorizes or orders the change. If you change the beneficiary, the benefits are payable to the new surviving beneficiary for the **shorter** of (1) the remaining life expectancy of the original beneficiary, or (2) the life of the new beneficiary. You may choose to designate different beneficiaries for different types of benefits that may be payable at your death, or you may choose to designate the same beneficiary for all types of benefits payable.

Please give careful consideration to your beneficiary designations so that your intentions are clear for each type of benefit payable. See the *Instructions and Information for Designating a Beneficiary* form (TRS 677) in your retirement packet for important requirements. For additional information, refer to the section later in these instructions titled *Important Information Regarding Designating a Beneficiary*. A beneficiary designation must be received by TRS prior to your death in order for the designation to be effective.

TRS 30, SECTION D – Signature

Sign and date your application. TRS recommends that you have your application notarized to avoid possible questions about the authenticity of your signature.

When you have completed your retirement application, submit it directly to TRS. **Do not give this form to your employer.** If you wish, make a copy for your records. After TRS receives your application, you will receive an acknowledgement letter. Please follow any instructions we may send you to complete the retirement process.

Step 2: Consider a Partial Lump-Sum Option (PLSO) Distribution, if Eligible

Eligibility for PLSO is discussed in the *TRS Benefits Handbook*. If you meet the eligibility requirements to elect a PLSO distribution, the estimated PLSO amounts will be displayed on your retirement estimate (TRS 25) and you will receive a *Partial Lump-Sum Option (PLSO) Election* form (TRS 30P). Before you make your decision, carefully review the three different lump sum amounts you can select from and the amount of your reduced annuity based on your partial lump-sum election. Taking a partial lump sum amount will **permanently** reduce your monthly annuity. This permanent reduction is **in addition** to the reduction for any option annuity payment plan you select. If you wish to elect a PLSO, you must complete and return form TRS 30P. Read the *Special Tax Notice Regarding Your Rollover Options Under the Teacher Retirement System of Texas* before completing form TRS 30P. Do **not** return form TRS 30P prior to submitting your *Application for Service Retirement* form (TRS 30). If you wish to elect a PLSO, send form TRS 30P at the same

time or shortly after you send form TRS 30 to TRS. **If you do not wish to elect PLSO, do not complete form TRS 30P.**

You cannot elect a PLSO once you become a retiree; therefore, your TRS 30P must be received at TRS before your first monthly retirement annuity payment has been issued. A PLSO election cannot be revoked or changed after your first monthly retirement annuity payment has been issued.

If elected, your first PLSO payment will be issued at the same time as your first monthly retirement annuity payment. If you select two or three annual lump-sum payments, the second and third payments will be made on the anniversary date of the due date of the initial lump-sum payment. No interest is payable on any lump sum or annual payment. If you select two or three annual lump sum payments, you may notify TRS if you wish to accelerate receipt of the remaining annual payments and receive the balance in a lump sum.

Step 3: Furnish Proof of Age

At retirement, you must send TRS proof of your age. Please read the *Acceptable Proof of Age Documents* form (TRS 13) in your retirement packet. You may send TRS an unaltered, legible copy of any one of the documents listed on the form TRS 13. If you choose an Option 1, 2, or 5 retirement annuity payment plan, you also must send TRS a proof of age document for your primary beneficiary. **Please do not send original documents because TRS cannot return them to you.** If these documents are not readily available, do not delay sending the *Application for Service Retirement* form (TRS 30); you can send the proof of age documents separately. It is important that you write your TRS Participant ID or social security number on all proof of age documents that you send.

Step 4: Finish Buying Any Additional Service Credit or Compensation Credit

You must finish paying for the purchase of any service credit that you want to be included in the calculation of your annuity. You have a period of two calendar months from the later of your effective date of retirement or the last day of the month in which TRS receives your TRS 30 to complete the purchase of service credit (provided that the purchase is completed before TRS makes the first annuity payment). However, if the purchase of the service credit is required for you to be eligible to retire, TRS must receive payment in full by the effective date of your retirement. If you wish to purchase state and/or personal leave credit, you will have 90 days after TRS issues your cost statement to complete the purchase (provided that the purchase is completed before TRS makes the first annuity payment).

