

What Does it Mean to Retire with TMRS?

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Texas Municipal
Retirement System
Annual Training Seminar
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Retirement

TMRS Retirement Basics

- Eligibility

Retirement Payments

- 7 Payment Options

Additional Retirement Issues

- Occupational, USERRA, HELPS

How Do I Qualify for Retirement?

Two ways to meet eligibility:

Age 60 with 5 years
of service,

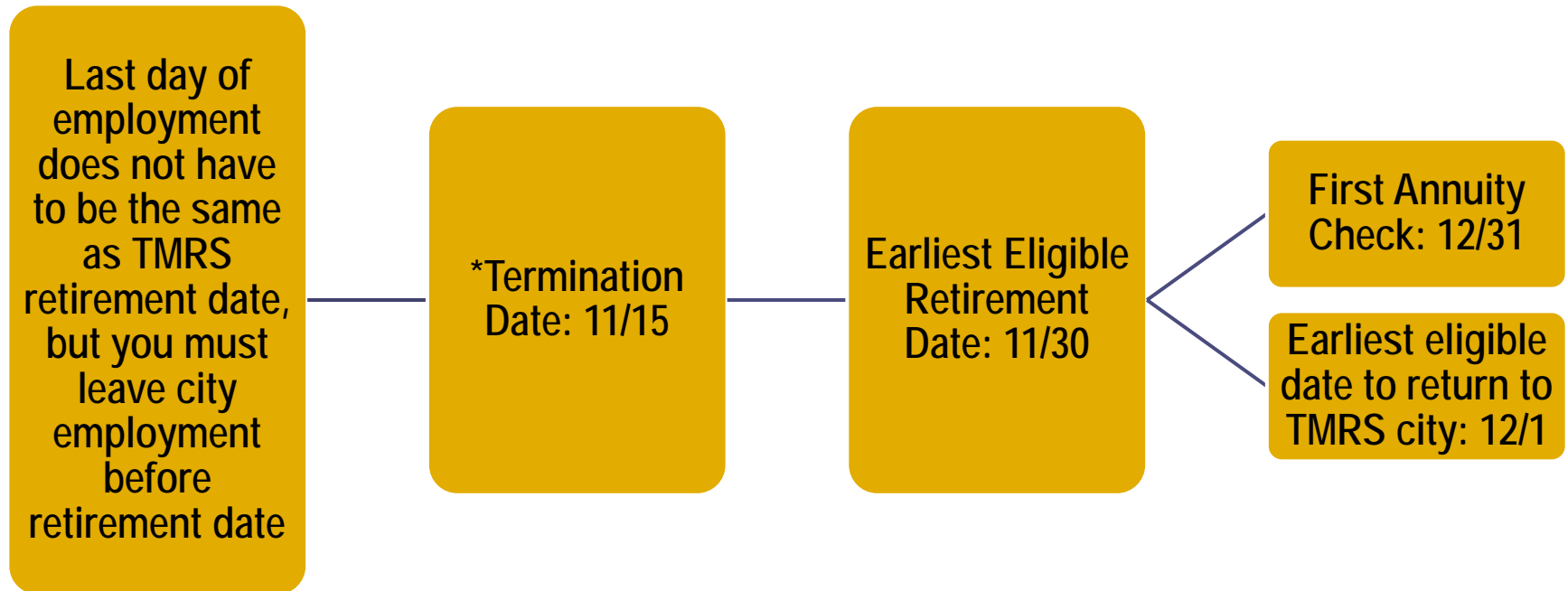
or age 60 with
10 years of
service

20 years of service
at any age,

or 25 years of
service at any
age

Determined by vesting and retirement options selected by city

Retirement Date vs Termination Date



*Example

If Returning to Work for Same City...

If a retiree returns to work full-time to the city from which they retired, their annuity will be **SUSPENDED**.

Exception:
HB 159 / SB
812 passed in
2011; allows
return to same
city after
8-year
separation

If a retiree returns to work for the same city after retirement, the IRS requires a bona fide separation

Return to work cannot be pre-arranged

How Much Will I Receive from TMRS?










Retirement Estimates and Packet

Members may request estimates online through MyTMRS:
www.mytmrs.com

Also may request estimates (mailed or faxed to member) by calling
 the Phone Center: **800-924-8677**

