



# Ready to Retire

## HI-ED Presentation



# Presentation Agenda



- 1 Understanding your Benefits
- 2 Planning Tools
- 3 Retirement Forms
- 4 Health Benefits
- 5 Finalizing Retirement
- 6 Employment After Retirement
- 7 Member Responsibilities

# Service Credit



Withdrawn Service	Developmental Leave*
Military Service	USERRA Service
Out-of-State Service*	State Sick and/or Personal Leave*
Unreported Service and/or Compensation*	Work Experience (Career or Tech Teacher)*
Substitute Service*	Membership Waiting Period*

\* Actuarial cost

## Payment Options

Lump Sum

Installments

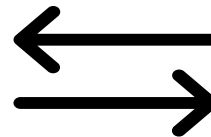
Rollover





## To transfer ERS service to TRS

- Must have at least 3 years of active TRS service.



## To transfer TRS service to ERS

- Must have at least 36 months of active ERS service.

**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 This is also true for ERS Group 4 members that have pre-September 1, 2022, ERS service that was withdrawn and not reinstated prior to September 1, 2022.

## May be eligible to:

- Combine service to satisfy TRS retirement eligibility
- Reinstate withdrawn service credit

## May Not Use Credit To:

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

## Participating Systems:

- |  |  |
|--|--|
| • Employees Retirement System of Texas       | • Judicial Retirement System of Texas          |
| • Texas Municipal Retirement System          | • Texas County and District Retirement System  |
| • City of Austin Employees Retirement System | • City of Austin Police Retirement System      |
| • El Paso City Employees' Pension Fund       | • El Paso Firemen and Policemen's Pension Fund |

# Creditable Compensation



# Creditable Compensation

Creditable 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



## Percentage Limits on Compensation Increases

- The amount of compensation credited by TRS in the last **three to five** years prior to retirement may not exceed the amount of allowable compensation for the preceding school year by more than 10 percent or \$10,000, whichever is greater.

## Conversion of Non-Creditable Compensation to Salary

- Conversion of non-creditable compensation to eligible salary and wages during the last **three to five** years before retirement is excluded from the benefit calculation.

# 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

- 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  $\geq$  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%

# Membership Tiers





# What is My Tier?



1 — 2

Tier 1 (GF)

Tier 2

- Current membership began prior to Sept. 1, 2007; and
- Had at least five years of service on Aug. 31, 2014

3 — 4

Tier 3

Tier 4 (GF)

- Current membership began between Sept. 1, 2007, and Aug. 31, 2014; and
- Had at least five years of service on Aug. 31, 2014

5 — 6

Tier 5

Tier 6 (GF)

- Current membership began on or after Sept. 1, 2014; or
- Did not have five years of service on Sept. 1, 2014

# Service Retirement Eligibility by Tier



1 — 2

Tier 1 (GF)

Tier 2

## Normal:

65 and at least 5 years of service; or

Rule of 80 and at least 5 years of service

## Early:

55 and at least 5 years of service; or

30 years of service, but **do not** meet the rule of 80

3 — 4

Tier 3

Tier 4 (GF)

## Normal:

65 and at least 5 years of service; or

60 AND Rule of 80 with at least 5 years of service

## Early:

55 and at least 5 years of service, or

30 years of service, but **do not** meet the rule of 80; or

Less than 60, meet Rule of 80 AND have at least 5 years of service.

5 — 6

Tier 5

Tier 6 (GF)

