READY. SET. RETIRE.
For CPO/CO Employees

ERS supports the state work force by offering competitive benefits at a reasonable cost.
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
- Adjusting to Life at Retirement
- Resources

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

- Created to reward CPO/COs with 20 or more years of hazardous duty service
- CPO/COs contribute an extra 0.5%.
- You may be able to retire at a younger age.
YOUR INCOME AT RETIREMENT
Three-legged Stool

ERS Annuity → Personal Savings → Social Security
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
- Independent Retirement Account (IRA)
- Retirement accounts from previous employers
- Personal savings account
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
Retirement Groups

1. Hired before September 1, 2009

2. Hired on September 1, 2009 through August 31, 2013

3. Hired on or after September 1, 2013
20 Years of CPO Service at Age 50 or Older

Retiring with 20 years of more of CPO/CO service means a 2.8% service multiplier will be used to calculate your annuity.
20 Years of CPO Service Before Age 50

- Annuity calculated with 2.8% multiplier
- Permanent reduction in annuity
- Ineligible for Partial Lump Sum Option
10 Years At Age 55

Minimum of 10 years CPO/CO service

- Eligible to retire at age 55 or older
- Annuity calculate with 2.3% multiplier
- LECOSRF contributions refunded to you
Leaving CPO/CO Employment Before Retiring

Avoid reduction in annuity by waiting until age 50 to retire

No GBP benefits until retirement

No credit for unused sick and annual leave
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 day after the retirement date
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 11 – 13 of the 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 14 – 15 of the PYR booklet

You have payment options.
ERS
ANNUITY
Calculating Your Annuity

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

$3,000 \times 0.70 = \$2,100$

Final average salary (average of highest 36 months)

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

Gross standard annuity
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:**

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>50%</td>
<td>75%</td>
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</table>
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:

<table>
<thead>
<tr>
<th>Option 3</th>
<th>Option 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>remainder of 60 monthly payments</td>
<td>remainder of 120 monthly payments</td>
</tr>
</tbody>
</table>
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
- Ineligible for PLSO if you retire before age 50
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
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 with 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:

- **100%** with 20 or more years
- **75%** with 15 up to 20 years
- **50%** with 10 up to 15 years
30-day window to elect or make changes to:

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

Texa$saver 401 (k) / 457 Program participation only
Medicare and Your State
Health Insurance

HealthSelect
Medicare Advantage Plan

• Sign up for Part A and Part B when you’re first eligible once you’re retired
• 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

Ready to Save?
• Shop online for discounted prices.
• 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