

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- Withdrawn Service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**

TRS/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- Reinstate withdrawn service credit in any participating system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



Compensation

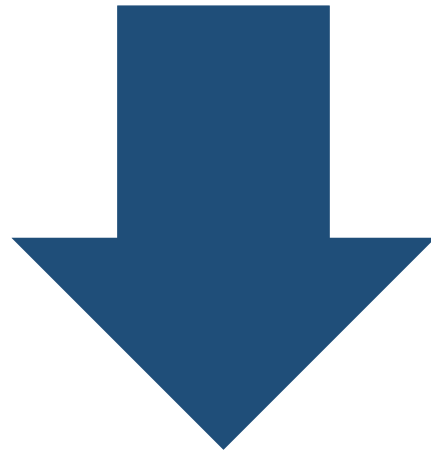
Annual Compensation

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

Grandfathering Eligibility

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 > 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?

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

Tier

1

2

3

4

5

6

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



Tier

1

2

3

4

5

6

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



Tier

1

2

3

4

5

6

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



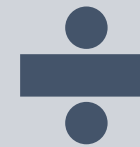
Years of Service



2.3%



Average Salary



12



Monthly Standard Annuity

Joint Survivor Annuity Options



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.

Disability Retirement



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



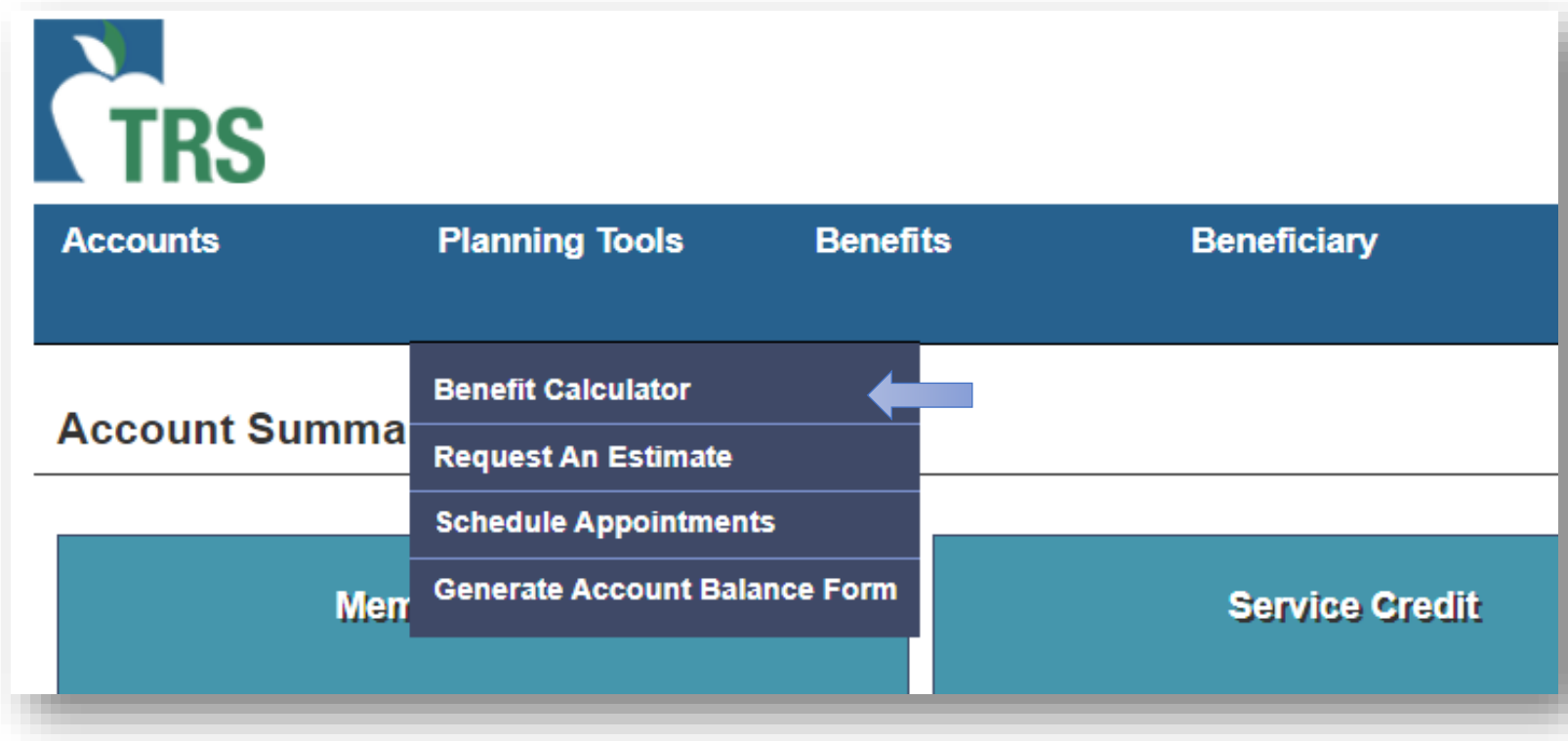
Request an
Estimate



Schedule
Appointments



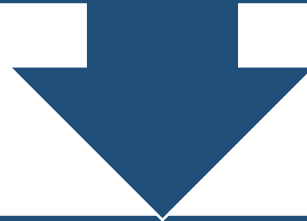
Apply for
