

PLANNING YOUR RETIREMENT

Summer 2019

ERS[®]
EMPLOYEES' RETIREMENT
SYSTEM OF TEXAS

Employees Retirement System of Texas

Always available online at www.ers.texas.gov

24/7 access to automated information on your insurance and retirement benefits:

(877) 275-4377, TDD: 711. Talk to a representative 7:30 a.m. to 5:30 p.m. CT, Monday through Friday.



A message from ERS Executive Director Porter Wilson



At ERS, we are proud to support excellence in public service by administering retirement benefits to state employees and their families. As a state employee, you have a valuable benefits package that includes a defined benefit plan that pays eligible retirees a monthly benefit for life.

Both you and the State of Texas have been contributing toward your retirement since you began working for the state. Now is the time for you to enjoy this benefit – one reward for your years of dedication.

Retiring from your working career is one of the most important decisions of your life. Understanding your retirement benefits can help you plan for a more secure financial future.

This guide will help you plan your retirement and provide information you need to consider before retiring. It covers retirement eligibility rules, how to calculate your retirement payment, and other important details for regular state employees.

The Texas Legislature approves formulas and guidelines for retirement eligibility. The information in this guide is based on current legislative policies, which are always subject to change.

We hope this guide will answer any questions you may have as you plan for your retirement.

Thank you for your service to the State of Texas, and best wishes for a happy retirement.

Sincerely,

Porter Wilson

Executive Director

Employees Retirement System of Texas

ERS OFFERS COMPETITIVE BENEFITS
TO ENHANCE THE LIVES OF ITS MEMBERS.

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Retirement planning checklist

As you plan for your retirement and get ready to submit your retirement application, use the following checklist as a reminder of what you need to consider.

Retirement Planning Checklist

- Create my ERS OnLine account.
- Request a retirement estimate at least three months before my planned retirement date.
- Review my recent Statement of Retirement Benefits for accuracy (this statement is sent to you every year, the month after your birthday).
- Do I qualify for service credit from another employer in the Proportionate Retirement Program (PRP)?
- I have contacted PRP agencies for service credit information.
- Am I planning to purchase service credit?
- I have contacted ERS for information about my service credit purchase payment options.
- Read this and other ERS publications about retirement.
- I have notified my benefits coordinator that I will be retiring.
- Call ERS no earlier than 90 days before my planned retirement date to process my retirement.

Introduction

ERS administers a defined benefit retirement plan for State of Texas employees. It is funded by contributions from employees, employers and the state, as well as earnings on ERS investments. Employees contribute a percentage of their salary, which accrues interest under their individual ERS account. As a member, you may choose to withdraw your contributions and interest if you no longer work for the state, or you may apply for a lifetime monthly retirement payment once you become eligible.

The amount of your monthly retirement payment is based on a retirement formula using your total service credit, your age at retirement, and your highest average salary. Your retirement formula and eligibility will be based on the date you were hired.

Your contributions, as well as the state and agency contributions, are pooled and invested over time. This “pooled” investing increases value to all ERS members and the state. In fact, most of the retirement payments you will receive come from investment earnings on these funds.

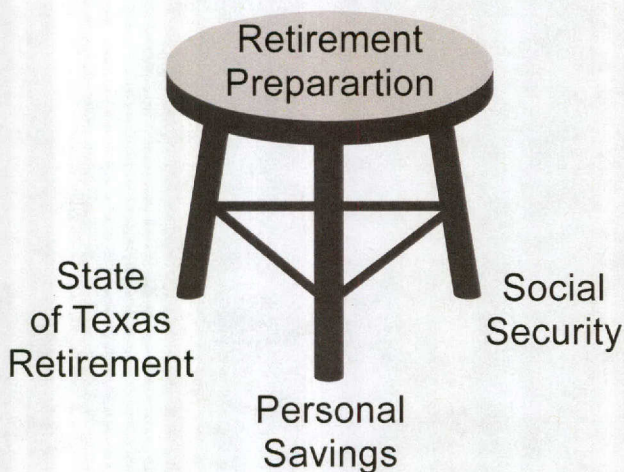
Even though you cannot withdraw this money while you are employed, ERS keeps track of your contributions, which currently earn interest of two percent per year. You can check your current account balance by logging into your ERS OnLine account.