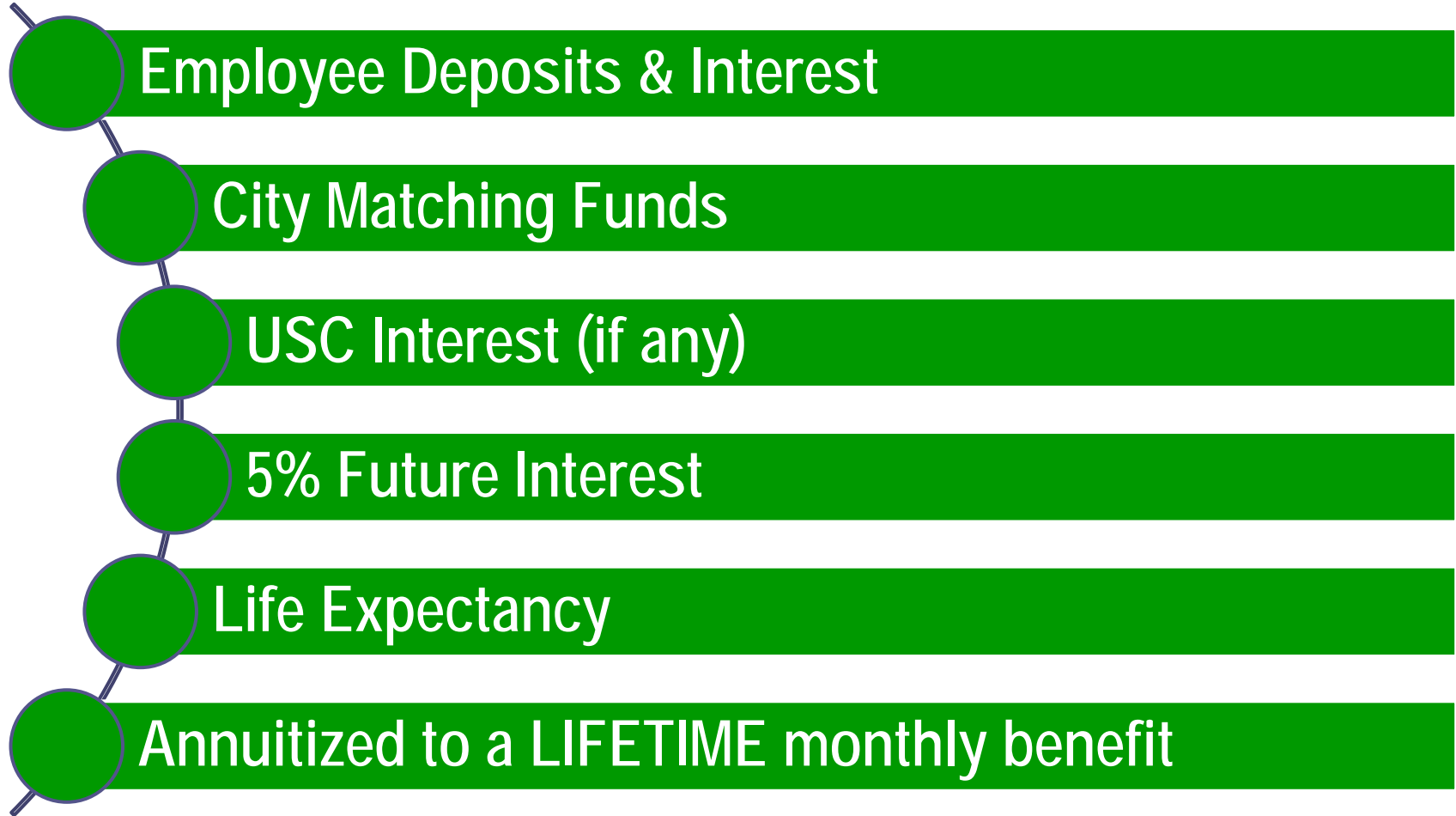
Review all information and report any changes or corrections to TMRS
 immediately!

