



Retirement Benefits for Elected State Officials

**As administered by the
Employees Retirement
System of Texas**

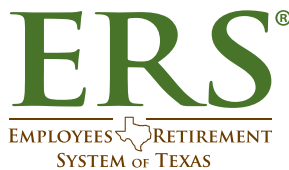
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EMPLOYEES  RETIREMENT
SYSTEM OF TEXAS

Retirement Benefits for Elected State Officials

This booklet provides information regarding retirement benefits available to you as an elected state official. This publication summarizes the law (Title 8, Texas Government Code) and the Board of Trustees Rules of the Employees Retirement System of Texas, which administers these benefits. The actual Law and Rules prevail in all questions of interpretation and application.

The information in this booklet is subject to change by the Texas Legislature.



Customer Benefits Division
P. O. Box 13207 • Austin, Texas 78711-3207
(877) 275-4377, toll-free
www.ers.texas.gov

Retirement eligibility and benefits

Retirement benefits for elected state officials and other eligible officials are provided by the Employees Retirement System of Texas (ERS). In this booklet, you will find information on the three types of benefits available in the elected class retirement program: service retirement, disability retirement and death benefits. Retirement records of members and beneficiaries are confidential. ERS will not release certain information about your account without your written authorization.

Membership under the elected class is optional. To gain membership, eligible persons must submit an application for membership. These applications are available from your benefits coordinator. Upon receipt of the application, they will begin to deduct a retirement contribution from your monthly salary.

Membership in the elected class is limited to:

- Persons who hold state offices normally filled by a statewide election and not included for coverage under the Judicial Retirement System of Texas Plan 1 or Judicial Retirement System of Texas Plan 2;
- Members of the State Legislature; and
- District and criminal district attorneys, to the extent that they receive salaries from the state general revenue fund.

Members of the elected class contribute at a rate of 9.5% of their gross salary. The Texas Legislature sets the contribution levels. Retirement contributions, based on compensation earned after December 31, 1987, are tax-sheltered and are not subject to federal income tax until distribution is made as annuity payments after retirement or as a refund of contributions upon termination of membership.

The amount of each contribution is credited to your ERS elected class account. In addition to your contribution, the State contributes an amount necessary to finance the system. State contributions are not credited to the members' individual accounts and are not included in the amounts refunded to those members who withdraw their retirement contributions.

All ERS retirement accounts earn 2% interest each fiscal year on the mean balance in the accounts for the year.

This rate is set by state law and only applies when you take a refund of your contributions. It is irrelevant in determining your annuity amount at retirement.

ERS retirement funds

ERS manages a defined benefit retirement plan for State of Texas employees. It's qualified under Section 401(a) of the Internal Revenue Code. The plan provides a lifetime retirement payment based on formulas and eligibility guidelines authorized by the Texas Legislature.

ERS is funded on sound actuarial principles. State contributions, member contributions and investment income provide the funds for payment of retirement benefits. Administrative costs are paid from investments and membership fees. Money received by ERS is invested by a professional staff in accordance with Board of Trustee policies and constitutional and statutory guidelines.

ERS was established in 1947 and is governed by six trustees who serve staggered terms of six years. Three members are elected by the membership of the retirement system in even years. Three are appointed, subject to Senate confirmation—one each by the Governor, the Chief Justice of the Supreme Court and the Speaker of the House of Representatives. The trustees appoint an Executive Director who is responsible for all administrative functions and the supervision of ERS staff.

Retirement eligibility and benefits

Retirement benefits

Retirement benefits start with the computation of a standard monthly annuity at your retirement age. The amount is reduced if you select one of the five options to continue benefits for your survivor in the event of your death. It may also be reduced if you select a partial lump sum option at retirement.

Your monthly standard annuity for all elected officials except district attorneys is calculated by multiplying the percentage value of your months and years of retirement credit times the current base state salary of a district judge. Instead of using the state base salary of a district judge, your benefits may be based on your average salary (highest 36 months) as a state employee (certain eligibility factors are required). If you are a district or criminal district attorney, the salary

used in your monthly standard annuity calculation will be the salary being paid to a district judge based on the same number of years of contributing service credit on your last day of service. The monthly standard annuity for a member retiring from the elected class may not exceed 100% of the state salary of a district judge. The percentage value for service credit in the elected class is 2.3% per year. To determine your service percentage, see the table on page 4.

