



## How your plan works

**4-7%** is deposited into your account and earns **7%** compound interest annually.

- ★ Benefit your employer provides is based on your final account balance and employer matching. Current employer matching is **100-250%**.
- ★ 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 (Optional per employer)

- ★ Provides single payment equal to your yearly salary should you pass away while employed.
- ★ Retiree's beneficiary receives single payment of **\$5,000 (Optional per employer)**



## Vesting: 5, 8, or 10 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	<b>5, 8, 10</b> Years
Age	plus	Years* = <b>75 or 80</b>
Any Age	and	<b>20 or 30</b> 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
- ★ Prior service credit
  - Recognizes time you were employed prior to your employer joining TCDRS.
  - Time counts towards vesting and retirement eligibility.

## TCDRS Virtual Services!

- ★ Try online counseling and receive personalized estimates and review benefit payment options.
- ★ Attend a webinar to learn about retirement planning at each career stage.
- ★ Scan the QR code to see the full calendar of webinars, and link to schedule an online counseling appointment.

## 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.
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## 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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## Partial lump-sum payment (Optional per employer)

- ★ Optional lump-sum payment up to 100% of your deposits and interest
  - ★ Reduces your monthly benefit payments
  - ★ Significant tax consequences: 20% federal withholding and a possible 10% early withdrawal penalty
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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
  - ★ **Once you are ready to retire, you can apply for benefits online. Applying online is secure and lets you track the progress of your application.**
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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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