



### How your plan works

- ★ 7% is deposited into your account and earns 7% annually.
- ★ Benefit your employer provides is based on your final account balance and employer matching. Current employer matching is 200%.
- ★ You receive a lifetime monthly benefit when you become eligible and choose to retire.

### Naming a beneficiary

- ★ You can designate/update beneficiaries by signing in to [www.TCDRS.org](http://www.TCDRS.org).
- ★ If no beneficiary on file, we will pay benefit to spouse (if married) or estate.
- ★ A Will has no effect on how we pay out your TCDRS benefit.

### Survivor Benefit

- ★ With four or more years of TCDRS service, your beneficiary is eligible for the Survivor Benefit should you pass away before retirement.
- ★ Your beneficiary has two payment options:
  - Lifetime monthly benefit (employer matching included)
  - Withdrawal of account balance (no employer matching, tax penalty)
- ★ You can remove the withdrawal option for your beneficiary.

### Group Term Life

- ★ Provides single payment equal to your yearly salary should you pass away while employed.
- ★ Retirees receive single payment of \$5,000

### Meet with TCDRS Virtually!

- ★ [www.TCDRS.org/OnlineCounseling](http://www.TCDRS.org/OnlineCounseling)
- ★ Receive personalized estimates and review benefit payment options.
- ★ All you need is a computer or mobile device, and an internet connection
- ★ No webcam required!

### Vesting: 8 years of service

- ★ Once vested, you have a right to a lifetime monthly benefit that will include employer matching when you reach retirement eligibility.
- ★ Even if you leave your job, you can choose to get a lifetime monthly benefit when you become eligible to retire as long as you haven't taken your money out of your account.

### Retirement eligibility

Age		Service
Age 60	and	8 Years
Age	plus	Years* = 75
Any Age	and	30 Years

\* Must be vested

### Other ways to earn service time

- ★ Multiple TCDRS accounts
- ★ Proportionate Retirement Program
  - ERS (State of Texas)
  - JRS (Courts)
  - TRS (Schools)
  - TMRS (Select Cities)
  - COA (City of Austin)
- ★ Military or USERRA

### Leaving employment

- ★ **Option 1: Keep money with TCDRS**  
Account continues to earn 7% interest each year.
- ★ **Option 2: Rollover**  
Avoid paying tax penalties. Lose employer matching and lifetime benefit.
- ★ **Option 3: Withdraw**  
Significant tax consequences and possible penalty. Lose employer matching and lifetime benefit.

## **Benefit Payment Options**

- ★ 7 options to choose from at retirement
- ★ All options provide a lifetime monthly benefit to the retiree
- ★ Difference in monthly amounts reflects possible payments to a beneficiary
- ★ Consider if someone will be dependent on your retirement income

### ***Single Life***

- ★ Highest monthly amount; all payments stop when retiree passes away
- ★ Select multiple beneficiaries, change if needed

### ***Guaranteed Term***

- ★ Select 10-Year or 15-Year Guaranteed Term
- ★ Retiree receives lifetime monthly benefit
- ★ Term begins on retirement date
- ★ If retiree passes away before the end of the term, beneficiary receives benefit for remainder of term
- ★ Select multiple beneficiaries, change if needed

### ***Dual Life***

- ★ Select 50%, 75% or 100% of payment amount to continue for beneficiary's lifetime
  - ★ Variation: 100% with pop-up option
    - If beneficiary passes away before retiree, the monthly payment amount “pops up” to the Single Life monthly payment amount.
  - ★ Only select one beneficiary, no changes
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## **Applying for retirement**

- ★ **Selecting a date**
    - Retirement effective last day of any month
    - Interest applied monthly
  - ★ **Receiving payment**
    - Direct deposit last business day of following month
    - Subject to income taxes
  - ★ **Specify federal withholding**
    - Follow IRS tax tables
    - No income taxes withheld
  - ★ **Forms available at [www.TCDRS.org](http://www.TCDRS.org) or call TCDRS Member Services for a packet.**
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## **Rules against return to work**

- ★ Apply to returning to work for same employer
  - ★ No prior agreement to be rehired
  - ★ One calendar month break in service
  - ★ Non-compliance results in suspension of benefit plus repayment
  - ★ State and federal law requires signatures upon retiring certifying awareness and compliance
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## **Register online at [www.TCDRS.org](http://www.TCDRS.org)**

- ★ Estimate your retirement benefit
  - ★ Update your beneficiaries and contact information
  - ★ Track your progress on the road to retirement
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## **Notes**

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