



READY. SET. RETIRE.

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



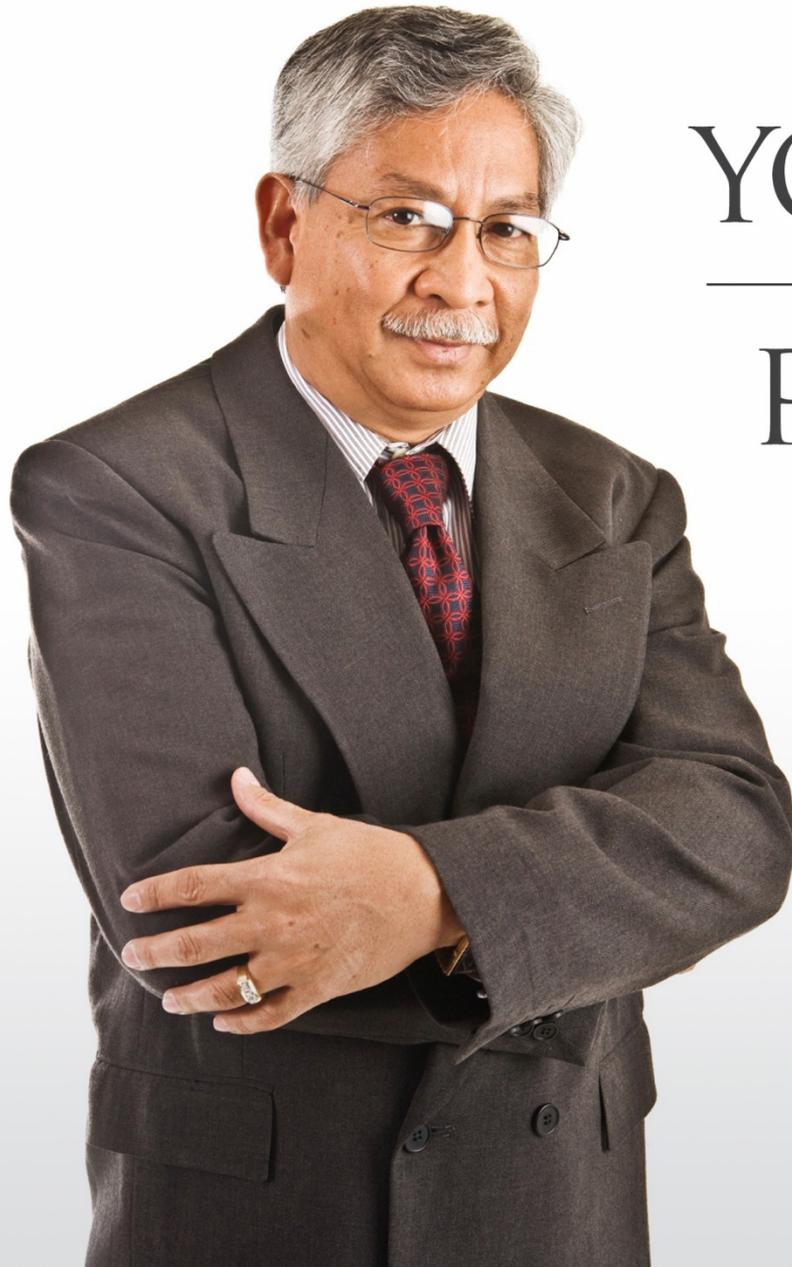
ERS
EMPLOYEES  RETIREMENT
SYSTEM OF TEXAS



Ready, Set, Retire!

- Your Income at Retirement
- Eligibility
- Service Credit
- ERS Annuity
- Three Steps to Retirement
- Benefits at Retirement
- Adjusting to Life at Retirement
- Resources

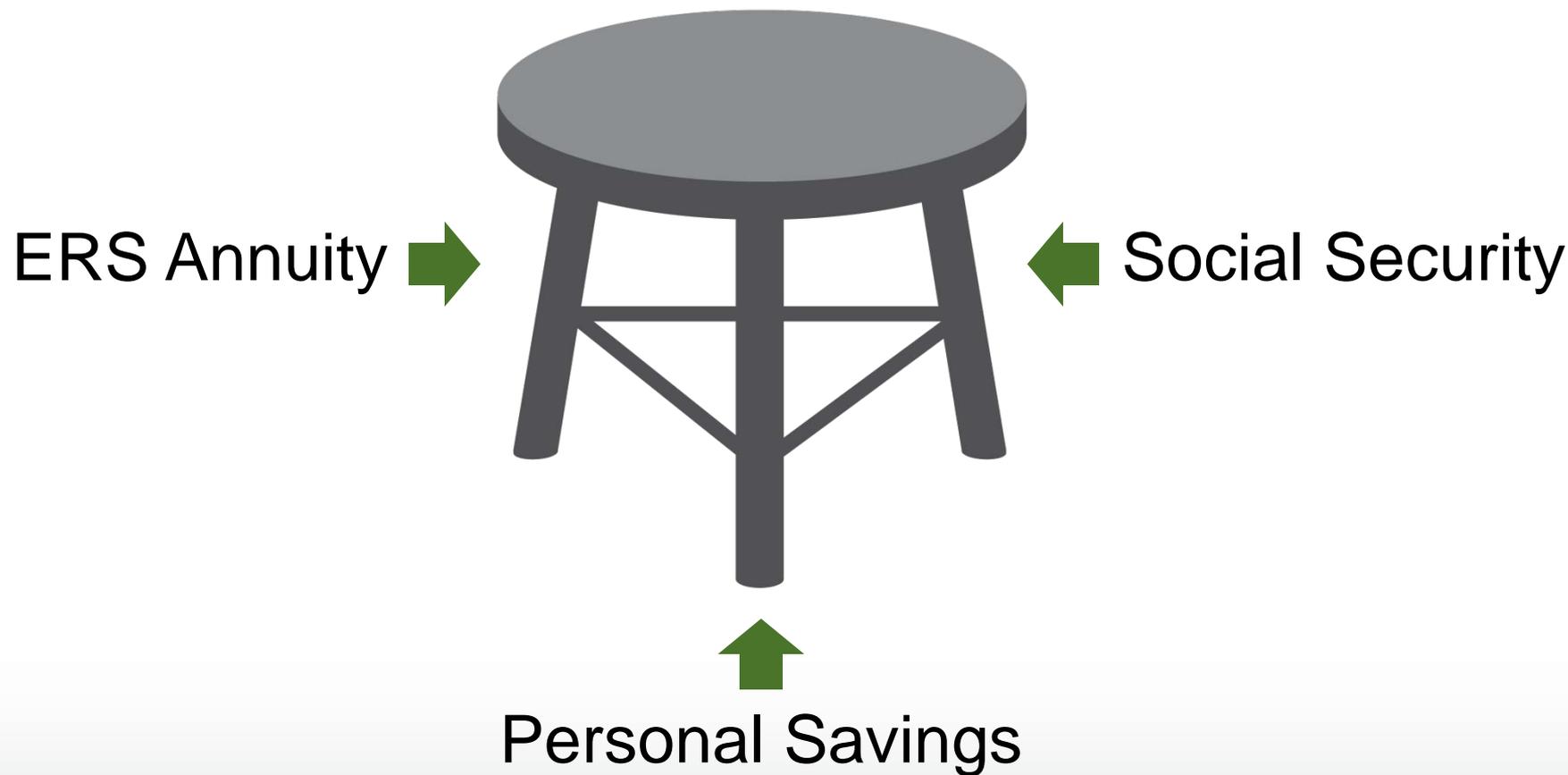
This presentation applies to employees hired before September 1, 2009.



YOUR INCOME
— AT —
RETIREMENT



Three-legged Stool





ERS Annuity



Lifetime
payment



Average
monthly
annuity
\$1,600



53% of
your salary



No cost
of living
adjustments
(COLA)



Personal Savings

- Texa\$aver 401(k) or 457
- Independent 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



Retiree Insurance Premium

If you had at least five years of Texas Employees Group Benefits Program (GBP) participation on September 1, 2014, the state pays 100% of your health insurance premium.

If not, the state's insurance premium contribution is based on your years of GBP participation:

- 100% with 20 or more years
- 75% with 15 up to 20 years
- 50% with 10 up to 15 years



Rule of 80

- Your age + your service credit = 80
- Minimum 10 years of service – GBP coverage at retirement

Rule of 80 example:

	Age:	59 years	9 months
+	Service:	20 years	3 months
<hr/>			
Total:		79 years	+ 1 year = 80



Rule of 80 Retirees

- Contributing members
 - No waiting period for health or optional coverage
- Non-contributing members
 - Health insurance waiting period – yes
 - No waiting period for optional coverage



Call ERS to request your retirement!



Minimum of 10 Years of Service

Contributing member

- Health insurance – first of the month after 65th birthday
- Optional coverage – eligible to continue with no break

Non-contributing member

- Health insurance – 60 day waiting period
- Optional coverage – eligible first of the month after retirement date



Call ERS to request your retirement!

Group 1 members who are at least age 60 with at least five years of service can retire with an **annuity only**.

SERVICE CREDIT





Earned Service Credit

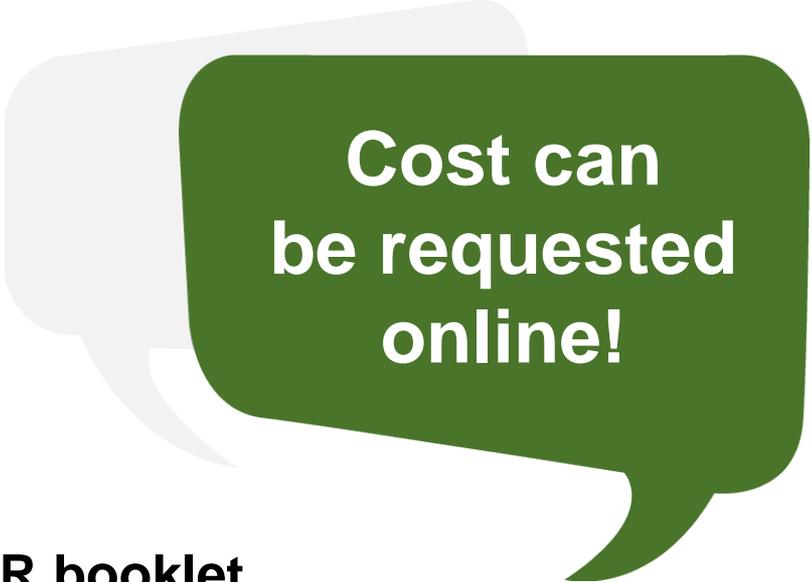
- Monthly service credit
- Group 1 - unused sick and annual leave
- Teacher Retirement System (TRS)
- Proportionate Retirement Program (PRP)
- Optional Retirement Program (ORP)

See page 15 – 17 of the Planning Your Retirement booklet (PYR) for details on earned service credit.



Purchased Service Credit

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



**Cost can
be requested
online!**

See details on page 19 – 20 of the PYR booklet



You have payment options.



ERS ANNUITY





Calculating Your Annuity

$$\begin{array}{r} \$3,000 \\ \times \quad 57.5 \\ \hline \$1,725 \end{array}$$

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

*Percentage value of service credit
(25 years x 2.3%)*

Gross standard annuity

This calculation applies to members hired before September 1, 2009.





Standard Annuity Option

- Highest monthly lifetime payment
- No monthly survivor payment
- Any remaining balance is paid to your beneficiary
- 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
- 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 Texa\$aver 401 (k) 457 Program



Deductions

- Federal income tax
- Health insurance premiums
- Tobacco User premium if applicable
- Optional coverage premiums
- No Social Security or Medicare (FICA) taxes deducted





Three Steps to Retirement

1

Step one – create a retirement estimate

2

Step two – call ERS to request your retirement

3

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

30-day window to elect or make changes to:

- Health + \$2,500 Basic Term Life
- Dental
- Optional Term Life – Elections 1 and 2
- \$10,000 Fixed Optional Life
- Dependent Term Life - \$2,500
- TexFlex – COBRA



Texa\$aver 401 (k) / 457 Program participation only



Medicare and Your State Health Insurance



HealthSelectSM of Texas *Medicare Advantage Plan*

- Sign up for Part A and Part B
- HealthSelect Medicare Advantage and HealthSelect Medicare Rx
- Medicare Preparation seminars offered by ERS



Adjusting to life after retirement

Retirement – many possibilities

- Wellness programs
- Volunteering
- Learn something new
- Explore, travel, visit
- Return to work





Discount Purchase Program

Treat
Yourself
to Cool
Deals



DISCOUNT
Purchase Program
administered by BENEPLACE

Ready to Save?

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- No membership fee.
- Just shop and save!

www.DiscountProgramERS.com



Resources

Visit www.ers.state.tx.us to access:

- your account
- events calendar
- publications or

Call (877) 275-4377

Monday – Friday

7:30 a.m. – 5:30 p.m. CT





Recap

- Three-legged stool
- Eligibility rules
- Service Credit
- Your Annuity Check
- Three Steps to Retirement
- Benefits at Retirement
- Adjusting to Life After Retirement
- Resources