Estimated Monthly Amounts

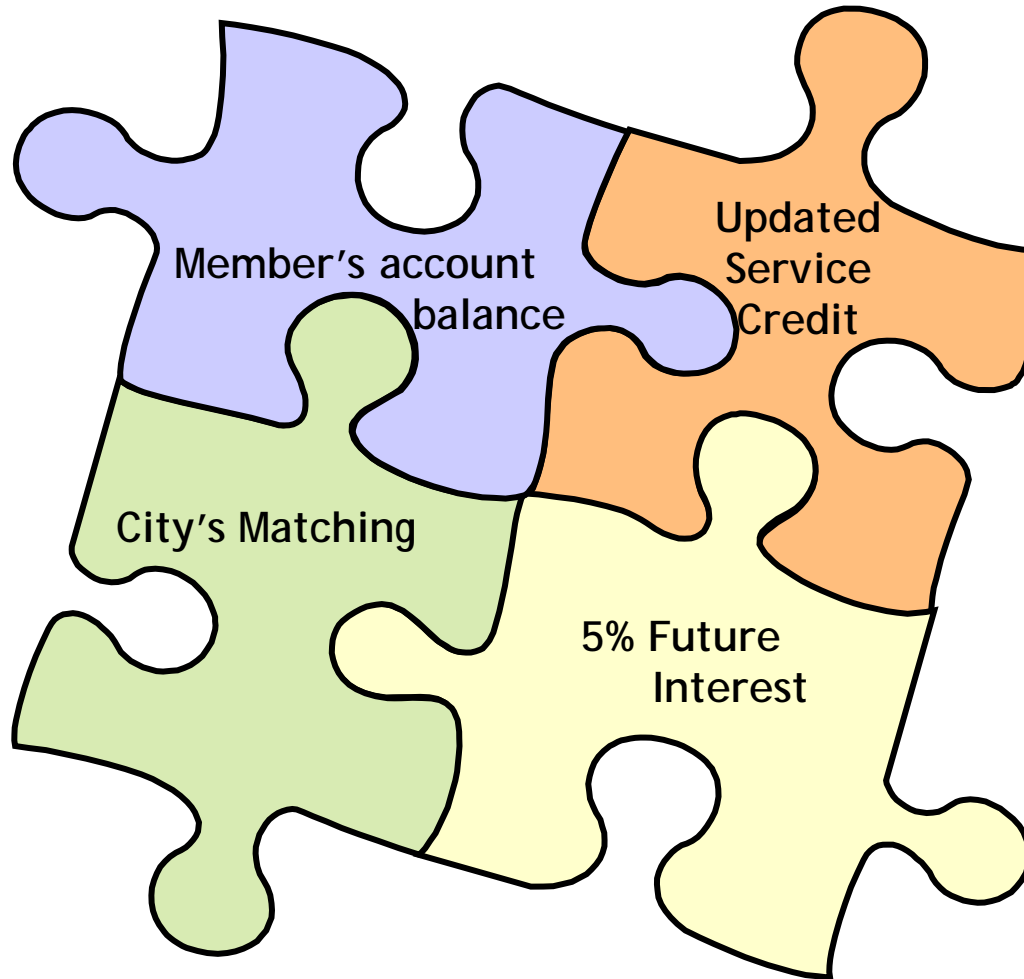
Retirement Options	No Partial Lump Sum Payment	\$21,185.40 Partial Lump Sum Payment	\$42,370.80 Partial Lump Sum Payment	\$63,260.68 Partial Lump Sum Payment
 Retiree Life Only	1,765.45	1,618.95	1,472.44	1,327.98
 100% Survivor	1,258.66	1,154.21	1,049.76	946.77
 75% Survivor	1,357.72	1,245.05	1,132.38	1,021.29
 50% Survivor	1,473.45	1,351.18	1,228.90	1,108.34
 5-yr Guaranteed	1,756.18	1,610.45	1,464.71	1,321.01
 10-yr Guaranteed	1,699.89	1,558.83	1,417.76	1,278.67
 15-yr Guaranteed	1,617.71	1,483.46	1,349.22	1,216.85

This estimate assumes that the laws and rules governing TMRS and the calculation of benefits do not change, that the employer makes no future plan provision changes, that all required contributions are made to TMRS, that no error corrections are made to the account, that TMRS continues to credit 5% interest to all members' accounts, and that no changes are made to the actuarial factors used to calculate annuities.

How Is the Monthly Payment Calculated?



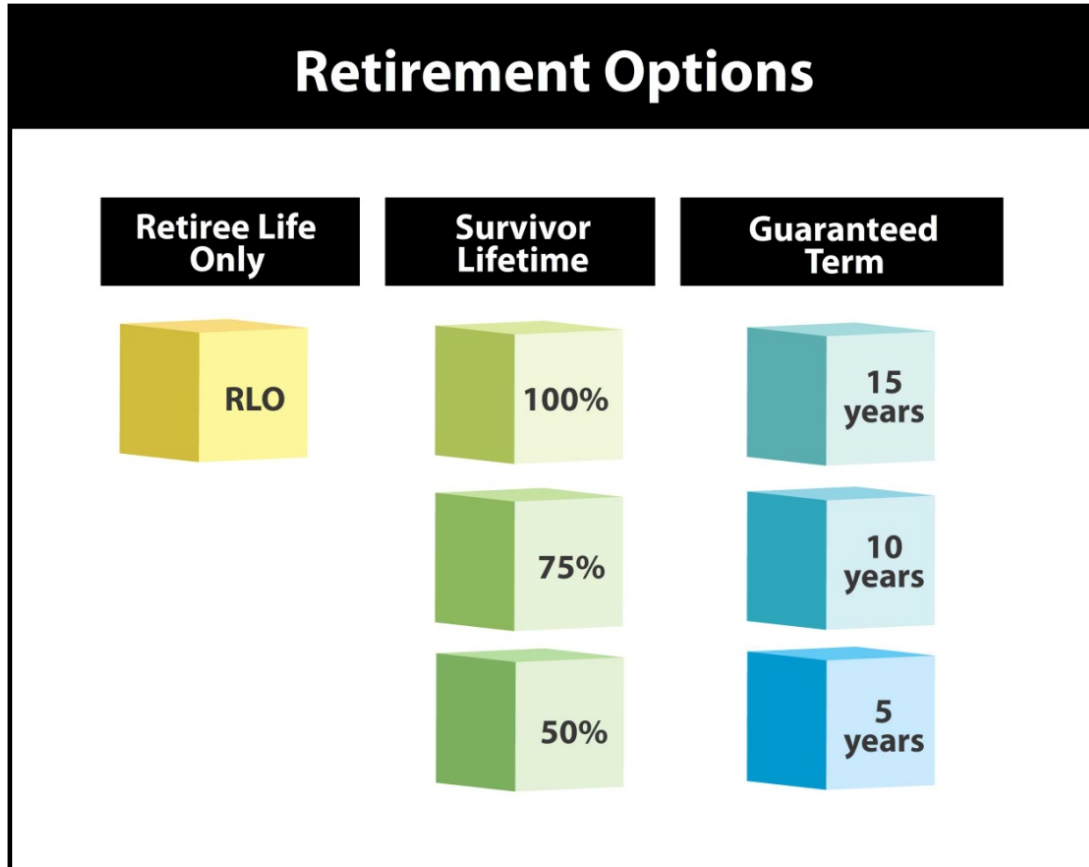
Remember: USC is **Only One Part** of the Retirement Calculation



How Much Will I Receive from TMRS?



Monthly Payment Plans



7 Payment Plans

- All plans pay an annuity for retiree's lifetime
- All plans ensure return of member's accumulated deposits and interest

A "Retirement Annuity Options" video is available on the TMRS website under Video Training Library

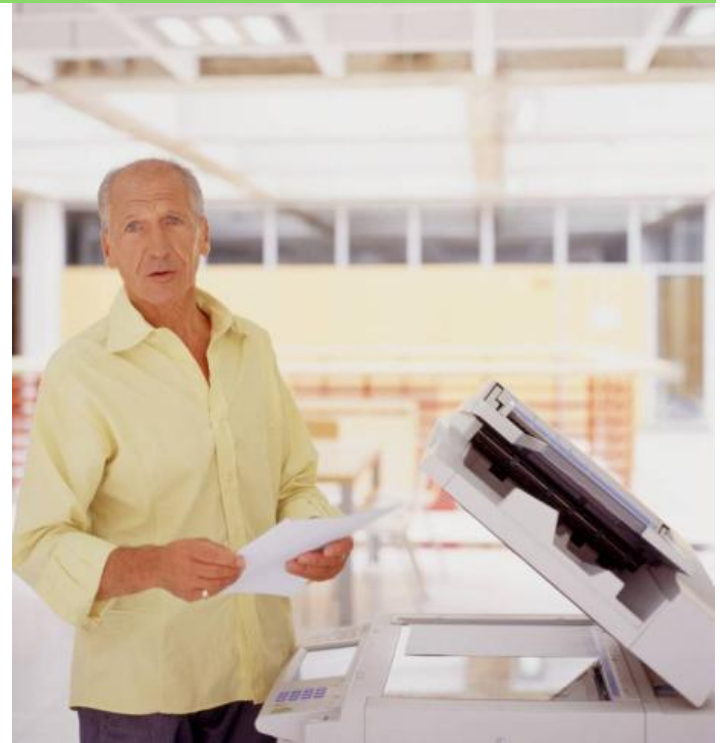
Retiree Life Only Option

Monthly payments for life

Calculated
on member's
life only

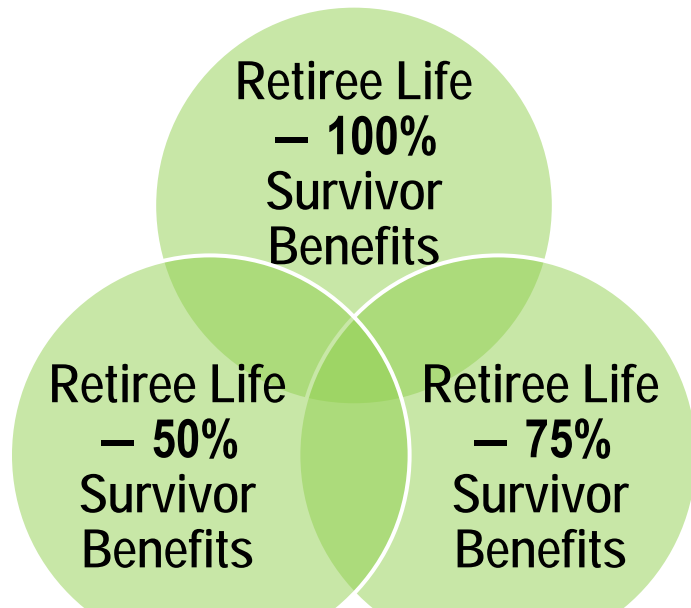
The
highest-
paying
monthly
option

No
survivor
benefits



Lifetime Survivor Options

Monthly payments for member and beneficiary's lifetimes

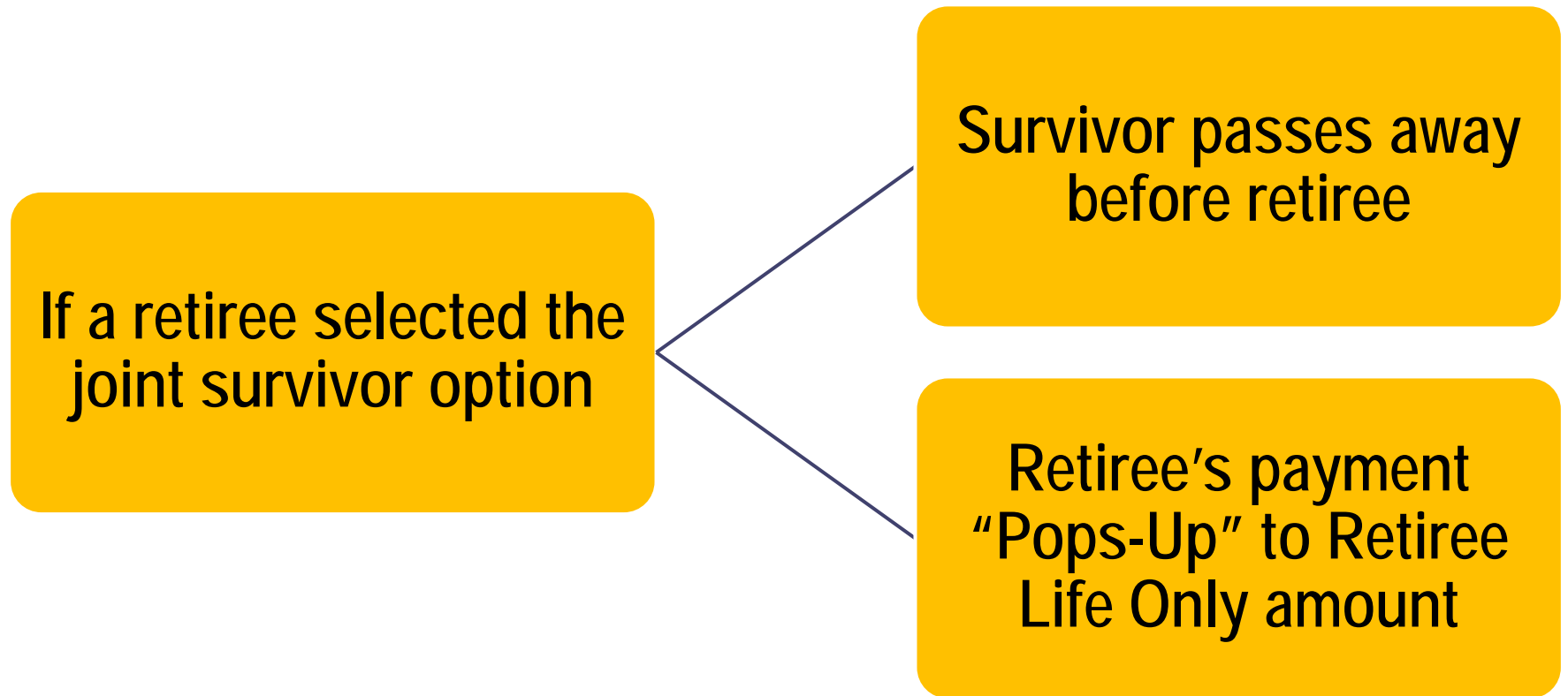


Note: Only 1 beneficiary may be named under these options

I'm Married — Do I have to Name my Spouse as a Beneficiary?

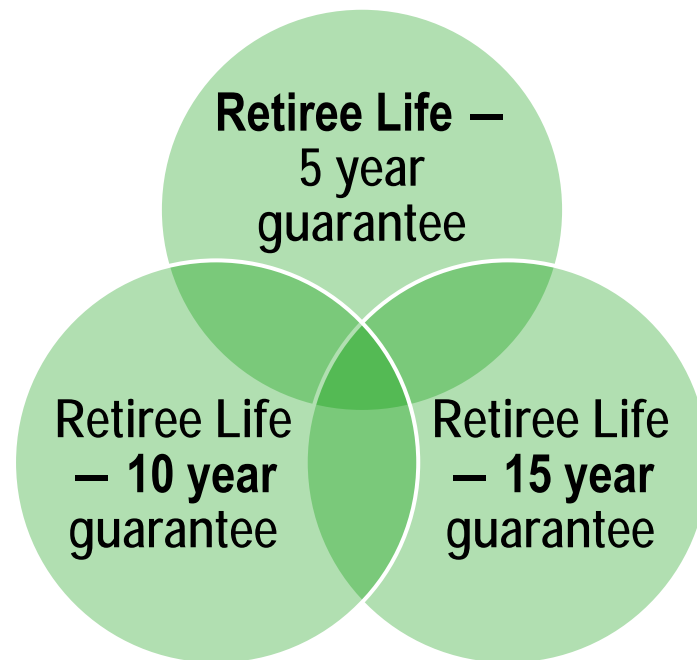
- Deposits made and interest earned during marriage are community property
- Spousal consent is required when a married employee:
 - Designates someone other than spouse as beneficiary; or
 - Selects a payment plan that does not provide a lifetime benefit for the spouse (Retiree Life Only Option, or one of the **Retiree Life – Guaranteed Term Options**)

What Happens if my Survivor Dies Before Me?



Guaranteed Term Options

Guarantee payments for member's life, but only for fixed number of years for beneficiary after retirement



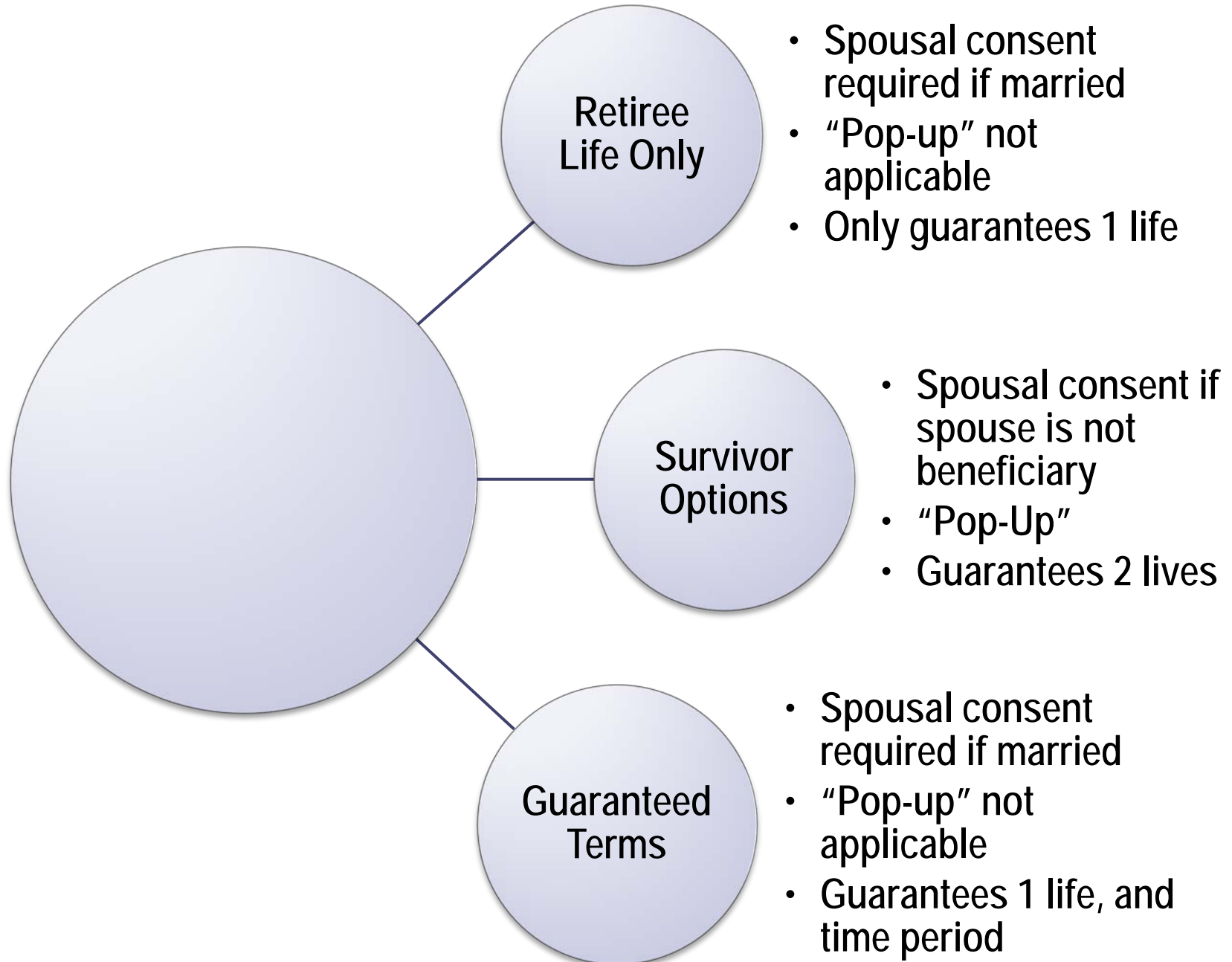
Note: Up to 3 beneficiaries may be named with these options

Can I Change my Payment Plan after Retirement?



No changes are allowed after receipt of first monthly payment








Exception: if retiree remarries or divorces after retirement



Partial Lump-Sum Distribution

- Members may choose the partial lump-sum distribution (PLSD) when they retire
 - Amounts are included on estimates:

Estimated Monthly Amounts

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How is the PLSD Calculated?

Retiree Life Only x 12, 24, or 36



Example:

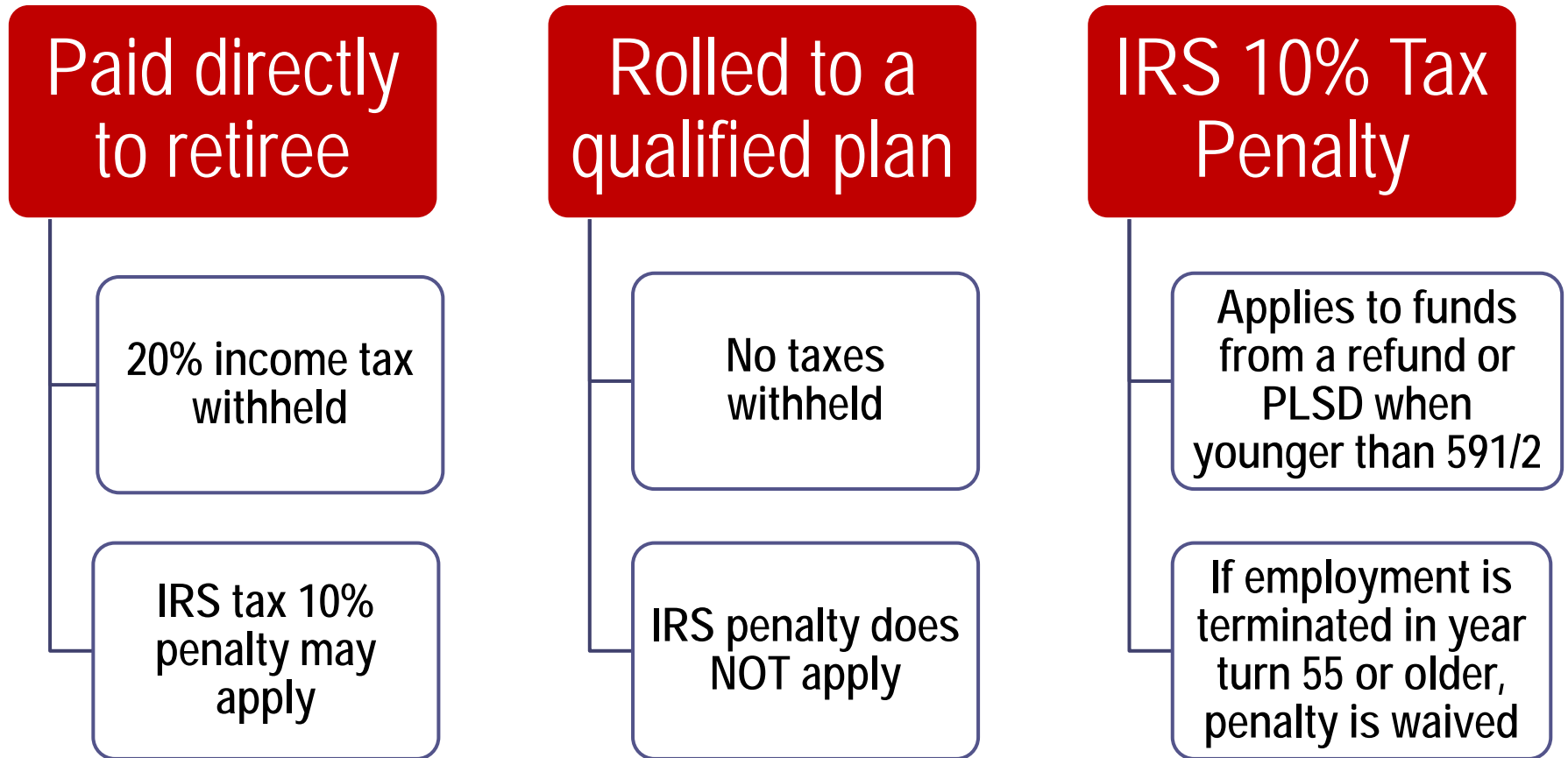
\$1,000

x 36

\$36,000

Note: PLSD cannot exceed 75% of member's account

PLSD Payments are Income



Federal tax law permits public safety employees who receive a PLSD at retirement at age 50 or later to waive the 10% IRS penalty 21

Taxes with Roth IRA Rollovers

Taxable portion of the PLSD can be rolled over (all or part)

In 2010 the IRS issued new rules for rollovers, including the acceptance of Roth IRAs, which may be taxable

A full explanation is included with the PLSD form in the "Special Tax Notice Regarding Plan Payments" page

When do I Apply for Retirement?