Once you become eligible to retire from the State of Texas, you will receive a monthly retirement payment for the rest of your life. This payment alone is unlikely to meet all your financial needs in retirement.

The average ERS monthly retirement payment is 53% of the highest average salary. There are no guaranteed cost-of-living adjustments. It is important to remember that the amount of your monthly retirement payment will likely stay the same even with inflation.

Please note: This guide should not be the primary source of information for law enforcement officers, judges and elected state officials. There are different retirement rules and guides for these groups.

Three-Legged Stool



The three-legged stool is a traditional way to think about saving for retirement. To ensure a financially secure retirement, you are likely to need income from at least three sources:

- Your monthly retirement (annuity) payment from the State of Texas,
- Social Security Administration (SSA) benefits and
- Personal savings.

If you want to retire before you are eligible to collect Social Security benefits, you should think carefully about whether you can afford to do so if your only source of income will be your monthly retirement payment from ERS.



Retirement planning resources

ERS has many resources available to help you in your retirement planning:

- ERS website at www.ers.texas.gov
- Your personal ERS OnLine account
- One-on-one retirement counseling
- Online and in-person retirement presentations

For a complete list of retirement webinars and in-person presentations, visit our website at www.ers.texas.gov.

ERS OnLine: You can access your personal account information by logging in to your ERS OnLine account. If you have not created your ERS OnLine account, go to www.ers.texas.gov and follow the easy steps to complete the registration process.

From Your ERS OnLine account, you can:

- View and print your annual member statements
- Find out your first retirement eligibility date
- Create retirement estimates
- Find out about retirement payment options
- See how beneficiary changes affect the amount of your retirement payment.

The ERS OnLine retirement estimator does not include information from a Qualified Domestic Relations Order (QDRO), TRS service credit, service from a proportionate retirement system, and unpurchased service credit. For this information, you need to contact ERS to estimate your retirement payment amount and eligibility date. You will also need to contact ERS to apply for retirement. You cannot apply for retirement through ERS OnLine.

Eligibility by retirement group

Your retirement eligibility and payment calculation rules are divided into three retirement groups depending on when you were hired by the State of Texas.

Group 1	Group 2	Group 3
State employees hired before September 1, 2009	State employees hired between September 1, 2009 and August 31, 2013	State employees who were hired on or after September 1, 2013
<ul style="list-style-type: none"> Your monthly retirement payment amount will be calculated using your highest 36 months of salary with a service multiplier of 2.3%. If you retire directly from state employment, your unused sick and annual leave can be applied towards retirement and insurance eligibility. If you meet the Rule of 80 and have at least 10 years of service credit, you will be eligible at retirement for a monthly retirement payment, health insurance, and optional benefits. If you do not meet the Rule of 80 but have 10 years of service credit, you will be eligible to retire at age 60. You will be eligible for optional benefits at age 60 and health insurance at age 65. You can begin to receive a monthly retirement payment at age 60 if you have at least five years of service credit but will not be eligible for insurance benefits. 	<ul style="list-style-type: none"> Your monthly retirement payment amount will be calculated using your highest 48 months of salary with a service multiplier of 2.3%. If you retire directly from state employment, your unused sick and annual leave can be used to increase your monthly retirement payment amount but cannot be applied towards your retirement or insurance eligibility. If you meet the Rule of 80 and have at least 10 years of service credit, you will be eligible at retirement for a monthly retirement payment, health insurance, and optional benefits. Your monthly retirement payment will be reduced 5% for every year you retire under age 60, with a maximum reduction of 25%. If you do not meet the Rule of 80 but have 10 years of service credit, you will be eligible for health insurance and other optional benefits at age 65. 	<ul style="list-style-type: none"> Your monthly retirement payment amount will be calculated using your highest 60 months of salary with a service multiplier of 2.3%. If you retire directly from state employment, your unused sick leave can be used to increase your monthly retirement payment amount. Your unused annual leave can be used either to increase your monthly retirement payment or paid to you in a lump sum when you retire, but not both. You cannot apply unused sick or annual leave towards your retirement or insurance eligibility. If you meet the Rule of 80 and have at least 10 years of service credit, you will be eligible at retirement for a monthly retirement payment, health insurance, and optional benefits. Your monthly retirement payment will be reduced 5% for every year you retire under age 62, with no cap on the amount of the reduction. If you do not meet the Rule of 80 but have 10 years of service credit, you will be eligible for health insurance and other optional benefits at age 65.