If eligible, you may increase your retirement annuity payment by purchasing the following types of service credit:

- *Eligible unreported service (including substitute service and worker's compensation credit)
- Withdrawn TRS service
- Active duty military service, including USERRA
- Out-of-state public education service
- Work experience by a career or technology teacher for which you are entitled to salary step credit under Section 21.403(b) of the Education Code
- Credit for unused state sick and/or personal leave
- Membership waiting period credit

*Unreported service or compensation must be verified by the end of the fifth school year after the school year in which the service was rendered or compensation was paid. If the unreported service or compensation relates to the immediately preceding school year, you may be able to correct the error without additional cost to you other than the member contributions due on the compensation paid to you during the immediately preceding school year. However, you must notify your employer and TRS so that the error can be corrected no later than the final report month in which your employer will report you to TRS. For example, if you are retiring in May but will be receiving accrued pay through August, you must notify TRS by May 31st and the error will have to be corrected no later than the report month for August.

You may also increase your final average salary by purchasing compensation credit for any eligible compensation you received that was not reported to TRS. Please consider whether the additional compensation credit will increase your highest average salary before purchasing the unreported compensation. You must complete the purchase of any unreported compensation by your effective date of retirement or by the last day of the month in which TRS receives your retirement application, whichever is later.

Purchase of service credit is subject to federal tax law limits on the amount of voluntary contributions that may be paid for such credit in a school year. The limit on voluntary annual contributions does not apply to the purchase of USERRA service credit or withdrawn service credit. Also, any pre-tax amounts that a member rolls over from another eligible retirement plan or transfers via a direct trustee-to-trustee transfer from a governmental 403(b) plan or a governmental 457(b) deferred compensation plan to TRS towards a service credit purchase do not count towards the limit.

See the TRS Service Credit brochure, available on the TRS website, for more information. Also, for information on whether purchased service credit will count towards TRS-Care eligibility, please see the applicable TRS-Care guides.

If you worked in a position that was covered under another Texas public retirement system, you may be eligible for proportionate retirement. Please contact both TRS and the other retirement system for more information. Additionally, members of TRS and the Employees Retirement System of Texas (ERS) may be eligible for service credit transfer between TRS and ERS. Former members of ERS may be eligible to reinstate their ERS service credit for the purpose of transfer. Under the Proportionate Retirement Program, your combined credit may be used to establish eligibility for retirement; however the amount of your benefit will not be based on service credit with another retirement system. In the case of retirement using a transfer of service credit from ERS to TRS, the benefit paid to you by TRS is based on the combined TRS and ERS service credit. Combined service credit under the Proportionate Retirement Program may not be used to establish eligibility for health care benefits.

Please notify TRS immediately if you need service credit purchase or compensation credit purchase information, or refer to the TRS website at www.trs.texas.gov.

Notice regarding military service covered under the Uniformed Services Employment and Reemployment Rights Act (USERRA): The federal law known as “USERRA” establishes certain rights if you leave TRS-covered employment for active military duty without withdrawing your TRS contributions and you are subsequently re-employed, or apply for re-employment, with the same TRS-covered employer. You may be entitled to establish TRS service and/or compensation credit for the USERRA-eligible military service. General eligibility requirements for purchase of this service credit are described in the *TRS Service Credit* brochure.

Even if you do not purchase TRS credit for your USERRA military service, you may be eligible to use your USERRA military service to determine eligibility for, but not the amount of, TRS benefits. To use USERRA military service for service retirement or TRS-Care health benefit eligibility, you must inform TRS in writing when applying for these benefits that you have USERRA military service and wish to use it to establish eligibility for TRS benefits. Verification of your USERRA-eligible military service will be required. A military issued form DD 214 is generally acceptable as verification.

Please note, if you choose to purchase TRS service credit for your USERRA military service, it will be used to determine your eligibility for TRS benefits as well as the amount of your TRS benefits.

Step 5: Give the *Notice of Final Deposit Before Retirement and School Official Certification of Salaries* form (TRS 7) to Your Employer's Business Official

Your employer will use form TRS 7 to report your final salary information and the date your employment ends. If you work for more than one TRS-covered employer during your final year of employment, you must notify TRS before your retirement effective date. TRS will need a form TRS 7 from each employer.

