Ready to Retire
Presentation Agenda

• Understanding your Benefits
• The Retirement Process
• Health Benefits
• Finalizing Retirement
• Employment After Retirement
• Member Responsibilities
Service Credit
Eligible members may purchase the following types of service credit:

- Withdrawn Service
- Unreported Service
- Substitute Service
- State Sick and/or Personal Leave
- Out-of-State Service
- Military Service
- USERRA
- Developmental Leave
- Career & Technology Work Experience
- Membership Waiting Period
Payment Methods for Service Credit

Lump Sum

Rollover

Installments

Payroll Deductions

Coupon Book

Bank Deductions
TR/ERS Transfer

To Transfer ERS Service to TRS:
Must have at least 3 years of TRS service
Transfer takes place at retirement

To Transfer TRS Service to ERS:
Must have at least 36 months of ERS service
Transfer takes place at retirement

Important Note: ERS Group 4 members (cash balance group) are not eligible to transfer ERS service to TRS or vice versa. This is also true for ERS Group 4 members that have pre-September 1, 2022 ERS service that they withdrew prior to September 1, 2022
Proportionate Retirement

May Be Eligible To:

- Combine service to satisfy TRS retirement eligibility
- Reinstate withdrawn service credit in any participating system

May Not Use Credit To:

- Calculate monthly TRS retirement benefit amount
- Meet eligibility for TRS-Care or PLSO

Participating Systems:

Determine eligibility for TRS-Retirement systems currently are:

- Employees Retirement System of Texas
- Texas Municipal Retirement System
- City of Austin Employees Retirement System
- El Paso City Employees’ Pension Fund
- Judicial Retirement System of Texas
- Texas County and District Retirement System
- City of Austin Police Retirement System
- El Paso Firemen and Policemen’s Pension Fund
Annual Compensation

Annual compensation is defined as salary and wages payable for services rendered.

**Includes:**
- Stipends
- Pay for additional duties
- Overtime
- Longevity pay
- Certain performance pay
- Summer school duties
- Teacher Incentive Allotment

**Excludes:**
- Early retirement incentives
- Fringe benefits
- Allowances
- Expenses
- Unused accrual leave
- Bonuses
Creditable Compensation Limits

**Percentage Limits on Compensation Increases**

- Salary increases in the last **three to five years** before retirement are limited to 10 percent or $10,000, whichever is greater.

**Conversion of Non-Creditable Compensation to Salary**

- Conversion in the last **three to five years** before retirement is excluded and not counted in benefit calculations.
Grandfathering
If you were a TRS member and met at least one of the following criteria before **Sept. 1, 2005**, you are a grandfathered member.

- You were at least 50 years old;
- Your age and years of service totaled 70; or
- You had at least 25 years of service.
Grandfathered vs. Non-Grandfathered

**Grandfathered**

- Average of 3 Highest Annual Salaries
- Eligible for PLSO at Age 65 or when age and years of service = 80
- Early Age Retirement Reductions
  - As great as 10% with > than 20 years
  - As great as 53% with < than 20 years

**Non-Grandfathered**

- Average of 5 Highest Annual Salaries
- Eligible for PLSO when age and years of service = 90
- Early Age Retirement Reductions
  - As great as 53%
What is my tier?

**Tier 1 & 2**
- Current membership began prior to Sept 1, 2007; and
- Had at least five years of service on Aug. 31, 2014
- Tier 1 if grandfathered
- Tier 2 if non-grandfathered

**Tier 3 & 4**
- Current membership began between Sept 1. 2007 - Aug. 31, 2014; and
- Had at least five years of service on Aug. 31, 2014
- Tier 3 if non-grandfathered
- Tier 4 if grandfathered

**Tier 5 & 6**
- Current membership began on or after Sept. 1, 2014; or
- Did not have at least five years of service on Aug. 31, 2014
- Tier 5 if non-grandfathered
- Tier 6 if grandfathered
Tier 1&2 Retirement Eligibility

Normal Age Retirement

- 65 with at least five years of service; or
- Meet the Rule of 80 with at least 5 years of service.