## Normal:

65 and at least 5 years of service; or

62 AND Rule of 80 with at least 5 years of service

## Early:

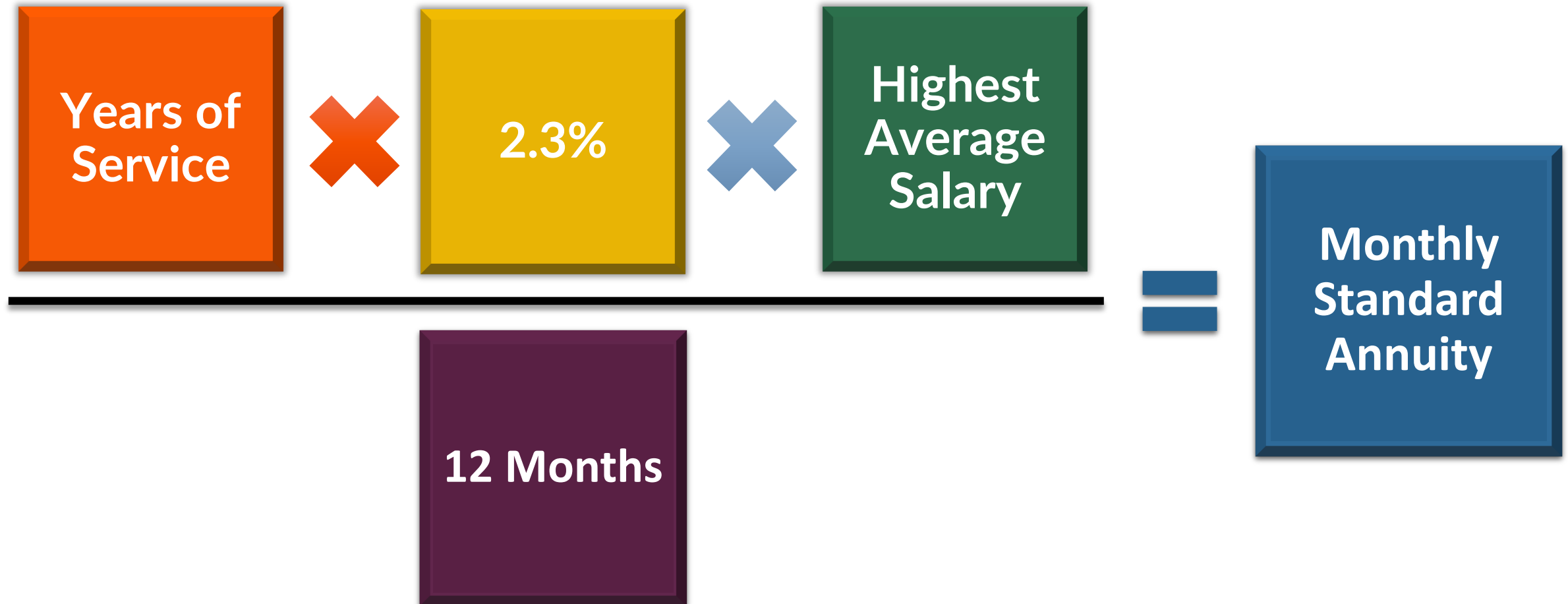
55 and at least 5 years of service; or

30 years of service, but **do not** meet the rule of 80; or

Less than 62, meet Rule of 80 AND have at least 5 years of service.

# Retirement Formula and Options





<b>Standard Annuity</b>	No Annuity Payment to Beneficiary
<b>Option 1</b>	100% Joint and Survivor Annuity
<b>Option 2</b>	50% Joint and Survivor Annuity
<b>Option 3</b>	Guaranteed Period – 60 Monthly Payments
<b>Option 4</b>	Guaranteed Period – 120 Monthly Payments
<b>Option 5</b>	75% Joint and Survivor Annuity



## Partial lump payment options at retirement for a permanently reduced monthly benefit

### 12-Month PLSO

Choice of one annual payment

### 24-Month PLSO

Choice of one or two annual payments

### 36-Month PLSO

Choice of one, two, or three annual payments

Survivor benefits  
are payable in  
addition to any  
optional  
retirement  
annuity payment

- \$10,000 lump sum payment; or
- \$2,500 lump sum payment plus a monthly payment (if beneficiary is a spouse or dependent parent)

- TRS survivor benefits are not life insurance payments and are taxable payments.

## Eligibility

- Mentally or physically disabled from the further performance of duties; and
- Disability is probably permanent
- No age and years of service credit requirement

### Less than 10 years of service

Monthly benefit of \$150 per month for the lesser of the number of months covered by TRS, duration of disability, or duration of life.

### 10 years of service or more

Monthly annuity not reduced due to early age. Optional annuity payments are available.