Withdrawing your retirement contributions when you leave state employment removes you from your previous retirement group. It may put you in a new group depending on when you return to state employment. Buying back your service credit helps your retirement eligibility, but does not return you to your former group.

For example, if you were in Group 1 when you left state employment, withdrew your retirement contributions and then returned to state employment after September 1, 2009 but before August 31, 2013, you are now in Group 2.

What is the Rule of 80?

Most people retire directly from state employment by meeting the Rule of 80. This means the years and months of their age and the years and months of their service add up to the number 80.

If you meet the Rule of 80, you are eligible to retire before age 65 with a monthly retirement payment, health insurance and optional benefits, including dental and vision coverage, regardless of which retirement group you are in.

$$\text{Rule of 80: Your age + years and months of service} = 80$$

Group 1: State employees hired before September 1, 2009

Elva is 58 years old and works for the Texas Department of Transportation.

- She has 22 years of service credit, including two months of annual leave and four months of sick leave.
- She can retire at any time because she meets the Rule of 80.
- Her unused sick and annual leave will count towards her retirement eligibility and will also be used in the calculation of her monthly retirement payment.
- Her insurance benefits will continue into retirement with no interruption.

Group 2: State employees hired between September 1, 2009 and August 31, 2013

Juanita is 58 years old and works for the Texas Department of Insurance.

- She has 22 years of service credit.
- Her unused annual and sick leave will be used in the calculation of her monthly retirement payment, but will not be applied toward her retirement eligibility.
- She can retire at any time because she meets the Rule of 80, but her monthly retirement payment will be reduced 10% (5% for every year she retires under age 60).
- Her insurance benefits will continue into retirement with no interruption.

Group 3: State employees who were hired on or after September 1, 2013

George is 56 years old and works for the Health and Human Services Commission.

- He has 24 years of service credit.
- His unused sick and annual leave will not be applied toward retirement eligibility.
- His unused sick leave will be used in the calculation of his monthly retirement payment.
- His unused annual leave will only be used in the calculation of his monthly retirement payment if he doesn't choose to receive a lump-sum payment for his unused annual leave hours.
- He can retire at any time because he meets the Rule of 80, but his monthly retirement payment will be reduced 30% (5% for every year he retires under age 62 - no cap on the amount of reduction).

Service credit

Earning service credit

The simplest way to increase your monthly retirement payment is by coming to work.

- For every month you work (and contribute to your retirement account), you earn a month of service credit.
- If you work one day during a month, you will receive service credit for that month.
- Twelve months of service credit equals one year of service.
- You may not earn more than one month of service credit at a time. If you work at two different state jobs within the same month, you will still earn service credit for only one month.

If you retire directly from state employment, you may be able to apply sick and annual leave balances to your retirement eligibility and/or payments depending on which retirement group you are in.

The first 160 hours of leave give you one month of service credit. Additional fractions over 160 hours are counted as full months of service credit.

Teacher Retirement System of Texas

When you retire, you can transfer creditable service between ERS and Teacher Retirement System of Texas (TRS) if you have at least three years of service in the system in which you are retiring. If you do not have at least three years of service, you will need to retire “proportionately” and receive a separate monthly payment from each system.

If you want to retire with ERS, contact ERS before applying for retirement. We will contact TRS to verify your service credit and salaries. Once the information is received, we will be able to provide retirement eligibility and annuity estimates based on the additional TRS service credit.

The information will stay on record until you retire, but will not be accessible to you. For retirement eligibility information and estimates including your TRS service credit, you will need to contact ERS.

Service in either system for the purpose of transfer is subject to the rules of each system to determine actual creditable service.

TRS contributing employees who transfer service to retire with ERS are not eligible to convert their TRS annual and sick leave balances to ERS service credit.

Counting sick and annual leave toward retirement.