Early Age Retirement

- At least 55 with five or more years of service but do not meet the Rule of 80; or
- 30 or more years of service credit, but do not meet the Rule of 80.
Tier 3 & 4 Retirement Eligibility

Normal Age Retirement

- 65 with at least five years of service; or
- At least 60 and meet the Rule of 80 with at least 5 years of service.

Early Age Retirement

- At least 55 with five or more years of service but do not meet the Rule of 80; or
- 30 or more years of service credit, but do not meet the Rule of 80; or
- Meet the Rule of 80 with at least five years of service credit, but less than 60.
Tier 5 & 6 Retirement Eligibility

**Normal Age Retirement**
- 65 with at least five years of service; or
- At least 62 and meet the Rule of 80 with at least 5 years of service.

**Early Age Retirement**
- At least 55 with five or more years of service but do not meet the Rule of 80; or
- 30 or more years of service credit, but do not meet the Rule of 80; or
- Meet the Rule of 80 with at least five years of service credit, but less than 62.
Retirement Formula and Options
Retirement Formula – Standard Annuity

Years of Service \times 2.3\% \times \frac{\text{Average Salary}}{12} = \text{Monthly Standard Annuity}
<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
</table>
| Option 1 | 100% Joint & Survivor Annuity                                               | • Reduced annuity for your lifetime  
• Upon death, named beneficiary would receive 100% of reduced annuity for their life |
| Option 2 | 50% Joint & Survivor Annuity                                                | • Reduced annuity for your lifetime  
• Upon death, named beneficiary would receive 50% of reduced annuity for their life |
| Option 5 | 75% Joint & Survivor Annuity                                                | • Reduced annuity for your lifetime  
• Upon death, named beneficiary would receive 75% of reduced annuity for their life |
Guarantee Period Annuity Options

Option 3

• Reduced annuity for your lifetime
• If you die before 60 monthly payments have been issued, payments will be made to beneficiary up to 60 monthly payments
• Not available for member retiring at 104 or older

Option 4

• Reduced annuity for your lifetime
• If you die before 120 monthly payments have been issued, payments will be made to beneficiary up to 120 monthly payments
• Not available for member retiring at 93 or older
Partial Lump Sum Options (PLSO)

Eligibility

- Grandfathered:
  - Age 65 + 5 Years of Service; or
  - Age + Years of Service = 80

- Non-Grandfathered:
  - Age + Years of Service = 90

PLSO Options

Equal to:
  - 12, 24 or 36 months of standard annuity

Annuity

If PLSO is taken:
  - Annuity is reduced for lifetime
Retiree Survivor Benefits

One lump sum payment of $10,000; or

One lump sum payment of $2,500; and one of the following:

• $250 per month for life to the spouse or dependent parent who is age 65 years of age, or beginning at the time the spouse or dependent parent becomes age 65 after your death; or

• $350 per month to the spouse with one or more children under age 18 payable until the youngest child reaches the age of 18, then $250 per month to the spouse beginning at age 65; or

• $350 per month to the guardian of two or more dependent children under age 18, decreasing to $250 per month when there is only one child under age 18, and ending when the youngest child reaches the age of 18.
Regardless of age and years of service, members may apply for disability retirement if:

- Mentally or physically disabled from further performance of duties; and
- The disability is probably permanent.
The Retirement Process
MyTRS Registration

If you have not yet registered for MyTRS, we encourage you to establish your account now to access your information online.

- Register Now for MyTRS
- Log in to MyTRS
- Video: How to Establish Your MyTRS Account
- How to Establish Your MyTRS Account (pdf)
- MyTRS Registration Reminders

scan for MyTRS resources
MyTRS Planning Tools

- Benefit Calculator
- Request an Estimate
- Schedule Appointments
- Apply for Retirement

Account Summary

Benefit Calculator
Request An Estimate
Schedule Appointments
Generate Account Balance Form

Service Credit
If you are truly considering retirement, log in to your *MyTRS* account to explore options with the retirement calculator.