Your school business official must complete form TRS 7 and send it to TRS. The form TRS 7 should not be sent to TRS any earlier than the month in which your retirement becomes effective.

There are times when the information needed to complete the form TRS 7 is not available to your school business official until the month after your retirement effective date or later. While delay in filing this form could cause a delay in issuing your first annuity payment, it will not affect the date of your retirement or cause you to lose any benefit payments as long as you have filed your *Application for Service Retirement* form (TRS 30) and terminated all TRS-covered employment, and the termination date given by your employer on the form TRS 7 is on or before your designated retirement date. See *Selection of Retirement Date* in these instructions (Step 1, Section A) for additional information regarding termination date and retirement date.

It is important that you work with your employer to ensure that all of your compensation has been paid before your first annuity payment is issued and that all compensation is reflected on form TRS 7. Compensation that is not paid and/or not reported to TRS until after your first retirement annuity payment has been issued cannot be used in the calculation of benefits. This exclusion applies to all compensation, including performance pay. However, additional compensation paid

to you after the effective date of retirement and a distribution of benefits has commenced will be credited to you and your annuity amount will be adjusted prospectively if the additional compensation is owed due to an error by your employer and the correction is made and contributions submitted by the end of the school year following the year of retirement.

Step 6: Complete and Return the *Direct Deposit Request* form (TRS 278)

TRS recommends that you authorize TRS to deposit your monthly annuity payments directly into your personal bank account using the electronic fund transfer (EFT) process. Please complete the *Direct Deposit Request* form (TRS 278) which includes your bank routing number, your bank account number, and the name and address of your financial institution. Your bank or other financial institution can assist you in completing this form if you need assistance. Then, return the form to TRS before your retirement date. TRS will send your annuity payments electronically for deposit to your account on the last working day of the month. However, TRS may mail your first annuity

payment as a paper check to you, if form TRS 278 is not received with sufficient time before the due date of your first monthly annuity payment for TRS to set up the EFT with your bank.

Step 7: Decide About Your Federal Income Tax Withholding

Your retirement benefit is subject to federal income tax. Please complete the *Withholding Certificate for Periodic Pension or Annuity Payments* form (W-4P) and return it to TRS. If you do not send TRS the withholding form, TRS will withhold federal income tax as if your filing status is single with no adjustments.

For the W-4P to be acceptable, you must complete Step 1 and Step 5 at a minimum. You must include your full social security number on the form based on IRS guidelines.

You only need to complete one Form W-4P even if you receive multiple payments from TRS. When calculating your federal income tax withholding, TRS includes all your TRS-issued payments and prorates the total withholding amount between the two payments.

Steps 2, 3, and 4 should only be completed if you wish for TRS to consider other income (including your spouse's), dependents, and other adjustments, when calculating your income tax withholding amount.

If you choose not to have federal income tax withheld from your payments, write "No Withholding" on Form W-4P in the space below Step 4(c). Then, complete Steps 1a, 1b, and 5.

Note about after-tax funds: If you made any member contributions to TRS prior to Jan. 1, 1988, or purchased service credit using after-tax funds, you have an "investment in contract" and federal tax law provides that a portion of your retirement benefit payments will not be taxable. Once you have depleted all of your "investment in contract," your retirement benefit will be fully taxable. TRS will send you a letter shortly after your retirement becomes effective if you have an investment in contract. The letter will explain how much of your retirement benefit payment will not be taxable and how long it will take for you to deplete your investment in contract amount.

Step 8: TRS-Care Health Benefits

TRS-Care group health care benefits are available to eligible TRS service retirees.

Who can enroll in TRS-Care?

Service Retirees

A service retiree must have at least 10 years of service credit in TRS at the time of retirement. This service credit may include up to five years of military service credit; but it may not include any other purchased special or equivalent service credit. In addition to the "10 years of service credit" requirement, a service retiree must meet one of the following requirements at retirement:

- the sum of your age and years of service credit in TRS equals or exceeds 80 at the time of retirement, regardless of whether you had a reduction in the retirement annuity for early age (years of service credit can include all purchased service);
- OR-
- you have 30 or more years of service credit in TRS at the time of retirement (including purchased service).