	Group 1		Group 2		Group 3	
	Sick	Annual	Sick	Annual	Sick	Annual
Counts towards your retirement and retiree insurance eligibility	Yes	Yes	No	No	No	No
Increases your annuity payment	Yes	Yes	Yes	Yes	Yes	Yes, if you do not choose a lump sum payout from your agency
Lump sum payout of full balance from your agency	No	Yes	No	Yes	No	Yes, if you do not choose to use towards increasing your annuity payment

Optional Retirement Program

You can use Optional Retirement Program (ORP) service credit towards your ERS retirement eligibility. The service credit cannot be used to increase the amount of your monthly retirement payment.

Other rules apply for using ORP service credit towards retiree insurance eligibility. You will need to fill out and submit to ERS a Verification of Optional Retirement Program Participation form which can be found on the ERS website.

Proportionate Retirement Program

You can combine your service credit to meet retirement eligibility requirements if you have contributed to more than one of the retirement systems in the Proportionate Retirement Program (PRP). You will receive separate retirement payments from each system.

If you are a contributing member of a PRP system, you can buy back ERS service credit without being reemployed by the State of Texas. Likewise, if you are contributing to ERS, you can purchase withdrawn service from any PRP system without having to go back to work for that system.

You must meet retirement eligibility in each system (not necessarily at the same time) before you can retire. Each system may have its own rules governing service purchases.

Proportionate Retirement Program systems

- Employees Retirement System of Texas
- Judicial Retirement System of Texas Plans 1 and 2
- Teacher Retirement System of Texas
- Texas Municipal Retirement System
- Texas County and District Retirement System
- City of Austin Retirement System
- City of Austin Police Retirement System
- El Paso Firemen & Policemen's Pension Fund
- El Paso City Employees' Pension Fund

Texas Governmental Entity

If you have established service with a Texas Governmental Entity (TGE) and you certified that service with ERS on or before December 31, 2005, you can use up to 60 months of TGE service to meet the Rule of 80. You can only do so if you retire before age 60. The service credit won't increase your monthly retirement payment but it can help you meet retirement eligibility. If you did not certify your TGE service on or before December 31, 2005, it cannot be applied as service credit.

Purchasing service credit

Employees Retirement System

Did you work for the State previously and withdrew your retirement contributions? If you have come back to work for the state and/or you are a member of a PRP participating agency (see box), you can buy back previous withdrawn service credit.

To purchase withdrawn service credit, you must pay ERS the amount that you originally withdrew, plus 10% interest for each fiscal year between the date you withdrew the funds and the date of your purchase.

Teacher Retirement System of Texas

If you contributed to TRS and withdrew your retirement account when you separated employment, you can buy back your service credit by contacting TRS. Contact ERS for a retirement estimate if you plan to buy TRS service and transfer it to ERS.

Optional Retirement Program

ORP participants cannot buy back refunded ERS service without being re-employed by a state agency and contributing to their personal ERS retirement account.

Military service

If you served in the military, you may be able to purchase up to 60 months of active duty U.S. military service credit. You can only use the purchased military service credit if you retire with five or more years of ERS service credit, not including the military time you bought.

To be eligible to purchase service credit for time served in the armed forces you must not be eligible for a full military retirement benefit, and your military discharge must not be dishonorable.

If you want to determine what the cost of buying military service time would be, send ERS a copy of either your DD214 or NGB23.

You do not have to pay interest if you buy military service during your first year of state employment. After that, you will pay 10% interest for each fiscal year (on September 1) from your date of employment, to the purchase date.

Additional service credit

If you have 10 years of ERS service credit (excluding military service and unused sick and annual leave) and have purchased all the service available to you, you can buy up to three years of Additional Service Credit (ASC). You must be actively contributing to ERS when you buy ASC. You can purchase 1, 2, or 3 years of ASC. You must buy increments of one year unless you are applying for retirement and need a specific number of months to meet eligibility requirements.

The cost is different for everyone and is based on factors such as age, salary and years of service. As these factors increase, so will the cost.

How to buy ERS service credit

You can request a service purchase estimate on the retirement page of the ERS website. You will receive a service purchase coupon by email (or by mail, if you don't have an email on file with ERS) telling you the cost of purchasing your service credit.