After using the MyTRS retirement calculator, if you’re confident that retirement is in sight, feel free to request a formal estimate. To get an estimate:

- Complete and mail or fax Form TRS 18 – Request for Estimate of Retirement Benefits
- Log in to your MyTRS account to your Request for Estimate of Retirement Benefits.
Attend a Retirement Session

If needed, schedule an appointment with a Benefits Counselor. TRS conducts several different retirement sessions for active members and those considering retirement. You determine which session works best for you.

Individual retirement sessions are one-on-one appointments designed for active members who are eligible to retire and considering retirement in the current or following school year.

Retirement forms sessions are virtual sessions designed to help members complete their retirement forms. TRS staff members will present all required retirement forms, explain how to complete them and answer all your questions.

Group Office Visit Sessions are held at the TRS building in Austin. They are conducted for small groups of members considering retirement on or before January of the following year.
The following forms need to be submitted for retirement:

- Application for Service Retirement; or Application for Disability Retirement (TRS 30, TRS 59)
- Partial Lump Sum Option (TRS 30P)
- Submit driver's license or birth certificate for age verification (DL)
- Withholding Certificate for Periodic Pension or Annuity Payment (TRS W-4P)
- Direct Deposit Request (TRS 278)
## Important Retirement Deadlines

<table>
<thead>
<tr>
<th>Retirement Date</th>
<th>Employment Must be Terminated by</th>
<th>Deadline for Filing Retirement Application with TRS</th>
<th>Deadline for Payment of Additional Service Credit</th>
</tr>
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<tbody>
<tr>
<td>January 31</td>
<td>January 31</td>
<td>March 31</td>
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<td>December 31</td>
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<td>February 29</td>
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Health Benefits
Who Provides Your Group Health Benefits?

- Public School Retirees Covered by TRS-Care
- UT Retirees Covered by UT
- A&M Retirees Covered by A&M
- Other Higher-Education Retirees Covered by ERS
Terminate employment with all TRS-Covered entities

Retirement Certification
Monthly Payment and Deductions

Date of Retirement: MAY 31

1st Check: JUNE 30

Payroll Deductions:
- Federal Income Tax
- Health Benefits Premium
Employment After Retirement
Things You Should Know About EAR

One-Month Break in Service
- Required for all retirees
- May not work for a TRS covered employer, even work that is covered by an EAR exception.
- Begins after your effective date of retirement

June 15 Rule
- Effective Retirement Date of May 31
- Must terminate employment no later than June 15
- July becomes one month break in service; may return to work Aug 1
What Are the EAR Exceptions?

12 Full, Consecutive Calendar Month Break in Service:

• Effective Service Retirement date after Jan. 1, 2021
• A service retiree may return to work without restrictions or loss of annuity

Substitute

• A service retiree may work as a substitute without any limits unless the position they are working in is vacant. Generally, a service retiree may only work up to 20 days in a vacant position.

One-Half Time or Less

• A service retiree may work in one or more positions for one-half time or less each month, so long as the retiree does not work more than 92 hours total in all positions. One-half time may be measured in days (11 days per month) rather than hours if the one-half time position is combined with substitute work.
What Are the EAR Exceptions?

Tutor Under Section 33.913, Education Code:

- A service retiree may work up to full time for a TRS-covered employer in a tutoring position that meets the requirements of Section 33.913, Education Code. Note: A retiree may not be eligible to work full time under this exception if the work is combined with other types of employment.

