

State of Texas judicial officers have access to valuable benefits that include comprehensive health coverage and a defined benefit retirement plan that provides a lifetime annuity after you retire.

The cash balance retirement benefit described below, called Judicial Retirement System Plan 2 Cash Balance (JRS 2 Cash Balance), is for judicial officers appointed or elected on or after Sept. 1, 2024, who are not members or retirees of JRS 2 prior to Sept. 1, 2024. It not only provides the secure lifetime monthly benefit of a traditional pension, but also includes the opportunity for increases in retirement.

## The Judicial Retirement System Plan 2 Cash Balance benefit

Judicial officers elected or appointed on or after Sept. 1, 2024 are automatically enrolled in the JRS 2 Cash Balance benefit, as membership is mandatory. The benefit is a defined benefit retirement structure, or pension, that provides a retiree with a guaranteed monthly payment for the rest of their life. The State of Texas is proud to offer this benefit to judicial officers as part of their overall compensation package. The JRS 2 Cash Balance benefit is not a 401(k), although it has some similarities to both a 401(k) and a traditional pension.

The Judicial Retirement System Plan 2 Cash Balance retirement benefit combines the advantages of both a traditional pension and a 401(k) to help provide lifelong financial security after your career.

## How the JRS 2 Cash Balance retirement benefits works

- **Judicial officer contributions:** During your career on the bench, you will contribute 6% of your salary to your retirement account each month. Your contributions come out of your monthly salary before taxes, helping to lower the amount you pay in income taxes.
- **Investment earnings and gain sharing:** Your contributions will go into your personal account. Your account will be included in the Employees Retirement System of Texas' (ERS') Retirement Trust Fund. ERS' experienced investment professionals invest the entire Trust Fund for steady growth at an acceptable level of risk. Your account will grow by a guaranteed 4% interest each year. In years when the five-year average of ERS' total Trust Fund investment returns exceeds 4%, your account will also get half of the excess return percent as a percentage increase to your account balance—up to 3% additional per year. This possible additional interest is called a “gain share.” The gain share is never less than 0% or more than 3% annually. That means your account could grow by as much as 7% per year, but never less than 4% per year. This growth continues even if you are no longer a judicial officer, as long as you keep your JRS 2 account with ERS.
- **Retirement eligibility:** You will be eligible to retire and start getting an annuity when you either reach the age of 60 and have eight years of judicial service, or reach the age of 50 and have 12 years of judicial service.

- *State match:* When you are eligible and ready to retire, the state will match 150% of your account balance (including the interest and any gain sharing your account). If you leave judicial service before becoming eligible for JRS 2 retirement, you can withdraw your JRS 2 Cash Balance account, including interest earnings and any gain sharing. However, you will not get the state's match as part of the withdrawal.
- *Lifetime annuity payments with opportunities for increases:* When you reach retirement eligibility and decide to retire, ERS will add up the money in your account plus the state's final match to determine how much you have in your account at the time of retirement. ERS then uses the total to calculate the amount of your monthly retirement annuity. Because this is a defined benefit plan, you will get at least that annuity amount every month for the rest of your life, even if you deplete the money in your account. After you retire, your annuity can continue to grow. That means you could receive a permanent annuity increase of up to 3% per year, when ERS' investment returns allow. These increases are not guaranteed, but once you receive them, your annuity will never be reduced.

The cash balance retirement benefit structure is not new to Texas. Texas Municipal Retirement Program (TMRS) and Texas County and District Retirement System (TCDRS) have offered this successful type of retirement plan to their members for decades. ERS began offering it to State of Texas employees in September 2022.

## Other benefits in retirement

As a member of the JRS 2 Cash Balance benefit, you are eligible for health insurance through the Texas Employees Group Benefits Program (GBP) when you retire and meet insurance eligibility. Currently, the state pays 100% of the premium for JRS 2 retirees and 50% of their eligible dependents' premiums. It's important to know that insurance benefits are funded biannually by the Texas Legislature, and the state's contribution for health premiums is not guaranteed. Retirees also have access to group dental, vision and term life insurance through ERS. Participants in these plans pay the full cost—there is no contribution from the state—but due to the large group of participants, monthly premiums are reasonable.

### The Employees Retirement System of Texas (ERS)

ERS manages retirement benefits for employees and retirees of Texas agencies, as well as state elected officials, judges and district attorneys. ERS also oversees the Texas Employees Group Benefits Program (GBP) for those groups and for employees and retirees of Texas agencies and most state higher education institutions. Learn more about ERS and state employee and retiree benefits at [ers.texas.gov](https://ers.texas.gov).