# MyTRS Planning Tools



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

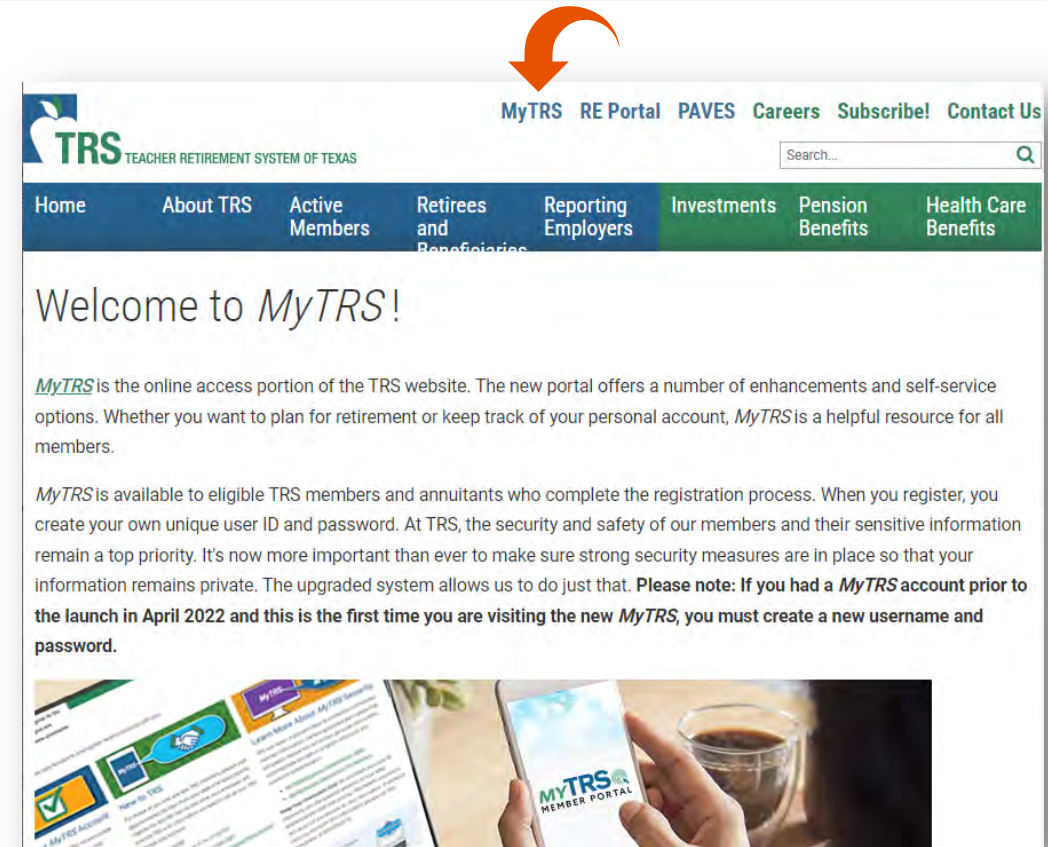
Register Now for MyTRS

Log in to MyTRS

Video: How to Establish Your MyTRS Account

How to Establish Your MyTRS Account (pdf)