You can pay for the service credit by personal check or money order or with a rollover from your Texa\$aver 401(k) or 457 Plans, other qualified plans or IRAs. Rolling funds over from a Texa\$aver account or another qualified account allows you to purchase service using pre-tax dollars. Unless you are rolling over funds from your Texa\$aver account, you need to start the process of purchasing service credit at least three months before the date you want the purchase to take effect.

Waiting period service

Depending on when you were hired, you may have had a waiting period before you started making retirement contributions. You can buy this time to help you retire earlier and increase your monthly payment. The cost is based on several factors, such as your age, years of service and salary.

Did you have a waiting period?

Hire Date	Waiting Period
Before 8/31/1972	30 days
9/1/1973 - 8/31/2003	None
9/1/2003 - 8/31/2014	90 days
9/1/2014- 8/31/2015	Waived if you had an existing ERS retirement account balance
On or after 9/1/2015	None

For 160 hours of leave, you will earn an additional month of service credit. You will earn one additional month for hours beyond these 160-month increments.

For example, 160 hours is equal to 1 month of service credit. 161 hours is equal to 2 months.

Hours of leave (sick and annual are figured separately)	Months of service credit
160 hours	1 month
161-320 hours	2 months
321-480 hours	3 months
481-640 hours	4 months
641-800 hours	5 months
801-960 hours	6 months
961-1,120 hours	7 months
1,121-1,280 hours	8 months
1,281-1,440 hours	9 months
1,441-1,600 hours	10 months
1,601-1,760 hours	11 months
1,761-1,920 hours	12 months

Should I retire from ERS or TRS?

Each retirement system has different retirement eligibility rules and retirement benefits. We recommend you compare both to determine which system will be most beneficial for you.

Choosing one system and transferring service when you retire allows you to retire with one annuity payment. Until you retire, the two accounts are separate.

What if I have fewer than three years of service credit with ERS or I've already retired from TRS?

You can retire through the Proportionate Retirement Program (PRP). This means you can use the time from both systems to help you reach retirement eligibility. However, ERS and TRS will not transfer your funds between the two systems. You will receive a separate payment from each retirement system.

Your income at retirement

Your monthly State of Texas retirement payment

To calculate the monthly payment you will receive from ERS, use the retirement estimator in ERS OnLine or follow these steps:

Determine your highest average salary

Add up your highest months of salary (36, 48 or 60 depending on your retirement group.) Divide the sum by the number of months. Your highest months of salary include regular base pay, longevity pay, Benefit Replacement Pay (BRP) and hazardous duty pay. (Your highest average salary does not include overtime payments and one-time merit bonus pay.)

Find out your service percentage

For every year you work for the state, you will be paid 2.3% of your highest average salary. Check the Service Percentage Table for your group in the Appendix of this booklet. To find your service percentage look up your years and months of service in the chart.

Calculate your monthly payment

Multiply your highest average salary by your service percentage to determine your pre-tax monthly retirement payment. (Eligibility groups 2 and 3 may have payment reductions based on age at retirement.)

Group 1: Thao retires with 33 years and six months of service credit with a highest average salary of \$4,000.

Her monthly standard payment will be \$3,082 (77.05% of her highest average salary). If Thao works one more year, her monthly standard payment will be \$3,174 (79.35% of her final average salary).

$$\begin{array}{r} \$4,000 \text{ Highest average salary} \\ \text{(average of highest 36 months)} \\ \times \quad .7705 \text{ Percentage value of service credit} \\ \text{(33 years six months x 2.3\%)} \\ \hline \$3,082 \text{ Gross standard annuity} \end{array}$$

Federal tax law requires ERS to deduct federal income tax from your monthly payment, unless you choose not to withhold tax.

Retirement contributions made before January 1, 1988 and funds deposited to your account as the result of a service purchase, other than through a tax-deferred rollover (or transfer), are classified as "after-tax" dollars.



Other sources of income after retirement

For most ERS members, Social Security Administration (SSA) benefits will be another important source of income at retirement. Your SSA benefits don't affect any retirement benefits you receive from the State of Texas.

Your SSA retirement eligibility age depends on the year you were born. If you qualify for SSA benefits, you can claim reduced benefits as early as age 62. Full retirement benefits are paid at age 66 or 67, depending on the year you were born. Your benefit will be even higher if you wait to begin collecting SSA benefits until you reach age 70.