NOTE: Combined service credit under the Proportionate Retirement Program may not be used to establish eligibility for TRS-Care or any type of benefits other than service retirement benefits. A service retiree is not eligible to enroll in the TRS-Care program if they are eligible, as an employee or retiree, for ERS, UT System or Texas A&M System health benefit program coverage.

Dependents

The following types of dependents are eligible for coverage under TRS-Care health plans:

- Your spouse (including a common-law spouse).
- A child under the age of 26 who is also:
 - a natural child;
 - an adopted child, or one lawfully placed for adoption;
 - a foster child;
 - a stepchild; or
 - an other child (including a grandchild) who is in a regular parent-child relationship with you as determined by TRS.
- A child (regardless of age) who lives with or has his or her care provided by the retiree or surviving spouse on a regular basis, if the child has a mental disability or physical incapacity to such an extent to be dependent on the retiree or surviving spouse for care and support, as determined by TRS.

Some types of dependents will require additional documentation to establish they meet eligibility criteria.

Other Scenarios

I am already enrolled in TRS-ActiveCare

TRS-Care (for retirees) is a separate and distinct program from TRS-ActiveCare (for working school employees). When you retire, you must submit an application that tells TRS if you'd like to enroll

yourself and your dependents in TRS-Care. Also be sure to contact your school official to verify your TRS-ActiveCare termination date.

Both spouses are TRS pension retirees

If both spouses are TRS pension retirees, and each meet the TRS-Care eligibility requirements individually, it is permissible for each to enroll separately in TRS-Care as individuals, which may be financially advantageous. Call **1-800-237-6762** for additional information.

A TRS pension retiree can be covered under TRS-ActiveCare as a dependent of an active employee who is enrolled in TRS-ActiveCare.

Are you eligible for Medicare?

If you're eligible for Medicare at retirement, it's imperative that you enroll in Medicare Part A and Part B. If you don't enroll in Medicare Part A and Part B, you will not be able to enroll in TRS-Care Medicare Advantage and TRS-Care Medicare Rx. For more information, please see the guide for TRS-Care for Participants with Medicare located on the TRS website.

Waiving TRS-Care

If you're not yet 65 and you don't enroll in TRS-Care during your Initial Enrollment opportunity, or you terminate coverage, you can enroll in TRS-Care when you turn 65. You may also add eligible dependents at that time. This enrollment opportunity is not available to dependent spouses or children when they turn 65.

Additional Information

Receiving Your TRS Payments

TRS normally will issue your first monthly annuity payment on the last working day of the month following the first calendar month after your retirement effective date. For example, if your retirement effective date is May 31, TRS normally will issue your first monthly annuity payment on the last working day in June. However, TRS cannot issue your first monthly annuity payment until all required forms have been completed and received by TRS. In addition, if you retire effective May 31 or June 30 but your employer pays you through August, your first monthly annuity payments cannot be released by TRS until early September.

If you receive your annuity payment through electronic fund transfer (EFT), TRS will electronically deposit your payments directly into your account on the last banking day of each month. However, TRS may mail your first annuity payment as a paper check to you, at your address on file, if you do not submit your direct deposit request to TRS with sufficient time for TRS to set up the EFT with your bank. If you do not choose EFT, TRS will mail a paper check to your address on file with TRS. Checks are mailed in time to be received on or about the last working day of the month.

Annuity Deductions

If applicable, TRS will reduce your gross monthly annuity payments for federal income tax withholding, TRS-Care premiums, and long-term care insurance premiums. If you receive retiree health care benefits from the Employees Retirement System of Texas, the University of Texas Systems, or Texas A&M University Systems and you are a retired peace officer, you should ask that entity to determine if you are allowed to deduct your premium from your TRS monthly annuity. Currently, the law authorizes deductions from your annuity if you receive retiree health care benefits from one of these systems and you are eligible under Section 402(l) of the Internal Revenue Code as a peace officer to exclude up to \$3,000 of TRS distributions used for qualified health insurance premiums.