Retirement



Request Retirement Estimate



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.

Retirement Forms

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



DEADLINE



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	June 15	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 29	February 29



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



Finalizing Retirement

Terminate Employment



Monthly Payment and Deductions



Date of Retirement



1st Check



Payroll Deductions



Federal Income Tax



Health Benefits Premium



Employment After Retirement

Things You Should Know About EAR



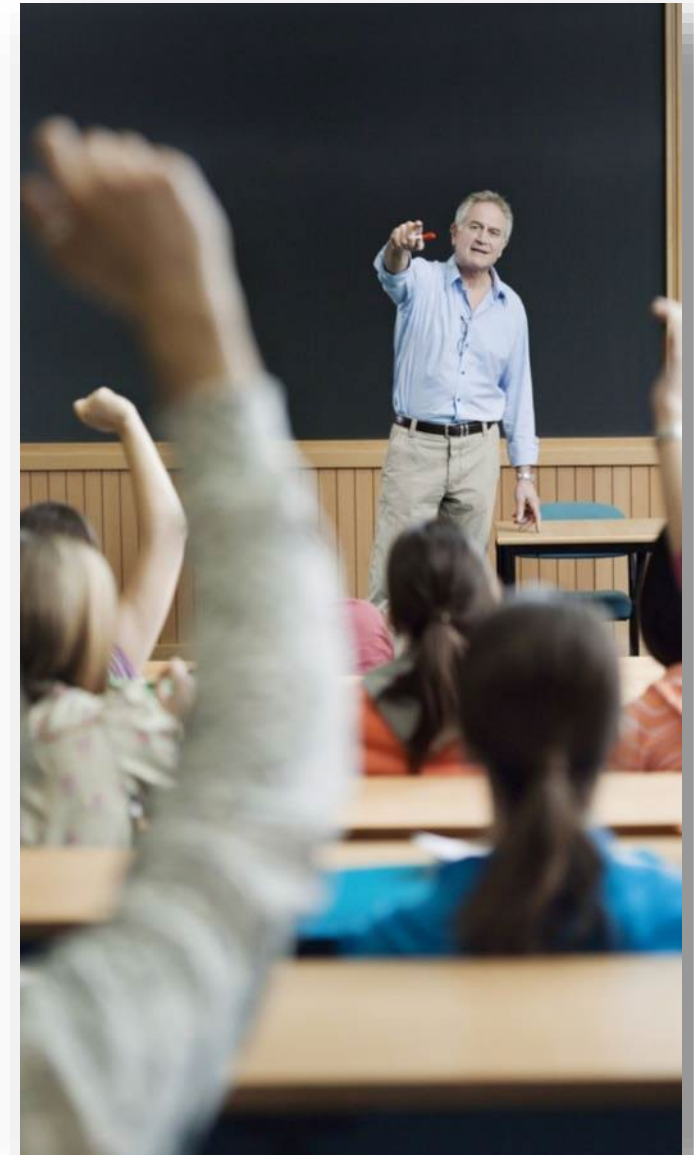
One-Month Break in Service

- 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

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



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

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).

Public Education Employer Surcharges



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.





General Information

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.



Important

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



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

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.





Thank you!

