

TRS Member Education Video Series

TRS Retirement Readiness – Early Career

Our TRS members are on a journey.

A journey to retirement.

Whether that day is way off in the distance

Or right around the corner

Or somewhere in between – TRS is your co-pilot.

Here to help you navigate the twists and turns and keep you focused on what matters.

Arriving safely at your final destination.

Let's get going!

You are a member of a retirement system that is among the largest in the United States and was specifically created to serve your needs.

Along with contributions you make as a TRS member, the Texas Legislature and school districts also make contributions to help fund your benefits.

As a member, you can count on a strong team to manage your contributions before and after retirement.

Freedom from investment decisions and protection from investment risk, means that when you retire from TRS, you will have a stable income stream.

Now that you know how your TRS benefits are funded, let's talk about the importance of saving for retirement.

Although it may seem far away, the sooner you begin considering how much you'll need, the sooner you can prepare for it.

A secure retirement can depend on having multiple sources of income we refer to as "pillars."

Upon retirement, you will receive an annuity for life.

The average annuity payment is just over two thousand dollars per month.

Cost-of-living increases are not guaranteed, so your monthly payment may not increase after you retire.

Also, certain decisions you make at the time of retirement may reduce the amount of your annuity payment.

Personal savings such as a 403(b), 457 or IRA will play an important part in your financial security.

Experts agree that the sooner you start saving consistently, the more financially secure you'll be.

Julia, age 25, and David, age 35, each put aside \$200 dollars per month in a 403(b) account.

If they each earn 5% on average per year over the long-term, the funds would gradually increase.

As shown, Julia starting just ten years earlier, results in over \$143,000 dollars more in savings.

If Julia and David had decided to increase their savings as their annual salary increased, their nest eggs could have been even larger.

Starting your savings plan as soon as possible and increasing deposits as your salary increases will ultimately result in improving your nest egg to support you in retirement.

Social security may be one of your pillars.

The majority of TRS-covered employers do not pay into social security, which means you might not pay into social security.

It's important to find out if your employer participates.

Even if you have contributed to social security with a previous employer, two federal provisions could impact your social security benefits – the Government Pension Offset and the Windfall Elimination Provision.

If you or your spouse have previously paid into the social security system, contact a social security representative to learn about your benefits and how the laws and rules apply to you.

Remember, it's important to ensure you understand your income needs in retirement, so you can act today to secure your retirement future tomorrow.

We're here for you throughout the course of your career.

Know that we are just a phone call away.

Once again, welcome to TRS.