Employment After Service Retirement

If you are thinking about returning to work in Texas public education after you retire, you should become familiar with the limits on how much you can work in a school year. In months in which you work more than the limits, you will forfeit your retirement annuity payment and your employer will owe surcharges to TRS on your employment. Please refer to the brochure on *Employment After Retirement*, which is available on the TRS website or by calling TRS at 1-800-223-8778. Also, refer to the information earlier in these instructions pertaining to the minimum required break in service following your effective retirement date. If you are interested in working full-time in Texas public education after retirement, a break of 12 consecutive months following your effective retirement date is required in order to avoid forfeiture of benefits. Working as a substitute, in a part-time or temporary position, and/or in a full-time position interrupts the 12 consecutive month break in service and requires the 12 month break in service to start over before full-time employment is allowed. Working even as little as one day during

the break in service requires that the time period must start over before full-time employment without forfeiting your annuity is allowed.

Important Information Regarding Designating a Beneficiary

Each retiree **must** designate one or more beneficiaries for survivor benefits. Retiree survivor benefits consist of either a \$10,000 lump sum amount, **or** a \$2,500 lump sum plus a monthly benefit of \$250 or \$350 for an eligible beneficiary. These benefits are payable on behalf of each retiree, regardless of which retirement annuity plan is selected. Survivor benefits may also include an amount equal to the remaining balance of your member contribution account, if you selected the Standard Annuity payment plan and do not survive long enough after retirement to receive gross monthly benefits equal to or greater than your contributions. An amount equal to the remaining contributions may also be due to the estate of your beneficiary if you select an Option 1, 2, or 5 payment plan and you and your beneficiary die before monthly benefits equal to at least the amount of accumulated contributions in your TRS member account have been paid. Refer to form TRS 677, the *TRS Benefits Handbook*, and the reverse side of your retirement estimate for additional information regarding survivor benefits.

Additionally, if you select an optional retirement annuity payment plan (Option 1, 2, 3, 4, or 5), you **must** designate, on your service retirement application (TRS 30), a beneficiary for the monthly payments that may continue after your death.

Finally, if you are eligible for a Partial Lump-Sum Option (PLSO) or Deferred Retirement Option Plan (DROP) distribution at retirement, you **may** designate a different beneficiary for any such payments not yet distributed at the time of your death.

Designating a minor child or legally incapacitated person

You may designate a minor child or a legally incapacitated person to receive annuity or other payments after your death. However, the benefits will be paid to the person with legal authority to receive the benefits on behalf of the child or incapacitated person. If you designate a minor child who resides in Texas, the child's surviving parent will receive the benefit on behalf of the child unless a guardian of the child's estate is appointed by a court or the child is 18 or older at the time of your death. Please consult your attorney for advice.

What forms should you use?

TRS uses specialized beneficiary forms to be sure that your intentions are clear about which beneficiary you are designating for a particular type of benefit that may be payable at your death. Any completed and signed beneficiary designation form must be received by TRS prior to your death in order for the designation to be effective.

Designation of Beneficiary(ies) Using the TRS 30

If you select the Standard Annuity Option, the beneficiary you designate on form TRS 30 will receive survivor benefits. If you select an optional retirement annuity payment plan (Option 1, 2, 3, 4, or 5), at

retirement you must designate your beneficiary for any annuity payments continuing after your death on the form TRS 30. The TRS 30 will also determine the distribution of survivor benefits (see above) under the Standard Annuity and all optional annuity payment plans, unless you complete a *Designation of Beneficiary* form (TRS 15) and that form is received by TRS with or after your TRS 30.

NOTE: Your beneficiary for an Option 1, 2 or 5 annuity payment must be one person or an irrevocable trust that has only one individual beneficiary. There is no alternate beneficiary for these payment plans. TRS will not pay an Option 1, 2, or 5 payment to an alternate beneficiary.

Designating a Different Beneficiary for Survivor Benefits Using the TRS 15

If you select an optional retirement annuity payment plan (Option 1, 2, 3, 4, or 5) and wish to designate a beneficiary for survivor benefits that is different from the beneficiary you designate for your optional retirement annuity payment plan on the TRS 30, please contact TRS for a *Designation of Beneficiary* form (TRS 15) or visit the TRS website, where you may print the form. You may change this designation at any time.