TMRS accepts application for service retirement from employee within 90 days of retirement date

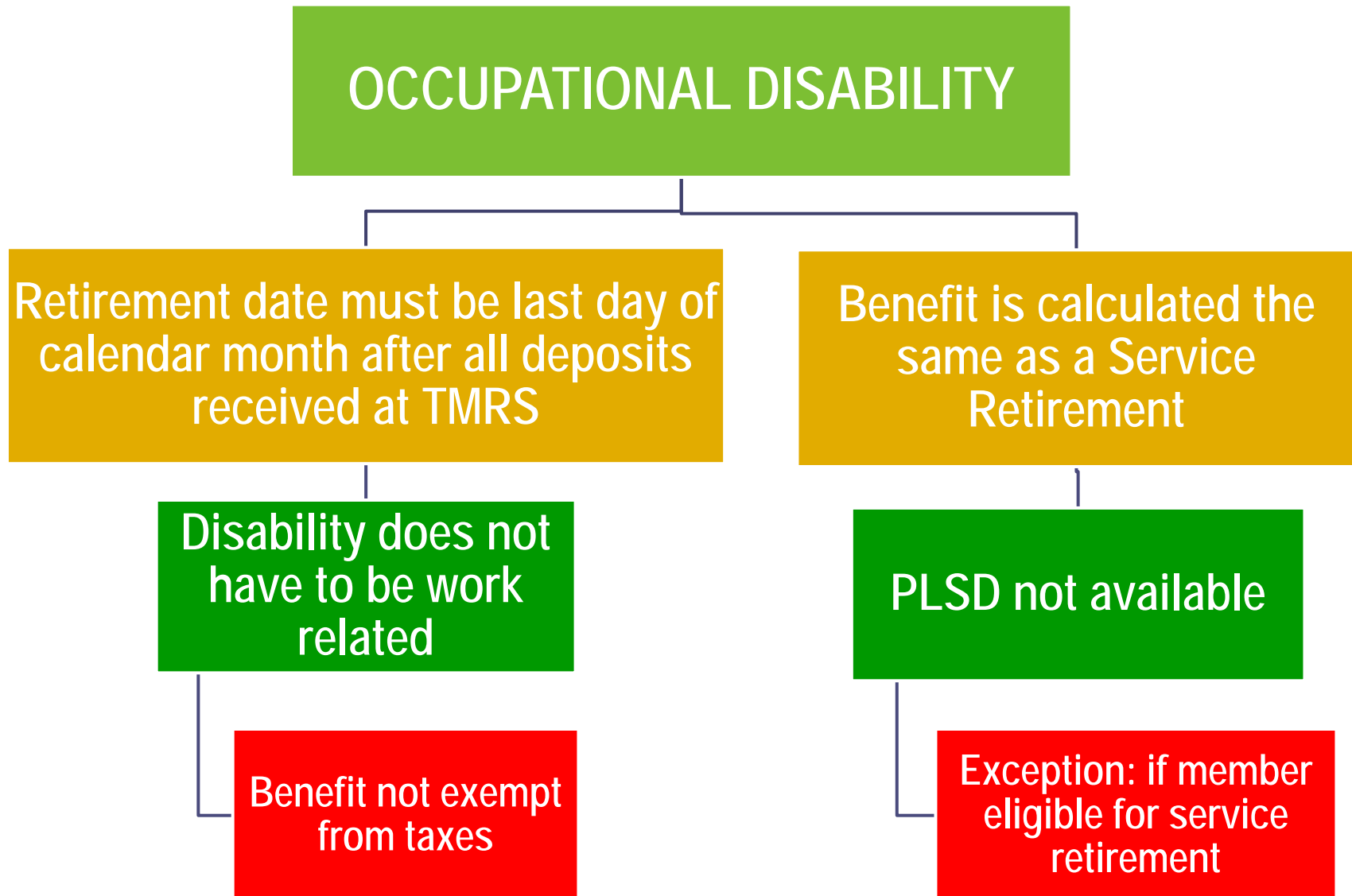
All forms are available online (auto-fill PDFs)

City must certify this form

Additional Retirement Issues



What Happens if I Become Disabled?



How do I Qualify for Occupational Disability Retirement?

No minimum length of service or age required to be eligible

The
TMRS
Medical
Board
must
find
that:

The member
is mentally or
physically
incapacitated
from
performing
the duties
of his or her
occupation

and

The
incapacity
is
considered
to be per-
manent

HELPS Provision

Federal law allows retirees who are Public Safety Officers to deduct from their annuity to pay for health care or long-term care



Retiree must separate from service as a Public Safety Officer



Retiree may take up to a \$3,000 tax deduction per year. Deductions from annuity are not pre-tax!



TMRS will send deducted amount directly to insurer or city as appropriate

Questions?

