

## **TRS Member Education Video Series**

### **TRS Retirement Readiness – Mid 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!

Many of us often think about the day we'll get to relax and enjoy retirement.

To help ensure your readiness to retire, it is important to estimate your future needs *now*, so you have time to make adjustments, if necessary.

Your income in retirement is a joint responsibility between you and TRS.

Experts say you will need 80 to 90 percent of your pre-retirement income to maintain your current standard of living.

Depending on your lifestyle, you need to set a realistic savings goal that works for you.

First, identify the sources of income you expect to have in retirement.

This includes your estimated TRS pension, personal savings, and if eligible, social security benefits.

Second, estimate your expenses to help you understand how much you will need in retirement.

Use our online retirement worksheet to create a list of your estimated monthly income and expenses.

Finally, if you have not already done so, register for a *MyTRS* account so you can access and manage your personal information.

The retirement calculator available in *MyTRS* will help determine whether your estimated retirement *plus* personal savings is equal to 80 or 90 percent of your current income.

If there is a gap, explore different scenarios with the calculator to decide if you need to increase savings, purchase service credit or work longer.

Your TRS pension is not automatically adjusted for inflation.

Although your pension may be enough to cover your expenses when you first retire, over time, your monthly annuity purchasing power will decrease due to inflation.

An additional savings vehicle can help make up the difference between what you need and what your TRS pension can provide for you in retirement.

Purchasing service credit may be an option for you.

You may be eligible to purchase any of these types of service credit:

- Withdrawn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

Check out our resources on service credit to see if this option applies to you.

If so, give us a call for information on next steps.

Age 65 is a common retirement age, but it may not be right for you.

Working longer can help you save more and increase your years of service credit.

The more years of service credit you have, the greater your TRS pension will be.

Also, it is prudent to plan conservatively, as unexpected health issues or other circumstances may arise that make it difficult for you to work up to the age you desired.

Don't assume you participate in social security.

Most Texas school districts do not pay into the social security system.

Be sure to check with your school district.

Even if you 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, planning well in advance of retirement is critical to ensure retirement readiness.

It's never too soon to start!

Give us a call today.