



READY. SET. RETIRE.

For CPO/CO Employees

ERS supports the state workforce by offering competitive benefits at a reasonable cost.

ERS
EMPLOYEES  RETIREMENT
SYSTEM OF TEXAS

Updated 2021



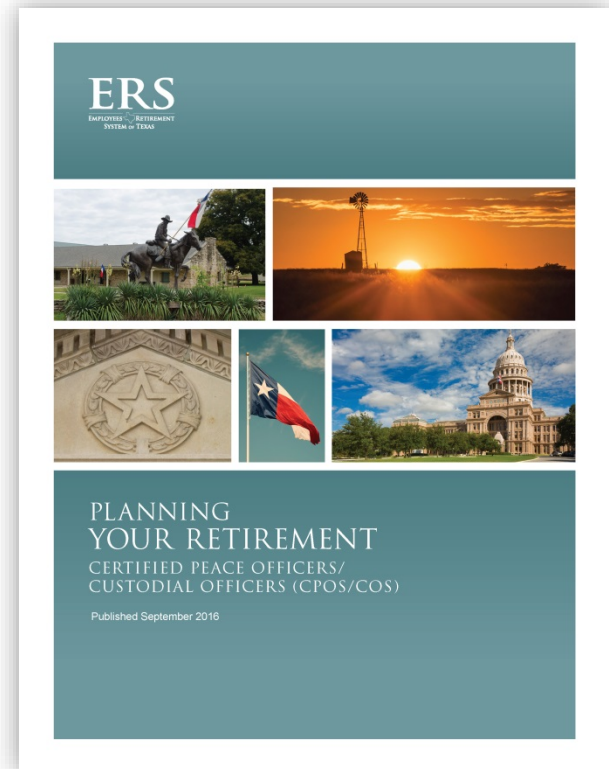
Ready, Set, Retire!

- Law Enforcement & Custodial Officer Supplemental Retirement Fund (LECOSRF)
- Your Income at Retirement
- Eligibility
- Service Credit
- Estimating Your ERS Annuity
- Three Steps to Retirement
- Retiree Benefits
- Resources



LECOS Retirement Fund

- Created to reward CPO/COs with 20 or more years of hazardous duty service
- CPO/COs contribute an extra 0.5% of their salary.
- Eligible CPO/CO employees may be able to retire at a younger age.



