

During your employment with a TMRS participating city, you contribute into a TMRS account, and each year TMRS applies 5% interest to the account balance.

When you stop working for a TMRS participating city, you can either:

- leave your account balance with TMRS to continue to earn interest, or
- withdraw (refund) your personal contributions and the interest credited to your account. Your refund does not include any city matching funds.

Things to Consider

Refunding is an option, not a requirement.

If you are **not vested**, you can leave your contributions in your TMRS account for up to five years, and your account balance will continue to earn 5% interest each year. After five years, you must refund your account, and your TMRS membership will terminate.

If you are **vested**, you can leave your contributions in your TMRS account, and they will continue to earn 5% interest each year until you retire. Then, when you retire, your account balance will be matched by your former employing city, and you will receive a monthly retirement benefit for life and possibly the life of any designated beneficiaries.

If you are vested and refund your TMRS account balance, the refund will not include any city matching funds, **and you will forfeit forever the opportunity to receive a lifetime retirement benefit.**

Given the ramifications of the decision to refund your TMRS account balance, you should consult with a financial or tax advisor before you decide to do so.

How to Refund

If you do decide to obtain a refund, you must complete the Refund Application, which requires a signature from your last employing city.

Refund Process

TMRS cannot issue a refund until we receive your final TMRS city contribution, which can take up to eight weeks. If you return to work for a TMRS participating city before your refund is issued, your refund application will be cancelled.

Refund Status

You can check your refund status online 24/7 using MyTMRS or by contacting the TMRS Member Service Center at 800-924-8677.

How Refunds are Taxed

You can defer paying income tax at the time TMRS issues your refund by rolling your funds over into an IRA or other qualified plan. If you don't, the IRS requires TMRS to withhold 20% of your refund. Depending on your age at the time you end employment and receive your refund, the IRS may assess an additional 10% early withdrawal tax when you file your taxes. See the Special Tax Notice Regarding Plan Payments attached to the Refund Application for more information.

Member Service Center

800-924-8677

Fax • 512-476-5576

Website

tmrs.com

Mailing Address

P.O. Box 149153

Austin, TX 78714-9153