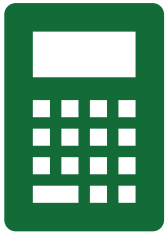
MyTRS Registration Reminders



Scan for  
MyTRS  
Resources







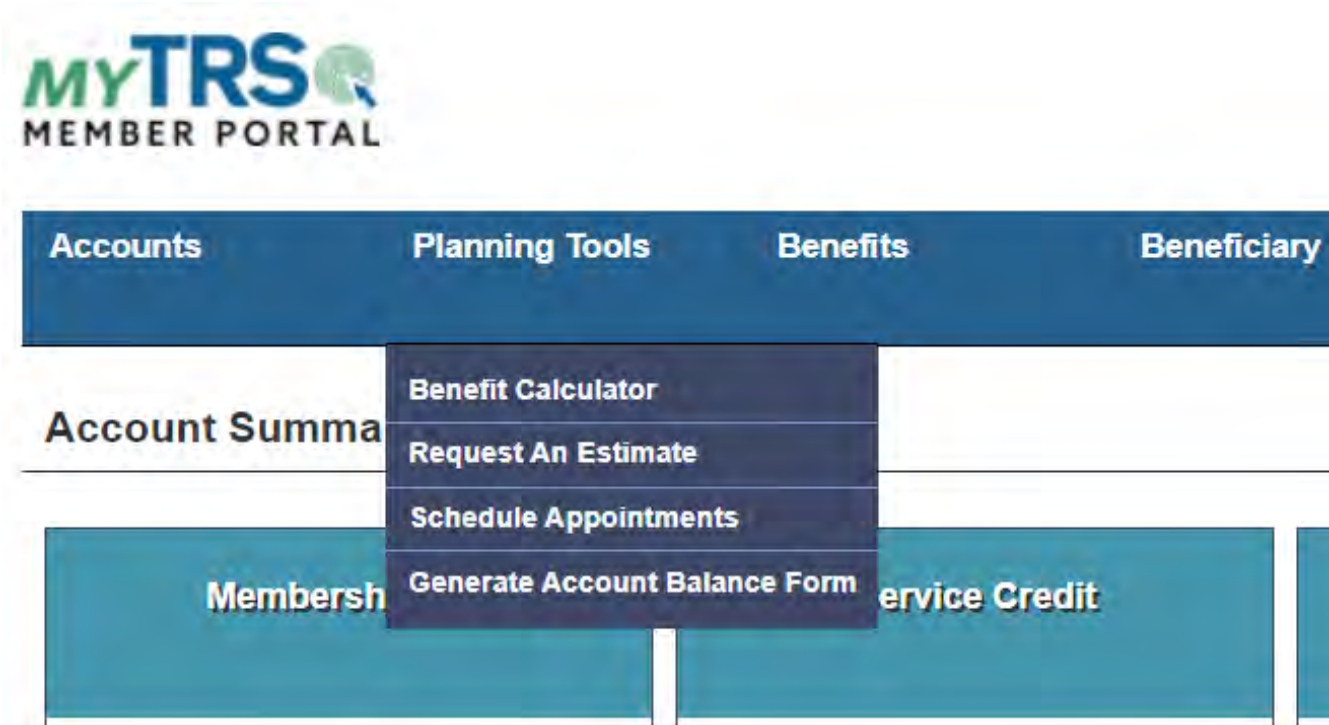
Benefit  
Calculator



Request an  
Estimate

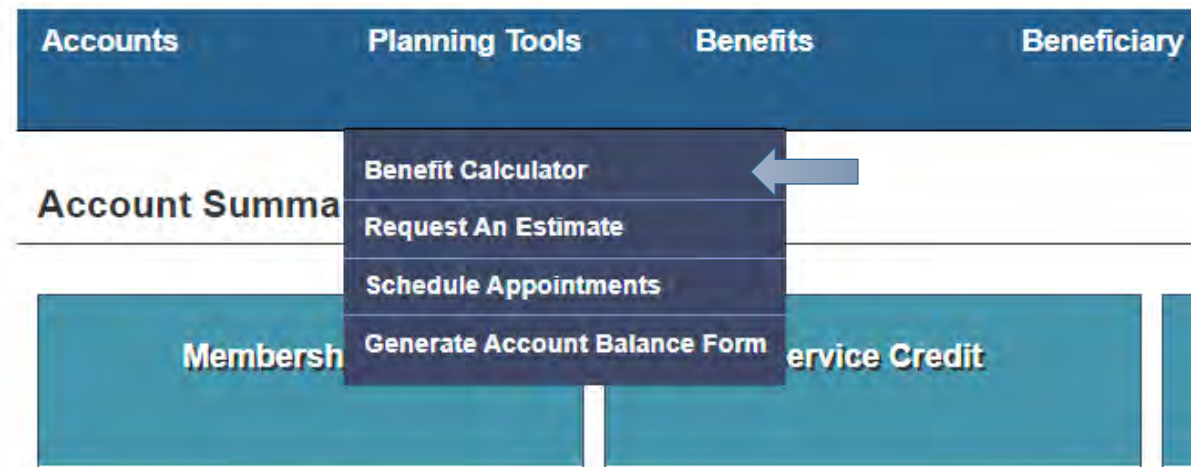


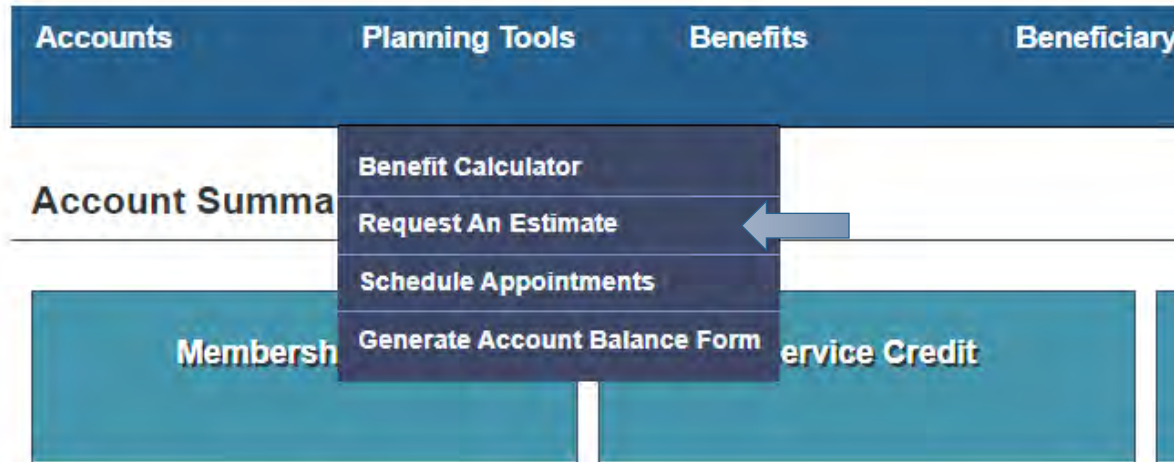
Schedule  
Appointments



# Retirement Calculator

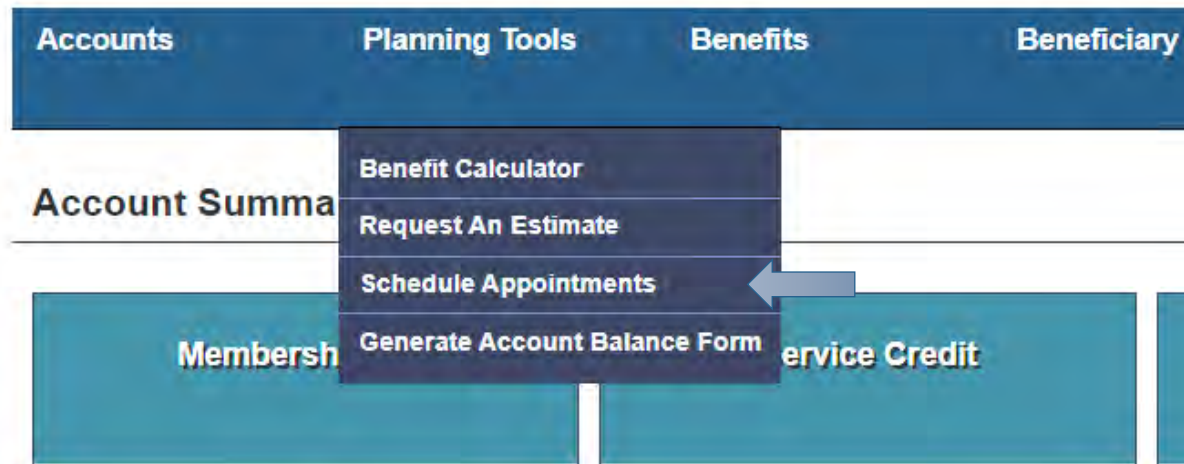
If you are considering retirement, log in to your MyTRS account to explore options with the retirement calculator.





## Request Retirement Estimate

After using the MyTRS retirement calculator, if you're confident that retirement is in sight, feel free to request a formal estimate.