Retirement eligibility

Two factors determine eligibility for retirement: Your age and your years of service credit. If you meet eligibility criteria for the elected class, you may retire when you have:

- 8 years of service at age 60 or
- 12 years of service at age 50.

Earning service credit

You earn a full month of service credit for each month a contribution is deducted from your salary, regardless of the number of days worked during the month or the amount of salary. No more than 24 months service may be credited in a two-year term, and no more than 48 months service may be credited in a four-year term.

Prior to retirement from the elected class, you may be eligible to establish additional credit for withdrawn service, calendar year service, service not previously established, military service or Additional Service Credit (ASC). The cost to purchase service credit will be calculated by ERS upon your request.

Withdrawn service

When you leave employment and withdraw your retirement account, you no longer have the time you worked as service credit.

The cost to buy this type of service is the amount you originally withdrew plus 10% interest for each fiscal year from the withdrawal date to the purchase date. You can purchase this service credit in monthly increments.

Calendar year service

You are eligible to establish this service credit in your elected class account for all or part of any calendar year during which you:

- Were eligible to take the oath for an office included in the elected class or
- Held an office in the elected class.

Earning service credit

The cost to purchase service credit for calendar year service includes contributions only or contributions and 10% interest, depending upon the date payment is made and when the service was performed.

Service not previously established

If you held an elected office and did not elect membership, you may buy service credit for this waived service. The cost to purchase service credit for each month of service not previously established includes contributions and 10% interest per year.

Military service

You may buy a maximum of 60 months (five years) of service credit for active U.S. military service. You are eligible to purchase military service only if you are not eligible to receive a regular military retirement based on 20 years or more of active federal military duty or its equivalent, and you did not receive a dishonorable discharge. The cost to purchase service credit for each month of active military service includes contributions and 10% per year interest.

If you purchase military service within one year from the date you become a member of ERS, you are not required to pay any interest. You may obtain the cost of purchasing your military service by furnishing a copy of your DD214 or NGB23 to ERS. Service credit for military service is used in determining all retirement, death and disability benefits.

Before military service is included for service credit or non-occupational disability retirement benefits, you must have:

- Six years of membership service in the elected class, if you purchased the military service credit prior to January 1, 1978.
- Eight years of membership service in the elected class if you purchased the military service credit after January 1, 1978.

Additional Service Credit

You are eligible to purchase Additional Service Credit (ASC) for added service credit if you are a contributing member and have at least 10 years of actual ERS service credit (not counting military and calendar year service).

This credit purchase option allows up to three years of additional service to be purchased. The service must be purchased in year increments up to three years, unless you are applying for retirement and need a specific number of months to meet eligibility. ASC is designed to be revenue neutral to the retirement system and as a result tends to be more expensive than other types of service credit.

Before you can purchase ASC, you must purchase all other available unestablished ERS service credit, including military service.