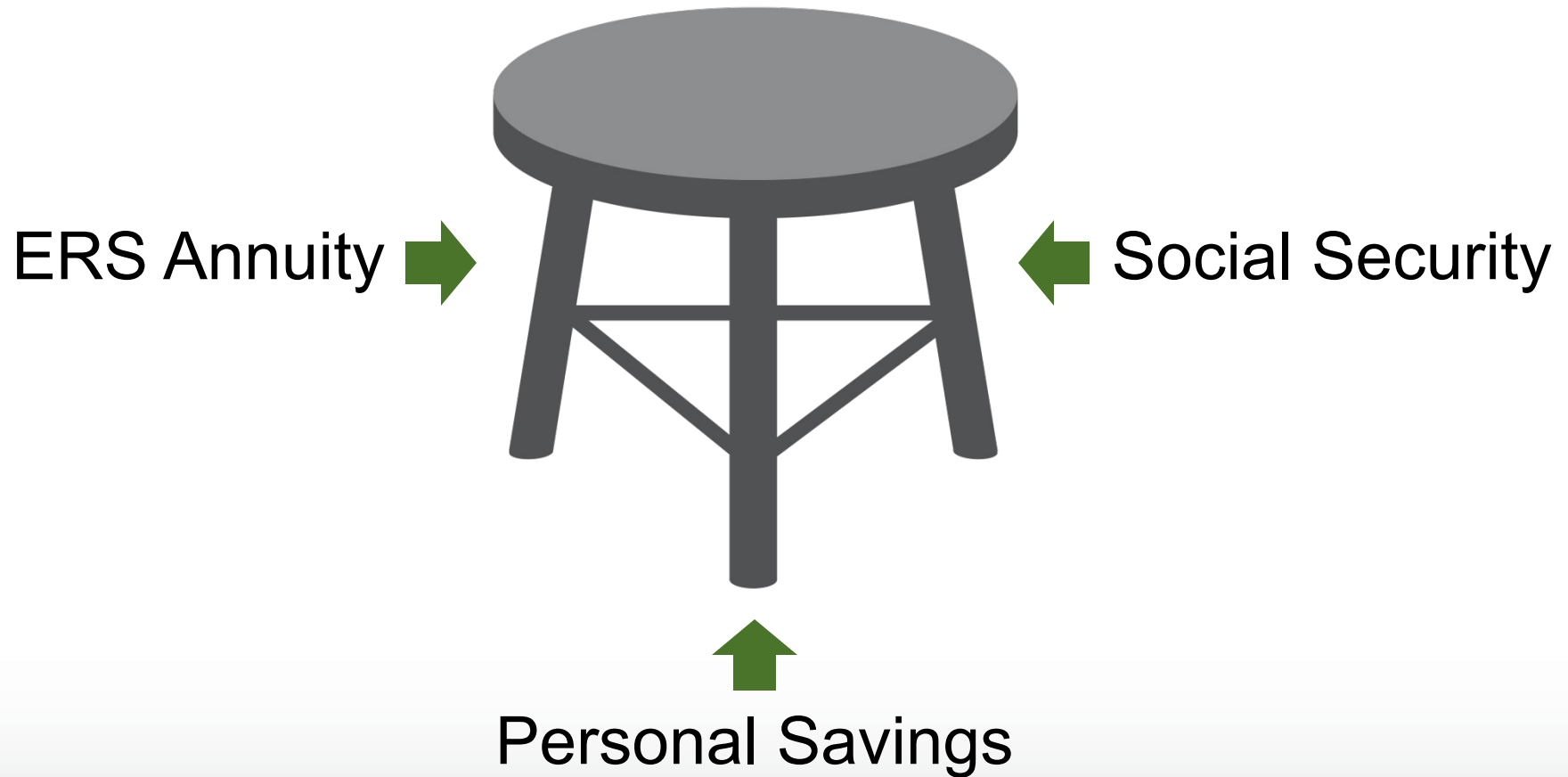


YOUR INCOME — AT — RETIREMENT





Three-leggedged Stool





ERS Annuity



Lifetime
payment



Average
monthly
annuity
\$1,940



60% of
your salary



No cost
of living
adjustments
(COLA)



Personal Savings

- Texa\$aver 401(k) or 457
- Individual retirement account (IRA)
- Retirement accounts from previous employers
- Personal savings account

TEXA\$AVERSM
401(k) / 457 Program





Social Security

- Doesn't reduce your ERS annuity
- Draw SSA benefit early (reduced amount) or wait to draw maximum SSA payment
- Eligibility based on the year you were born



For more info, call Social Security
(800) 772-1213.

ELIGIBILITY





Retirement Groups

GROUPS



Hired before September 1, 2009






Hired on September 1, 2009
through August 31, 2013



Hired on or after September 1, 2013






Fewer than 20 years of CPO service

	Group 	Group 	Group 
	Hired before September 1, 2009	Hired September 1, 2009 through August 31, 2013	Hired on or after September 1, 2013
Service Multiplier	2.3% (LECOS contributions refunded to you)		
Minimum age with no GBP benefits	Age 60 with at least 5 years of service credit	Not applicable	
Minimum age with GBP benefits	Age 55 with at least 10 years of service credit		
Permanent annuity reduction	No reduction	5% for every year under age 60 (25% cap)	5% for every year under age 62 (no cap)
<u>Less than 20 years</u> of CPO/CO Service Credit-Does not qualify for the LECOS higher multiplier (2.8%)			

*Health and other insurance benefits for employees and retirees are subject to change based on available state funding. The Texas Legislature determines the level of funding for such benefits and has no continuing obligation to provide those benefits beyond each fiscal year.



