



How your plan works

- ★ **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 **225%**.
- ★ 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.
- ★ 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.

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.

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

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.
- ★ See the full calendar of webinars, and link to schedule an online counseling appointment.
- ★ <https://www.TCDRS.org/library/webinars-tailored-to-members/> or scan the QR Code below:



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

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.**

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

Register online at www.TCDRS.org

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

Notes