**Two factors determine eligibility for retirement:
Your age and your years of service credit.**

Standard annuity, percentage value of creditable service

Years	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
0	0.000	0.192	0.383	0.575	0.767	0.958	1.150	1.342	1.533	1.725	1.917	2.108
1	2.300	2.492	2.683	2.875	3.067	3.258	3.450	3.642	3.833	4.025	4.217	4.408
2	4.600	4.792	4.983	5.175	5.367	5.558	5.750	5.942	6.133	6.325	6.517	6.708
3	6.900	7.092	7.283	7.475	7.667	7.858	8.050	8.242	8.433	8.625	8.817	9.008
4	9.200	9.392	9.583	9.775	9.967	10.158	10.350	10.542	10.733	10.925	11.117	11.308
5	11.500	11.692	11.883	12.075	12.267	12.458	12.650	12.842	13.033	13.225	13.417	13.608
6	13.800	13.992	14.183	14.375	14.567	14.758	14.950	15.142	15.333	15.525	15.717	15.908
7	16.100	16.292	16.483	16.675	16.867	17.058	17.250	17.442	17.633	17.825	18.017	18.208
8	18.400	18.592	18.783	18.975	19.167	19.358	19.550	19.742	19.933	20.125	20.317	20.508
9	20.700	20.892	21.083	21.275	21.467	21.658	21.850	22.042	22.233	22.425	22.617	22.808
10	23.000	23.192	23.383	23.575	23.767	23.958	24.150	24.342	24.533	24.725	24.917	25.108
11	25.300	25.492	25.683	25.875	26.067	26.258	26.450	26.642	26.833	27.025	27.217	27.408
12	27.600	27.792	27.983	28.175	28.367	28.558	28.750	28.942	29.133	29.325	29.517	29.708
13	29.900	30.092	30.283	30.475	30.667	30.858	31.050	31.242	31.433	31.625	31.817	32.008
14	32.200	32.392	32.583	32.775	32.967	33.158	33.350	33.542	33.733	33.925	34.117	34.308
15	34.500	34.692	34.883	35.075	35.267	35.458	35.650	35.842	36.033	36.225	36.417	36.608
16	36.800	36.992	37.183	37.375	37.567	37.758	37.950	38.142	38.333	38.525	38.717	38.908
17	39.100	39.292	39.483	39.675	39.867	40.058	40.250	40.442	40.633	40.825	41.017	41.208
18	41.400	41.592	41.783	41.975	42.167	42.358	42.550	42.742	42.933	43.125	43.317	43.508
19	43.700	43.892	44.083	44.275	44.467	44.658	44.850	45.042	45.233	45.425	45.617	45.808
20	46.000	46.192	46.383	46.575	46.767	46.958	47.150	47.342	47.533	47.725	47.917	48.108
21	48.300	48.492	48.683	48.875	49.067	49.258	49.450	49.642	49.833	50.025	50.217	50.408
22	50.600	50.792	50.983	51.175	51.367	51.558	51.750	51.942	52.133	52.325	52.517	52.708
23	52.900	53.092	53.283	53.475	53.667	53.858	54.050	54.242	54.433	54.625	54.817	55.008
24	55.200	55.392	55.583	55.775	55.967	56.158	56.350	56.542	56.733	56.925	57.117	57.308
25	57.500	57.692	57.883	58.075	58.267	58.458	58.650	58.842	59.033	59.225	59.417	59.608
26	59.800	59.992	60.183	60.375	60.567	60.758	60.950	61.142	61.333	61.525	61.717	61.908
27	62.100	62.292	62.483	62.675	62.867	63.058	63.250	63.442	63.633	63.825	64.017	64.208
28	64.400	64.592	64.783	64.975	65.167	65.358	65.550	65.742	65.933	66.125	66.317	66.508
29	66.700	66.892	67.083	67.275	67.467	67.658	67.850	68.042	68.233	68.425	68.617	68.808
30	69.000	69.192	69.383	69.575	69.767	69.958	70.150	70.342	70.533	70.725	70.917	71.108
31	71.300	71.492	71.683	71.875	72.067	72.258	72.450	72.642	72.833	73.025	73.217	73.408
32	73.600	73.792	73.983	74.175	74.367	74.558	74.750	74.942	75.133	75.325	75.517	75.708
33	75.900	76.092	76.283	76.475	76.667	76.858	77.050	77.242	77.433	77.625	77.817	78.008
34	78.200	78.392	78.583	78.775	78.967	79.158	79.350	79.542	79.733	79.925	80.117	80.308
35	80.500	80.692	80.883	81.075	81.267	81.458	81.650	81.842	82.033	82.225	82.417	82.608
36	82.800	82.992	83.183	83.375	83.567	83.758	83.950	84.142	84.333	84.525	84.717	84.908
37	85.100	85.292	85.483	85.675	85.867	86.058	86.250	86.442	86.633	86.825	87.017	87.208
38	87.400	87.592	87.783	87.975	88.167	88.358	88.550	88.742	88.933	89.125	89.317	89.508
39	89.700	89.892	90.083	90.275	90.467	90.658	90.850	91.042	91.233	91.425	91.617	91.808
40	92.000	92.192	92.383	92.575	92.767	92.958	93.150	93.342	93.533	93.725	93.917	94.108
41	94.300	94.492	94.683	94.875	95.067	95.258	95.450	95.642	95.833	96.025	96.217	96.408
42	96.600	96.792	96.983	97.175	97.367	97.558	97.750	97.942	98.133	98.325	98.517	98.708
43	98.900	99.092	99.283	99.475	99.667	99.858	100.00	100.00	100.00	100.00	100.00	100.00
44	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
45	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Other retirement systems