Social Security eligibility	
Birth Year	Full Retirement Age
1937	65
1938	65 & 2 months
1939	65 & 4 months
1940	65 & 6 months
1941	65 & 8 months
1942	65 & 10 months
1943-1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960 & later	67

Visit www.ssa.gov for more information, or call (800) 772-1213 toll-free. You can use the SSA online estimator to help make an informed decision about when to retire.

Texa\$aver

Texa\$aver allows you to set aside pre-tax income for retirement savings. Personal savings in Texa\$aver or other individual retirement accounts can help fill the gap between your future financial needs and your monthly retirement and SSA income.

State agency employees can enroll in either or both the Texa\$aver 401(k) and 457 plans. Higher education institution employees can enroll in the 457 plan if their institution offers it.

Texa\$aver is not available to employees of non-participating higher education institutions, Community Supervision & Corrections Department (CSCD), the Windham School District, Texas County and District Retirement System or the Texas Municipal Retirement System. For more about Texa\$aver, see page 29.

You should get retirement income estimates from ERS, SSA and Texa\$aver (or any other retirement savings you have) based on the same retirement date.

Retirement payment options

When you are ready to retire, you will be able to choose between several options for your retirement payments.

Standard Annuity option

- The amount of your monthly retirement payment will be highest with this option.
- You will receive monthly payments for the rest of your life.
- If you die before all of the money in your retirement account has been paid, your beneficiary will receive the remaining funds as a one-time lump sum payment. Most retirees do not have a retirement account balance three to four years after retirement.
- You can choose multiple beneficiaries.