20 or more years of CPO Service

	Group 	Group 	Group 
	Hired before September 1, 2009	Hired September 1, 2009 through August 31, 2013	Hired on or after September 1, 2013
Service Multiplier	2.8%		
Minimum retirement age with GBP benefits	Any age with 20 or more years of service		
Permanent annuity reduction	Actuarial factor if retire before age 50 (unless Rule of 80 is met)	5% for every year under age 55 (25% cap)	5% for every year under age 57 (no cap)
<u>20 or more years</u> of CPO/CO service credit- Qualifies for the LECOS higher multiplier			

*Health and other insurance benefits for employees and retirees are subject to change based on available state funding. The Texas Legislature determines the level of funding for such benefits and has no continuing obligation to provide those benefits beyond each fiscal year.



Leaving CPO/CO Employment Before Retiring

- Avoid reduction in annuity by waiting until retirement age
- No GBP benefits until retirement
- No credit for unused sick and annual leave
- 60-day waiting period for health insurance





Retiring with Insurance

Contributing members

- No waiting period for health and optional benefits

Non-contributing members

- 60-day health coverage waiting period
- Optional benefits begin the first day of the month after the retirement date





Retiree Insurance Premium

The state pays 100% of your health insurance premium if you had at least five years of service with an agency that participates in the GBP on or before September 1, 2014.



If not, the state contribution is based on your years of service with an agency that participates in the GBP:

50%

with 10 up to
15 years

75%

with 15 up to
20 years

100%

with 20 or
more years

SERVICE CREDIT





Earned Service Credit

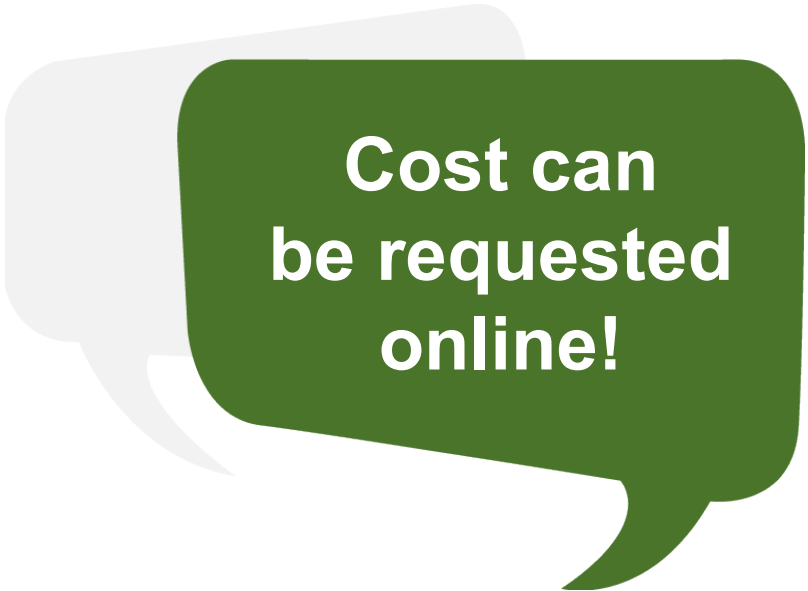
- Monthly service credit
- Group 1 – unused sick and annual leave
- Teacher Retirement System (TRS)
- Proportionate Retirement Program (PRP)
- Optional Retirement Program (ORP)

See pages 11 – 13 of the PYR booklet for details on earned service credit.



Purchased Service Credit

- Refunded ERS service
- Military service
- Waiting period
- Additional service credit



**Cost can
be requested
online!**



See details on pages 14 – 15 of the PYR booklet.



You have payment options.



ERS ANNUITY





Calculating Your Annuity: Group



ERS[®]
EMPLOYEES' RETIREMENT
SYSTEM OF TEXAS

\$3,000

*Highest average salary
(average of highest 36 months)*

X .70

*Percentage value of service credit
(25 years x 2.8%)*

\$2,100

Gross standard annuity



READY. SET. RETIRE.