Proportionate Retirement Program

Ten retirement systems participate in the Proportionate Retirement Program (PRP) to provide benefits to members who have retirement service in more than one system. Service credit in ERS and the Teacher Retirement System of Texas (TRS) may be eligible for transfer between the systems. Participating systems are:

- City of Austin Police Retirement System
- City of Austin Retirement System
- El Paso City Employees' Pension Fund
- El Paso Firemen & Policemen's Pension Fund
- Employees Retirement System of Texas
- Judicial Retirement System of Texas Plan 1
- Judicial Retirement System of Texas Plan 2
- Teacher Retirement System of Texas
- Texas County and District Retirement System
- Texas Municipal Retirement System

A member of any of the retirement systems who participates in the PRP can combine service credit from two or more systems to help meet retirement eligibility.

Under the PRP, military service credit established in more than one system for the same period of active military duty will be credited in only one system. If you qualify for proportionate retirement, you will receive a monthly annuity from each system based on service established in that system.

If you're a PRP member and have refunded ERS service, you can buy it back without being reemployed with the State. Likewise, if you're an ERS member, you may purchase refunded service from any of the retirement systems participating in the program. Each system may have its own specific rules governing service purchases, so it's always best to coordinate between that system and ERS. For the purpose of this statute (Title 8, Texas Government Code), retirement programs administered by the ERS for the elected class and the employee class are treated as if they are separate systems.

The Proportionate Retirement Program is designed to provide benefits to members with service credit in more than one system.

Your annuity options

At retirement, you will select a standard annuity or one of five survivor options that may provide a monthly benefit after your death to the beneficiary named by you. Spousal consent will be required if you select the standard annuity or Option 3 or 4.

Survivor option reduction factor tables are used when retiring employees choose a survivor option to continue payments to a beneficiary after their death. Some of these factors are based on the employee's age at retirement and the beneficiary's age. For more information on the reduction factors that would apply to you and your beneficiary, contact ERS Customer Service at (877) 275-4377 toll-free.

Monthly Payment Options

Option	Retiree Payment	Survivor Payment
Standard annuity	This is the highest monthly payment paid to you for life.	No monthly survivor payment. If there is money left in your account after your death, your survivor receives a one-time payment.
Option 1	This is a lower monthly payment paid to you for life.	After your death, your survivor gets 100% of your monthly payment for life.*
Option 2	This is a lower monthly payment paid to you for life.	After your death, your survivor gets 50% of your monthly payment for life.
Option 3	This is a lower monthly payment paid to you for life.	If you die before you get 60 monthly payments, your survivor gets the rest of the 60 monthly payments. Then the monthly payment stops.
Option 4	This is a lower monthly payment paid to you for life.	If you die before you get 120 monthly payments, your survivor gets the rest of the 120 monthly payments. Then the monthly payment stops.
Option 5	This is a lower monthly payment paid to you for life.	After your death, your survivor gets 75% of your monthly payment for life.*

*If your survivor is not a spouse or is younger than yourself, the percentage he or she receives may be less.

Your annuity options

Survivor options

If you select Option 1, 2 or 5, you must designate a specific individual. The reduction from the standard annuity amount is calculated on the basis of the age difference in years of your age and the age of your beneficiary at retirement. If your beneficiary precedes you in death, then your monthly annuity check returns to the standard annuity amount.

If you select Option 3 or 4, you can change your beneficiary after retirement. The reduction from your standard annuity amount for these options is typically a flat reduction, based on your age at retirement.

You may choose to receive a check for up to 36 months of your standard annuity as a lump sum payment at retirement.

Partial lump sum option (PLSO)

You may choose to receive a one-time payment equal to one to 36 months of your standard payment as a lump sum at retirement. If you choose this option, ERS pays this in addition to your monthly retirement payment. By selecting a PLSO, you permanently lower your monthly payments. Your age at retirement and the number of months you choose for the PLSO determine how much the payment is reduced.

The following members cannot receive PLSOs:

- Disability retirees (see page 6 for more information on disability retirement)
- Proportionate Retirement Program (PRP) retirees (see page 5 for more information on proportionate retirement)

You can take your PLSO as a direct cash payment. You would pay 20% in taxes and may have to pay an additional 10% penalty for early withdrawal if you retire from state employment younger than 55. If you provide your direct deposit information early enough, we may be able to deposit the PLSO directly into your account within five days of your first monthly retirement payment.

You can also roll your PLSO payment into a Texa\$aver 401(k) or 457 Plan account. ERS coordinates the rollover and sends it directly to Texa\$aver. You cannot use the PLSO rollover to pay off an existing Texa\$aver loan.

If you have an eligible retirement plan or an IRA other than Texa\$aver, you can also roll your PLSO into it. ERS will need the name of the financial institution. We will send you a separate check made out to the financial institution within five days of your first monthly retirement payment.

Disability retirement

There are two types of disability retirements: Occupational and Nonoccupational.

If you become mentally or physically incapacitated and your medical condition is likely to be permanent, you may be eligible for disability retirement benefits. The ERS medical board must certify that your disability is likely to be permanent and prevents you from continuing your current state employment with a reasonable accommodation or any other occupation offering comparable pay. For both occupational and nonoccupational disability retirement, you must:

- seek and be denied workplace accommodation for your disability;
- be unable to hold your current position or any other position that pays 80% or more of your state pay and
- establish that your inability to work is likely to be permanent.

You will receive a disability annuity for the duration of your lifetime as long as you continue to meet eligibility requirements. The requirements for disability retirement are fully stated in ERS' statutes and rules.

Occupational disability

Regardless of age or length of service, you are eligible for this benefit if you prove your disability is from a sudden and unexpected injury or disease that results solely from a specific act or occurrence determinable by a definite time and place and solely from an extremely dangerous risk of severe physical or mental trauma or disease that is not common to the public at large and that is peculiar to and inherent in a dangerous duty that arises from the nature and in the course of your elected service.

Nonoccupational disability

A contributing member is eligible for a nonoccupational disability if the member has:

- Eight years of membership service credit in the elected class of membership, exclusive of military service or
- Six years of membership service credit in the elected class, plus two years of military service, if the military service was purchased before January 1, 1978.

For disability retirement, the retirement monthly annuity options are the same as those provided under a service retirement. If you have chosen one of the optional retirement plans, your beneficiaries or estate will receive your benefits under the plan chosen should you die while receiving disability retirement benefits.

Your retirement benefits

Retiree insurance coverage

When you retire, you and your eligible dependents may be eligible to enroll in health insurance through the Texas Employees Group Benefits Program (GBP), including available health maintenance organizations (HMOs). You may also be eligible to enroll in dental or vision coverage offered through the GBP.

As a retiree eligible for insurance, you can enroll in most of the same health plans as actively employed members, and receive the same state contributions toward your premiums (100% for retiree coverage and 50% of the premium for dependent coverage). If you retire directly from state service, you may continue your Optional Term Life Insurance, up to two times your annual salary, or you may enroll in the \$10,000 Retiree Fixed Optional Life Insurance plan.

If you are not enrolled in Optional Term Life Insurance at the time of retirement, you may apply for a \$10,000 Retiree Fixed Optional Life plan, but will have to go through evidence of insurability and approval is not guaranteed. If you have Dependent Term Life Insurance elected at the time of retirement, you can continue that coverage; however, the coverage level reduces to \$2,500. Retiree health premiums include \$2,500 of Basic Term Life Insurance for the retiree only. Optional Term Life election 1 or 2, Retiree Fixed Optional Life and Dependent Term Life insurance are the only optional life insurance coverages available to retirees.

When you turn age 65, or if you are certified as disabled by the Social Security Administration (SSA), you become Medicare-eligible. It is up to YOU to enroll in Medicare Part A and Part B. Enroll up to 90 days before your 65th birthday or when you are certified as disabled by SSA. Once you are enrolled in Part A and Part B of Medicare and have your Medicare number, please contact ERS at (877) 275-4377 and provide your Medicare information.