Designating a Beneficiary for the Partial Lump-Sum Option (PLSO)

The beneficiary you designate to receive any benefits due based on the selected retirement annuity payment plan will also receive any remaining unpaid PLSO amount at the time of your death. If you have no retirement annuity plan beneficiary, TRS will pay any remaining PLSO amount to your beneficiary for survivor benefits. However, if you wish to designate a different beneficiary to receive any remaining PLSO amount, you must specifically designate that beneficiary on the correct form. You may change this designation at any time. Please contact TRS for a *Designation of Beneficiary for Partial Lump-Sum Payment(s)* form (TRS 12L).

Changing Your Beneficiary for an Optional Retirement Annuity Payment Plan

If you select an Option 1, 2, or 5 retirement annuity payment plan, you may change your beneficiary for the payment under these plans *before* the date on which your first annuity payment is issued. To change your beneficiary, send written notice to TRS and file a new *Application for Service Retirement* form (TRS 30). TRS will recalculate the amount of your benefit using the age of your new beneficiary.

After TRS has issued your first annuity, you may change a beneficiary for payment under Option 1, 2, or 5 one time. If the beneficiary is your spouse or former spouse, TRS must receive either your beneficiary's consent or a court order that authorizes or orders the change. If you change the beneficiary, the benefits are payable to the new surviving beneficiary for the **shorter** of (1) the remaining life expectancy of the original beneficiary, or (2) the life of the new beneficiary. Please contact TRS for the correct form.

If you select the Option 3 or Option 4 retirement annuity payment plan, you may change your beneficiary for any payment due under these plans at any time. You may also designate more than one person as primary beneficiary under Option 3 or Option 4. Contact TRS for a *Change of Beneficiary for*

Continuing Optional Retirement Annuity (Option Three and Four) form (TRS 30D) to change the beneficiary for Option 3 or 4 benefits.

Additional Information

When TRS receives your service retirement application (TRS 30), it becomes your most recent beneficiary designation and revokes any previous beneficiary designation for TRS benefits. This means that if your death occurs before your effective date of retirement, your TRS active member death benefits will be paid to the beneficiary(ies) designated on your service retirement application. If you fail to designate a beneficiary on the TRS 30 and you die before TRS receives a new designation of beneficiary form, TRS will pay the survivor benefits payable at your death to the person(s) described in law.



Service Retirement Checklist



At TRS, we're always working to further digitize our resources and provide the best service for our members. Applying for your TRS retirement can also be completed electronically. Simply log in to your *MyTRS* account and follow the instructions under "Apply for a Retirement" located under the Benefits tab.

☐

Visit the **Planning for Retirement** webpage at https://www.trs.texas.gov/Pages/active_member_planning_retirement.aspx where you will find an overview of the steps to retirement and helpful resources.

Date Completed:

☐

As soon as you receive your retirement estimate and packet, review the information carefully. If service and salary data on your estimate(s) does not agree with your records, notify TRS immediately.

Date Completed:

☐

Complete the documents provided in your retirement packet, following the instructions in the packet:

Date Completed:

☐

Application for Service Retirement form (TRS 30)

☐

Partial Lump-Sum Option (PLSO) Election form (TRS 30P), if applicable

☐

Withholding Certificate for Periodic Pension or Annuity Payments (Form W-4P)

☐

Direct Deposit Request form (TRS 278)

☐

Send **copies** of proof of age documents for both you and your primary beneficiary. Print your name and TRS Participant ID or social security number on your and your beneficiary's document(s).

☐

Complete any other forms included in your packet and return them directly to TRS as soon as possible before your retirement date.

☐

Terminate employment by notifying your employer. TRS will contact your employer(s) near your retirement date to confirm your termination date and final salary information.

Date Completed:

☐

Complete service credit purchase (if applicable).

Date Completed:

☐

Contact TRS-Care or another group health plan for eligibility and enrollment information.
Note: If you are eligible for TRS-Care at retirement, you will receive an Initial Enrollment Application and a TRS-Care Enrollment Guide once your *Application for Service Retirement* form (TRS 30) is received at TRS. If you are not eligible for TRS-Care, contact the benefits office at your place of employment to determine whether you may be eligible for other health benefit coverage after retirement.

Date Completed: