READY. SET. RETIRE.

ERS supports the state work force by offering competitive benefits at a reasonable cost.
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 → Personal Savings → Social Security

ERS Retirement System of Texas

READY. SET. RETIRE.
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
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

1. Hired before September 1, 2009
2. Hired on September 1, 2009 through August 31, 2013
3. 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

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

You have payment options.

Cost can be requested online!

See details on page 19 – 20 of the PYR booklet
Calculating Your Annuity

$3,000 \times \frac{57.5}{1,725} = \text{Gross standard annuity}

Final average salary (average of highest 36 months)

Percentage value of service credit (25 years \times 2.3%)

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

<table>
<thead>
<tr>
<th>BENEFICIARY RECEIVES:</th>
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<tbody>
<tr>
<td>Option 1</td>
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<tr>
<td>Option 2</td>
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<td>Option 5</td>
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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>
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<tbody>
<tr>
<td>remainder of 60 monthly payments</td>
<td>remainder of 120 monthly payments</td>
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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

- 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

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
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