If you are currently working for a state agency or higher education institution and are Medicare-eligible, you do not need to sign up for Part B until you are no longer working. Remember to apply for Medicare Part B no more than 90 days before you stop working and contact ERS at (877) 275-4377 to provide your Medicare information.

If you were eligible for retiree insurance at the time of your death, your spouse and eligible dependent children may enroll in GBP health, dental and vision coverage as survivors, provided the required premiums are paid and any dependency requirements continue to be met. Eligible survivors have 30 days to enroll, and children may enroll regardless of whether the spouse continues coverage. The state makes no contribution toward the cost of surviving dependent coverage. This entire premium is the responsibility of the covered dependent.

If you are enrolled in health insurance as an employee or retiree at the time of your death, you are covered by the State's basic term life coverage at no cost to you.

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.

Death benefits

Although ERS' primary purpose is to provide retirement benefits, it recognizes the need to provide some income protection to the survivors of both active and retired members.

Death benefit eligibility for an elected class member is based on years of service in the elected class and status as a contributing or non-contributing member. If you are:

- *A contributing member with less than eight years of retirement credit* at the date of your death, ERS will refund your contributions and interest, plus an additional 5% of the amount for each year of service credit, to your selected beneficiary or estate.
- *A non-contributing member with less than eight years of service credit* at the date of your death, ERS will refund your contributions plus interest to your selected beneficiary or estate.
- *A contributing member and you are eligible to retire*, but you have less than 10 years of service at the date of your death, your surviving spouse or, if there is no spouse, the guardian of your surviving dependent minor child may select a monthly annuity under Option 1. If there is no surviving spouse and you have more than one surviving dependent minor child, the guardian of the children may select a monthly annuity under Option 4. If you are not survived by a spouse or dependent minor children, ERS will refund your contributions and interest, plus an additional 5% of the amount for each year of service credit, to your selected beneficiary or estate.
- *A contributing or non-contributing member with at least eight but less than 10 years of service credit* at the date of your death, your surviving spouse is eligible to receive a monthly annuity in the amount of one-half the monthly standard annuity you would have been entitled to at age 60. Under this provision, an annuity cannot be paid if there is no spouse. If no annuity can be paid, ERS will refund your contributions, plus interest, to your selected beneficiary or estate. If you were a contributing member at death, an additional 5% of the amount in your account for each year of service credit is included in the amount refunded.

Filing a death benefit plan

If you are *actively employed with the State of Texas and have 10 or more years of regular state service credit*, ERS strongly encourages you to file a death benefit plan. This way, if you die before you retire, your beneficiary can have a retirement plan. If you don't designate a beneficiary or file a death benefit plan before your death, your benefits go to your estate or appropriate heirs.

Note: The death benefit plan you choose as an active member does not affect the option you may select at the time of your retirement.

Occupational death

Regardless of your age or length of service, if you die as a result of a job-related injury or illness, your surviving spouse, or if there is no spouse, the guardian of your surviving dependent minor child(ren) will receive a lump sum payment in the amount of one year's salary. This payment is made in addition to other benefits, but is made **only** to a surviving spouse or dependent minor child(ren).

Lump sum death benefit

If you are retired at the time of your death, a lump sum death benefit in the amount of \$5,000 will be paid to your selected beneficiary or estate. This payment is in addition to any other survivor benefit. If you retire under the Proportionate Retirement Program with less than the total years of retirement credit required for a service retirement from ERS, the payment is reduced accordingly.

Additional information about your retirement plan

Applying for a withdrawal of your retirement contribution

Withdrawal of your contributions cancels your membership in ERS and terminates your rights to benefits.

If you leave office and cease contributing, you can request a withdrawal of all the money in your ERS account with accrued interest. Interest is credited through the month prior to the month in which a withdrawal is processed. The process for withdrawing your contributions will begin when you contact ERS. Any withdrawal of contributions is a lump sum distribution from a qualified pension plan.

Interest earned on retirement accounts is subject to federal income tax in the year in which a withdrawal of the account is issued. Contributions based on compensation earned prior to January 1, 1988, are not subject to federal income tax. Contributions based on compensation earned on or after that date are subject to federal income tax in the year in which a withdrawal of the account is issued.

Leaving elected office before retirement

If you are a member of the elected class with eight years of service credit, exclusive of military service, you are entitled to receive a monthly annuity upon reaching retirement age. Current law provides this “vested” right to retirement benefits if you do not withdraw your contributions, even though you leave an elected office. You do not have to be a contributing member at the time of retirement.

Legislators who leave office prior to retirement with eight years of retirement credit in the elected class, exclusive of military service, are eligible to continue membership in the state insurance plan. If you continue participation in the state insurance plan after leaving office and prior to retirement, you must pay the full cost of the plan; there are no state contributions after you leave office until your retirement.

State employment or elected office after retirement

If you accept a position as a state employee after retirement from the elected class, you are required to be a member of the employee class and to contribute to ERS. You will continue to receive your annuity payment, and service credit in the employee class will provide you additional retirement benefits.

If you retired with at least eight years of service, exclusive of military credit as an elected official, you will be eligible to transfer employee class service to your retiree elected class account.

If you return to the Texas Legislature or any other elected state office, you are again eligible for membership in the elected class. Your annuity payments will stop and be recalculated to reflect any additional service and resume only after you no longer hold the elected position. No other type of employment affects your rights to retirement benefits.

Additional information about your retirement plan

You must notify ERS no more than 90 days before the date you want to retire. When you call, please have the following information available:

- Retirement payment option,
- Partial lump sum options (if applicable),
- Beneficiary information (including Social Security number and date of birth),
- Direct deposit information (routing and account numbers) and
- Federal tax withholding.

Additional information you need to know:

- Proof of age is required for you regardless of the option you select. Proof of age is required for your beneficiary if you select a Retiree & Survivor 100%, 75%, or 50% payment option.
- Valid Proof of Age Documents: Copy of a birth certificate/record, passport, naturalization certificate or US lawful permanent residency record. If your name has changed or does not match the document, you must also send a copy of your valid state driver's license.

Federal income tax on annuity payments

When you retire, ERS provides full and current information on the tax status of your monthly annuity. Federal income tax laws are subject to change at any time; however, the following is a summary of current tax provisions relating to annuity payments:

The retiree's contributions to the ERS are recovered tax-free on a prorated basis; therefore, a portion of your annuity payment will be taxable immediately and a portion may be excluded from tax. In general, the non-taxable part is the prorated return of your pre-1988 contributions. At the time the tax-free portion of your annuity payments equals the total of your contributions, your entire annuity payment will be taxable.

Federal law requires the ERS to deduct federal income tax on the taxable portion of annuity payments unless the member elects not to have tax deducted.

For additional information on federal income tax on pensions, contact the Internal Revenue Service.

Social Security

Elected class members are covered by Social Security. The benefits you receive from Social Security do not affect any retirement benefits you receive from ERS. For information regarding your Social Security benefits, contact the Social Security Administration at (800) 772-1213.

Requesting more information

You may write, call, or visit ERS for more detailed information on retirement plans or answers to specific questions as to how the law applies to your account. To assist ERS in responding to your requests, please provide your name as it appears on your payroll records and your Social Security number.

If you wish to visit with an ERS counselor in person, please call for an appointment. ERS is open from 8 a.m. until 5 p.m., Monday through Friday, except on holidays.

Retirement records of members and beneficiaries are confidential. ERS will not release certain information about your account without your written authorization.

To visit in person:

Employees Retirement System of Texas
200 E. 18th Street
Austin, Texas 78701
(Free parking is available in front of the ERS
entrance parallel to 18th St.)

Statement of Retirement Benefits

As a State of Texas elected official, you will receive a retirement statement from the Employees Retirement System of Texas (ERS) each year shortly after your birthday. We provide this statement to help you prepare for retirement. We suggest that you file it in a safe place with your other financial information.

To write:

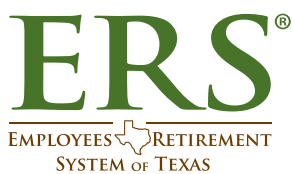
Employees Retirement System of Texas
Customer Benefits Division
P.O. Box 13207
Austin, Texas 78711-3207

To call:

(877) 275-4377, toll-free

To email

Go to Customer Support on our website,
www.ers.texas.gov



Customer Benefits Division
P.O. Box 13207 • Austin, Texas 78711-3207
www.ers.texas.gov