# Scheduling an Appointment



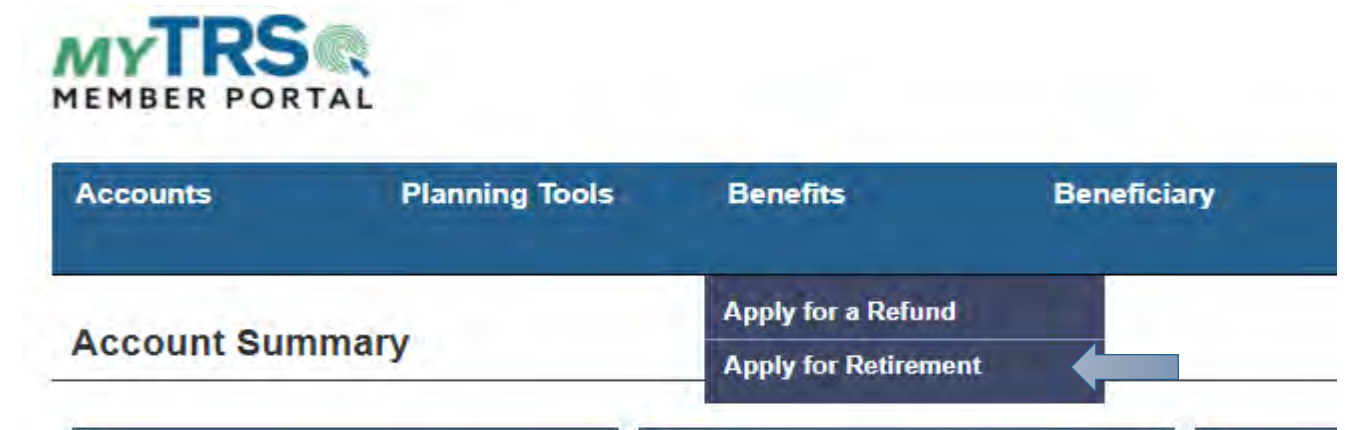
Individual retirement session



Retirement forms session

# Apply for Retirement

If you are ready to retire, you can lock in your retirement date by submitting your application online.



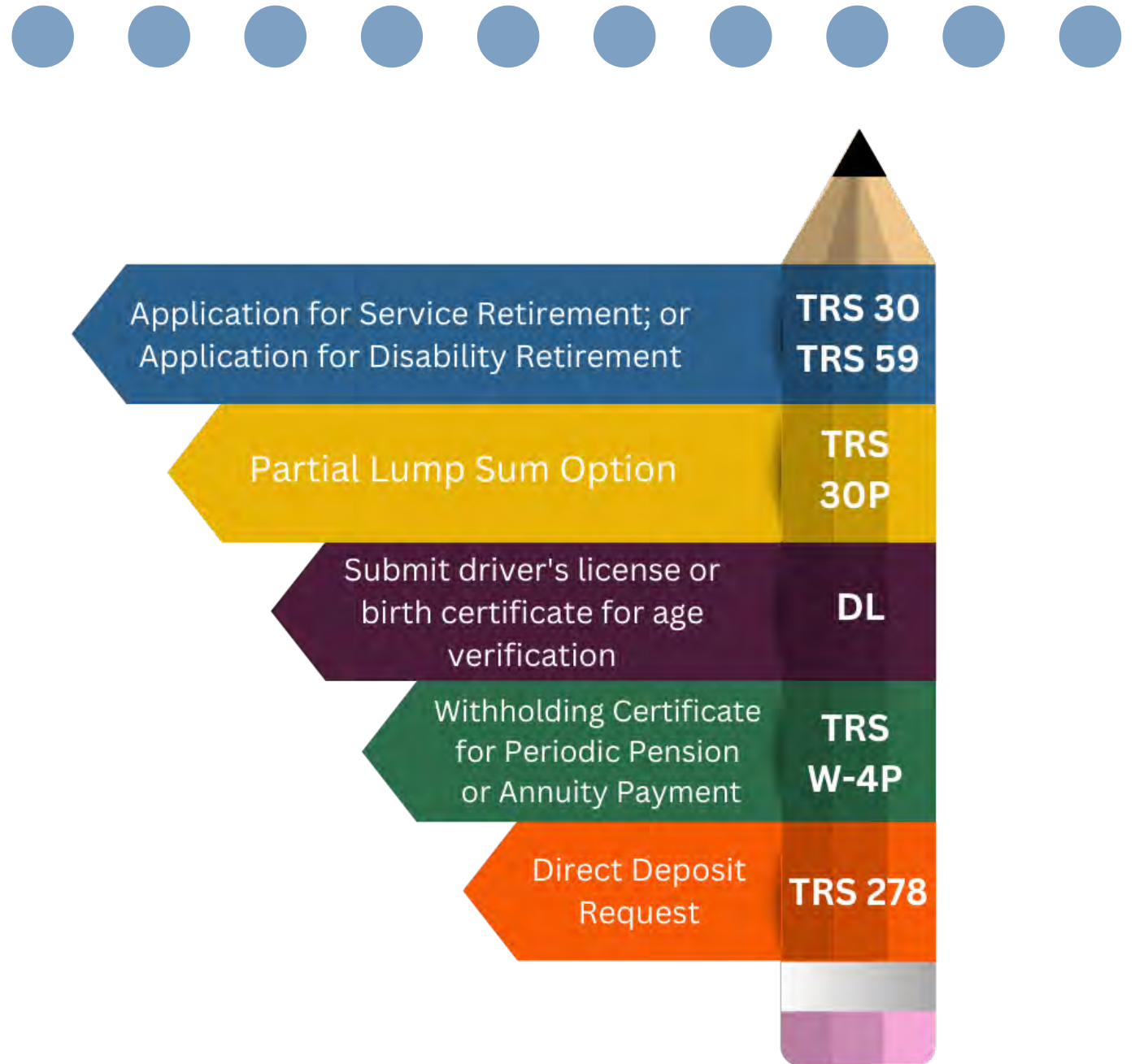


# Retirement Forms



# Retirement Forms

The following forms need to be submitted for retirement:

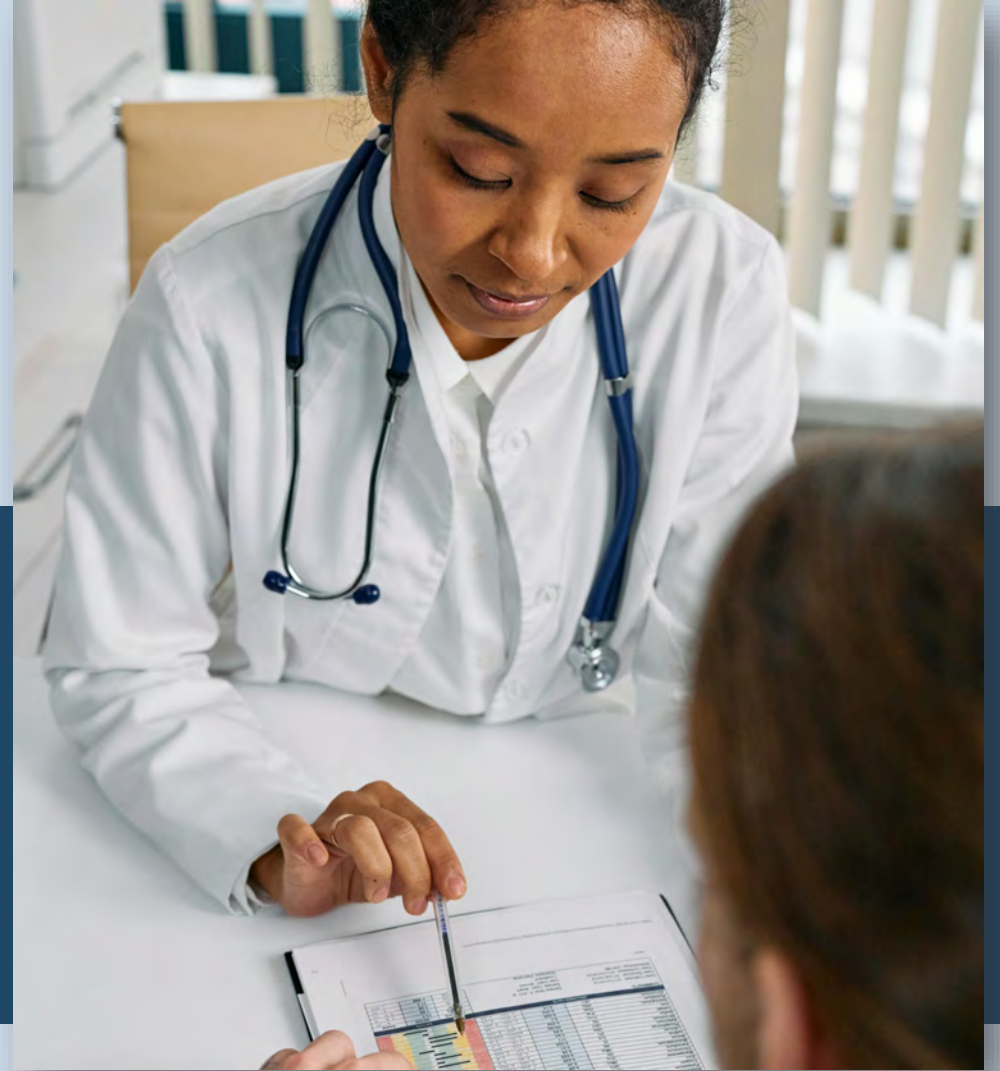


# Important Retirement Deadlines



Retirement Date	Employment Must be Terminated by	Deadline for Filing Retirement Application with TRS	Deadline for Payment of Additional Service Credit
January 31	January 31	March 31	March 31
February 28	February 28	April 30	April 30
March 31	March 31	May 31	May 31
April 30	April 30	June 30	June 30
May 31	<b>June 15</b>	July 31	July 31
June 30	June 30	August 31	August 31
July 31	July 31	September 30	September 30
August 31	August 31	October 31	October 31
September 30	September 30	November 30	November 30
October 31	October 31	December 31	December 31
November 30	November 30	January 31	January 31
December 31	December 31	February 28	February 28

# Health Benefits



A yellow horizontal bar with a white circle on the left side, connected by a thin line to the bar above.

Public School Retirees Covered by TRS-Care

A dark purple horizontal bar with a white circle on the left side, connected by a thin line to the bar above.

UT Retirees Covered by UT

A blue horizontal bar with a white circle on the left side, connected by a thin line to the bar above.

