Retirement Annuity Options
(Video Script)

Welcome to the TMRS online tutorial covering retirement annuity options. Congratulations on your upcoming retirement and thank you for your years of service to your city.

This presentation covers the retirement options available to you as a TMRS retiree.

When you retire, you will choose from one of seven different retirement options available. As a TMRS retiree, whichever option you choose, you are guaranteed a monthly payment for as long as you live.

Let's get right into the options.

The first one we'll look at is the Retiree Life Only Option. As the name implies, it is a benefit paid only to you for your lifetime and does not provide a payment to your survivor.

The second three options are the Survivor Lifetime Options. These options provide a benefit for you — and if you die before your primary beneficiary, they provide a lifetime annuity to your survivor.

You can choose the lifetime survivor option at one of three percentages, 100%, 75% or 50%. This percentage signifies the amount of the benefit that your beneficiary would receive after your death.

For example, if you were receiving a monthly annuity of $1000, and you chose the 100% survivor option, your beneficiary would also receive $1000 a month after your death. If you chose the 75% survivor option, your beneficiary would receive 75% of the monthly annuity you were receiving, and if you chose the 50% survivor option, your beneficiary would receive 50% of the amount you were receiving. These payments would continue for the lifetime of this surviving beneficiary.

Please note that only one beneficiary can be designated for these options, and since they are going to receive a lifetime payment, the beneficiary's age also affects the calculation of the monthly benefit. The State of Texas is a community property state, so if a retiree is entitled to a lifetime benefit, then his or her spouse is also entitled to a lifetime benefit.

This means that if you are married, and you want to choose an option that does not provide a lifetime benefit to your spouse, then your spouse must grant “spousal consent” on a notarized form that you fill out when you retire.

The three Survivor Lifetime Options have a “Pop-Up” Feature. This means that if your beneficiary dies before you, the annuity benefit you have been receiving will “pop up” to an amount based on the Retiree Life Only benefit.

The last three options are the Guaranteed Term Options. These options guarantee that if you die before a specified term date your beneficiary will receive your monthly payment through that date.

The guarantee term begins at the date of your retirement and expires according to the term chosen — 15 years, 10 years, or 5 years. The term only determines how long a survivor benefit is available. You will receive a monthly benefit for life.
For example, if you choose a 15-year guaranteed term and pass away 10 years later, your beneficiary would receive payments for another 5 years to complete the guaranteed term.

Under these guaranteed term options, you can choose up to three beneficiaries, and any payments made will be divided equally among them.

Remember, no matter what term you choose, you will receive a monthly benefit for life.

To recap, the seven options are:

(1) Retiree Life Only Option

Survivor Lifetime Options:
(2) 100% Survivor Benefit
(3) 75% Survivor Benefit
(4) 50% Survivor Benefit

Guaranteed Term Options:
(5) 15 Years Guaranteed
(6) 10 Years Guaranteed
(7) 5 Years Guaranteed

Your retirement option is a personal choice that depends on your family situation. Choosing a retirement option is one of the most important decisions you will make as a TMRS member.

Once you have retired and begun to receive monthly payments, you cannot change your retirement option. There may be an exception if you get married after retirement.

This concludes our brief overview of the retirement options available under your TMRS plan. You can find more details about comparing options on the Retirement webpage.