Calculating Your Annuity: Group



Without a reduction:

- **Highest Average Salary:**
\$4,000 (highest 48 months)
- **Percentage value of service credit:**
70% (25 years x 2.8%)
- **Standard Annuity:**
\$2,800

With a reduction:

- **Highest Average Salary:**
\$4,000 (highest 48 months)
- **Percentage value of service credit:**
70% (25 years x 2.8%)
- **Standard Annuity:**
\$2,800
- **Age reduction:**
75% (Age 50 = 25% reduction)
- **Reduced Annuity:**
\$2,100





Calculating Your Annuity: Group

Without a reduction:

- **Highest Average Salary:**
\$5,000 (highest 60 months)
- **Percentage value of service credit:**
70% (25 years x by 2.8%)
- **Standard Annuity:**
\$3,500

With a reduction:

- **Highest Average Salary:**
\$5,000 (highest 60 months)
- **Percentage value of service credit:**
70% (25 years x by 2.8%)
- **Standard Annuity:**
\$3,500
- **Age reduction:**
70% (Age 51 = 30% reduction)
- **Reduced Annuity:**
\$2,450





Standard Annuity Option

- Highest monthly lifetime payment
- No monthly survivor payment
- Remaining balance of your contributions is paid to your beneficiary
- You can have one or more beneficiaries





Survivor Options 1, 2 and 5

- Reduced annuity
- Choose one beneficiary
- Option 1 and 5 – possible reduction for non-spouse
- Your payment changes to standard annuity if your beneficiary dies before you

BENEFICIARY RECEIVES:

Option 1
100%

Option 2
50%

Option 5
75%



Survivor Options 3 and 4

- Reduced annuity
- Pays beneficiary only if you die in the first 5 or 10 years after retirement
- You can designate multiple beneficiaries

BENEFICIARY RECEIVES:

Option 3

remainder of
60 monthly payments

Option 4

remainder of
120 monthly payments




Partial Lump-Sum Option (PLSO)


- One to 36 months of your standard annuity payment
- A one-time payment
- Annuity permanently reduced
- 20% tax and possible 10% penalty
- Roll over to Texa\$aver 401(k) / 457 account
- Ineligible for PLSO if you retire with an age reduction






Three Steps to Retirement

-  **Step one** – create a retirement estimate

-  **Step two** – call ERS to request your retirement

-  **Step three** – return your retirement documents on time

Tell your agency you're retiring. ERS doesn't disclose this information.



BENEFITS — AT — RETIREMENT





Coverage Options



Active Benefits	Retiree benefits
Health + \$5,000 basic term life + prescription benefits	Health + \$2,500 basic term life + prescription benefits
Dental	
Vision	
Optional Term Life: Elections 1 – 4	Optional Term Life: Elections 1-2; \$10,000 Fixed Optional Life
Dependent Term Life - \$5,000	Dependent Term Life - \$2,500
TexFlex – HCRA, DCRA, CSA, LFSA	TexFlex - COBRA
Disability benefits (short-term and long-term)	N/A
Accidental Death and Dismemberment (AD&D)	

30-day window to elect or make changes to any benefit that you cannot take into retirement.



Medicare and Your State Health Insurance



- Sign up for Part A and Part B when you're first eligible once you're retired
- HealthSelect Medicare Rx
- Medicare Preparation seminars offered by ERS



Discount Purchase Program



Treat
Yourself
to Cool
Deals



DISCOUNT
Purchase Program
administered by BENEPLACE

Ready to Save?

- Shop online for discounted prices.
- No membership fee.
- Just shop and save!

www.DiscountProgramERS.com

READY. SET. RETIRE.



Resources

Visit www.ers.texas.gov to access:

- your account
- events calendar
- publications
- subscriptions or

Call (877) 275-4377

Monday – Friday

8:00 a.m. – 5:00 p.m. CT





THANK YOU!