A&M Retirees Covered by A&M

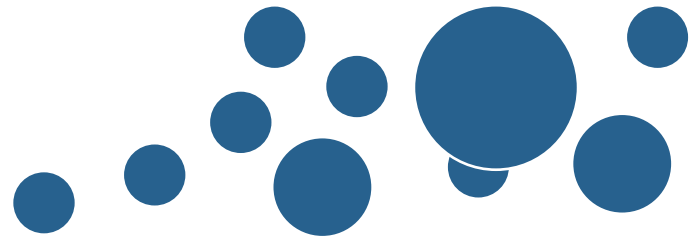
An orange horizontal bar with a white circle on the left side, connected by a thin line to the bar above.

Other Higher-Education Retirees Covered by ERS

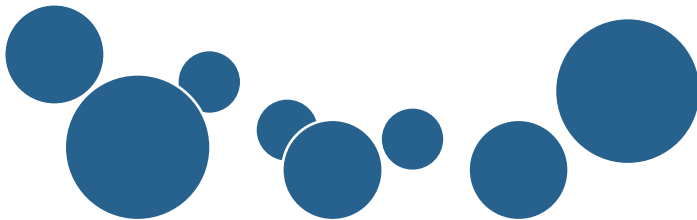


# Finalizing Retirement





Terminate employment  
with all TRS-Covered  
entities





# Monthly Payment and Deductions



**Date of Retirement**



**1<sup>st</sup> Annuity Payment**



## Payroll Deductions

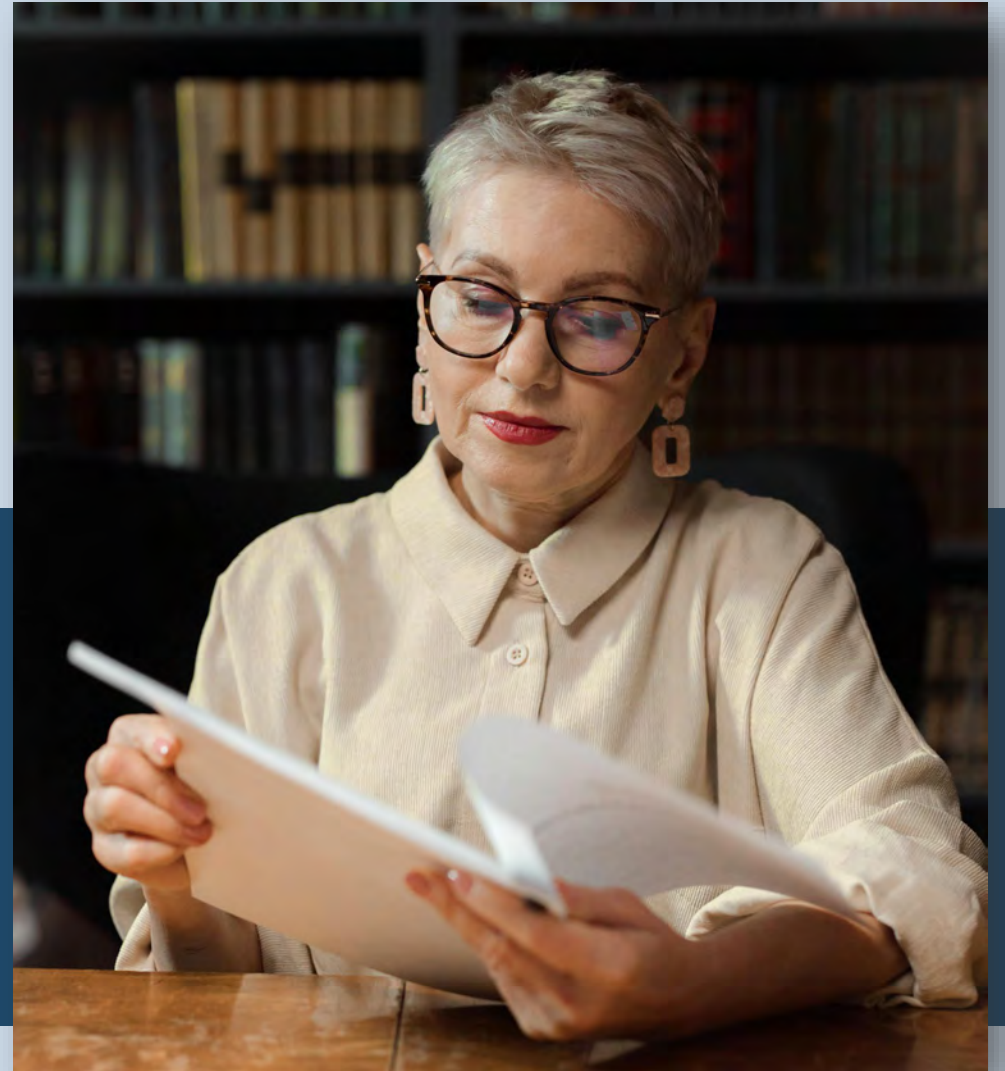


Federal Income Tax



Health Benefits Premium

# Employment After Retirement





## 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



## 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.

## 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.

## Tutor Under Section 33.913, Education Code

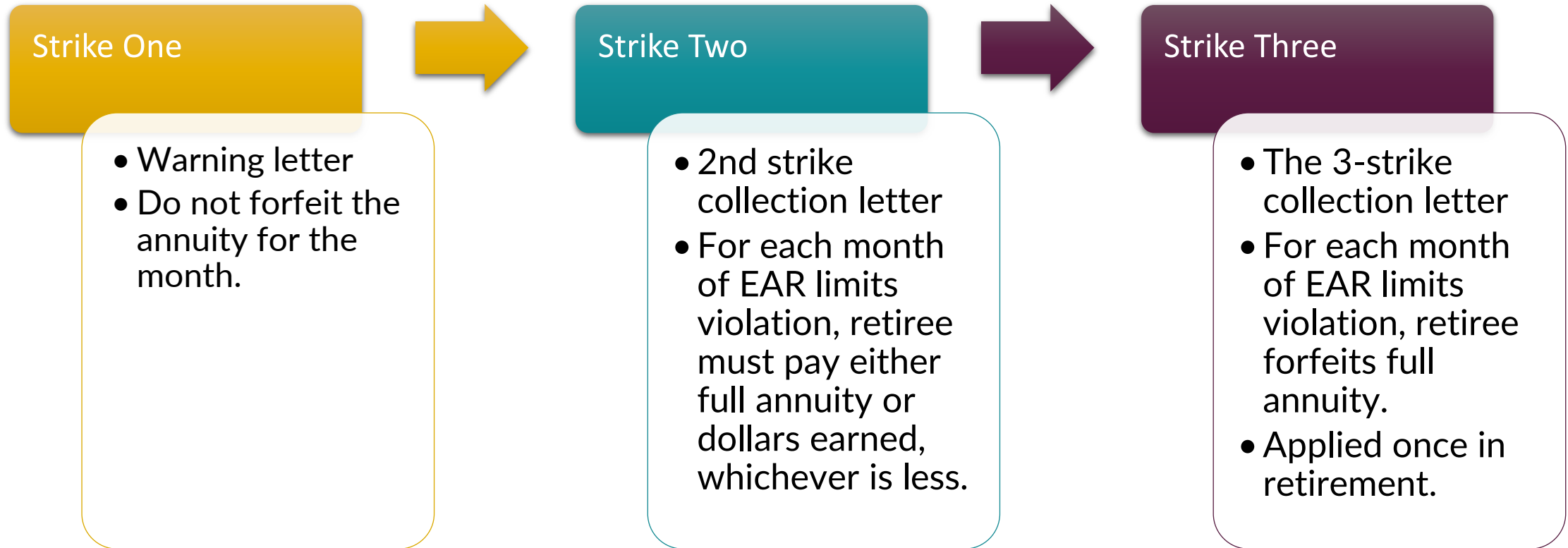
- A service retiree may work up to full time for a TRS-covered employer in a tutoring position that meets the requirements of Section 33.913, Education Code. Note: A retiree may not be eligible to work full time under this exception if the work is combined with other types of employment.

# Limits on Combining EAR Exceptions



Employment Type	Substitute	Tutor Under Section 33.913 Full Time	Tutor Under Section 33.913 One-Half Time	One-Half Time or Less
Substitute	No limit for filled positions; if vacant positions, 20-day limit	Cannot be combined	Total combined employment cannot exceed 11 days	Total combined employment cannot exceed 11 days
Tutor Under Section 33.913 Full Time	Cannot be combined	No limit	No limit	Cannot be combined
Tutor Under Section 33.913 One-Half Time	Total combined employment cannot exceed 11 days	No limit	No limit	Total combined employment cannot exceed 92 hours
One-Half Time or Less	Total combined employment cannot exceed 11 days	Cannot be combined	Total combined employment cannot exceed 92 hours	Total combined employment cannot exceed 92 hours