Surge Personnel:

- This exception allows a service retiree to return to work up to full time in a position that is in addition to normal staffing levels of the school and perform duties related to the mitigation of student learning loss attributable to the coronavirus disease (COVID-19) pandemic. This exception is not applicable to employment with an institution of higher education. This exception ends Dec. 31, 2024.
## Limits When Combining EAR Exceptions

<table>
<thead>
<tr>
<th>Employment Type</th>
<th>Substitute</th>
<th>Tutor Under Section 33.913 Full Time</th>
<th>Tutor Under Section 33.913 One-Half Time</th>
<th>One-Half Time or Less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substitute</td>
<td>No limit for filled positions; if vacant positions, 20-day limit</td>
<td>Cannot be combined</td>
<td>Total combined employment cannot exceed 11 days</td>
<td>Total combined employment cannot exceed 11 days</td>
</tr>
<tr>
<td>Tutor Under Section 33.913 Full Time</td>
<td>Cannot be combined</td>
<td>No limit</td>
<td>No limit</td>
<td>Cannot be combined</td>
</tr>
<tr>
<td>Tutor Under Section 33.913 One-Half Time</td>
<td>Total combined employment cannot exceed 11 days</td>
<td>No limit</td>
<td>No limit</td>
<td>Total combined employment cannot exceed 92 hours</td>
</tr>
<tr>
<td>One-Half Time or Less</td>
<td>Total combined employment cannot exceed 11 days</td>
<td>Cannot be combined</td>
<td>Total combined employment cannot exceed 92 hours</td>
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</tr>
</tbody>
</table>
# Exceeding Limits – Three Strikes

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<tr>
<th></th>
<th>First Strike</th>
<th>Second Strike</th>
<th>Third Strike</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collection</strong></td>
<td>None - Warning</td>
<td>For each month of EAR limits violation, retiree must pay either full annuity or dollars earned, whichever is less.</td>
<td>For each month of EAR limits violations, retiree forfeits full annuity.</td>
</tr>
<tr>
<td><strong>Months Included</strong></td>
<td>Includes the month of 1st warning letter and all months prior to 1st warning (post 6/2021)</td>
<td>Includes the month following the 1st warning letter through the month of 2nd warning</td>
<td>Includes the month following the 2nd warning letter through the month of 3rd warning</td>
</tr>
</tbody>
</table>

This does not apply to disability retirees. Disability retirees have different limitations than service retirees. After one full, calendar-month break in service, a disability retiree may work up to 90 days per school year (September – August).
SURCHARGES

• If you retired on or after September 1, 2005, and work more than one-half time in a month, in most cases your employer(s) will owe TRS pension and health care surcharges.

• Effective September 1, 2021, surcharges may not directly or indirectly be passed on to retiree through payroll deduction, fees, or other means designed to recover the cost.
Keep TRS Informed

**Keep your address current**
You must inform TRS in writing of any address changes.
- Complete and mail to TRS a Change of Address Notification Form (TRS 358); or
- Log in to MyTRS to update your address.

**Keep your beneficiary designation current**:
- Complete the Designation of Beneficiary (Form TRS 15) and **return it to TRS immediately**; or
- Log into MyTRS to update your beneficiary.

**Notify TRS of name change**:
TRS requires notification in writing when you change your name. You must:
- Active members should officially change your name with your TRS employer
- Submit written notice with your Social Security number and your signature.
- Include a copy of a court order or marriage license.
Contact us by phone or fax

1-800-223-8778 Monday–Friday, 7 a.m.– 6 p.m. Automated information available day or night, seven days a week

512-542-6597 TRS Benefit Services Fax Number
Note: All forms related to pension benefits are acceptable by fax.
Send a Secure Message from your MyTRS account

Social Media

• Find TRS on Facebook, Twitter, YouTube, and LinkedIn!
Social Security
If you are currently contributing or have contributed to in the past, you may receive a social security benefit. To determine if you are eligible for social security and estimate potential benefits, contact the Social Security Administration.

Two federal social security provisions could impact your social security benefits – the Government Pension Offset and the Windfall Elimination Provision. Contact your financial planner or tax professional to learn more about these provisions.

For information about the Social Security programs:
Visit their website at https://www.ssa.gov or
Call 800-772-1213
TRS values your opinion and wants the Benefit Presentation to be as useful as possible to members. Please take a moment to complete this form to help us achieve our goal.
Thank you!