# Exceeding Limits – Three Strikes



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).



If you work more than one-half time in a month, your employer(s) may owe TRS pension and health care surcharges. Surcharges may not directly or indirectly be passed on to a retiree through payroll deduction, fees, or other means designed to recover the cost.





# General Information



## IMPORTANT

TRS provides valuable benefits to members, retirees, and beneficiaries. It is important to keep your address, beneficiaries and name updated.



### Keep your address current

You must inform TRS in writing of any address changes.

- Log in to MyTRS to update your address.



### Keep your beneficiary designation current:

- 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
- Upload Forms and Documents from the TRS website
- **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, X (formerly Twitter), YouTube, and LinkedIn!

# Social Security



If you are currently contributing or have contributed to social security 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.

The Social Security Fairness Act of 2023 is now officially law, repealing the [Government Pension Offset](#) and the [Windfall Elimination Provision](#) that reduced or eliminated Social Security benefits for certain retirees who receive a pension from an employer that did not pay into Social Security.

- Visit the [SSA website](#) for details and updates or call 1-800-772-1213.
- You can also visit SSA's [HR 82 webpage](#), which includes an option to sign up for email updates.



# THANK YOU



<https://trs.texas.gov>



Austin Headquarters  
El Paso Regional Office



Phone: 1-800-223-8778  
Fax: 512-542-6597



## Presentation Survey

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.