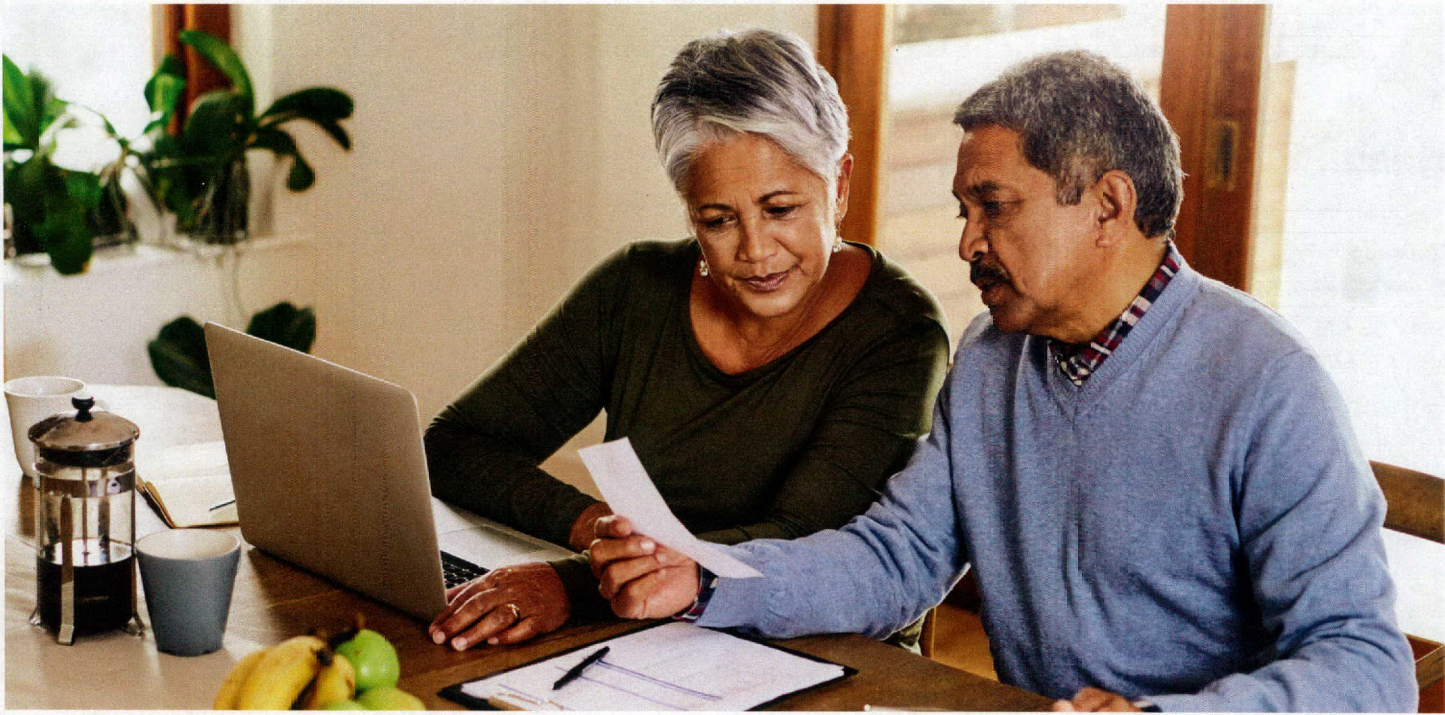
Survivor options

If you want your spouse or another beneficiary to continue receiving monthly annuity payments after you die, you can choose among five different payment options.

- Each of these options will reduce your monthly payment, depending on your age at retirement and/or your beneficiary's age.
- You will receive monthly payments for the rest of your life.
- If you select a survivor option and your beneficiary dies before you, your monthly payment will change to the standard annuity option for the rest of your life.
- Options 1, 2 or 5 guarantee monthly lifetime payments for your beneficiary after you die.
- Options 3 and 4 guarantee your beneficiary will receive monthly payments if you die before you have received the guaranteed number of monthly payments of five years for Option 3 or ten years for Option 4. If you live beyond the five or ten years, you will continue to receive a monthly annuity payment for the rest of your life, but your beneficiary will not receive any payments after you die.

Option	Retiree Payment	Survivor Payment
Standard Annuity	Highest monthly payment paid to you for life.	No monthly survivor payment continues after your death. If there is money left in your account after your death, your survivor receives it as a one-time, lump-sum payment.
Option 1*	Lowers the monthly payment for life.	After your death, your survivor receives 100% of your monthly payment for life.
Option 2	Lowers the monthly payment for life.	After your death, your survivor gets 50% of your monthly payment for life.
Option 3	Lowers the monthly payment for life.	If you die before you get 60 monthly payments, your survivor receives the rest of the 60 monthly payments. Then the monthly payment stops.
Option 4	Lowers the monthly payment for life.	If you die before you get 120 monthly payments, your survivor receives the rest of the 120 monthly payments. Then the monthly payment stops.
Option 5*	Lowers the monthly payment for life.	After your death, your survivor gets 75% of your monthly payment for life.

*If you choose someone other than your spouse as a beneficiary for Option 1 or 5, his or her monthly survivor payment may be less than 100% or 75% of your monthly retirement payment, depending on the difference in your ages.



Partial Lump Sum Option

When you retire, you have the option of receiving a one-time, lump sum payment equal to any amount between one to 36 months of your standard annuity payment. This is called a partial lump sum option (PLSO). The amount of your monthly annuity payments will be reduced for the rest of your life based on the amount you selected for the PLSO.

If you request a PLSO, you will receive this lump sum shortly after retirement in addition to your monthly annuity payment.

You can roll over funds from the PLSO to your Texa\$aver 401(k) or 457 plan, or an eligible outside retirement plan or an IRA. ERS will need the name of the financial institution. We will send you a separate check made out to the financial institution typically within five days of your first monthly retirement payment.

Disability retirees, retirees with an age reduction and those who retire under the Proportionate Retirement Program (PRP) are not eligible for a PLSO. PRP retirees age 60 and over who have at least five years of ERS service credit are eligible for the PLSO.

You may defer all or part of your annual leave lump-sum payment into a Texa\$aver account when you retire or leave state employment.

You will not pay income tax on the money until you withdraw it. You can still defer the lump sum payment even if you don't have a Texa\$aver account while employed by the state, you can open one right before you retire.

When you go through the exit process, tell your benefits coordinator, HR office and/or payroll office that you want to defer your annual leave to your Texa\$aver account. HHS Enterprise employees should contact the Health and Human Services (HHS) Employee Service Center.

Contact Texa\$aver for information about the amount you can defer to your 401(k) and 457 plans.

Health insurance and optional benefits

Health insurance

To qualify for retiree health insurance and optional benefits for you and your dependents, you must have at least 10 years of service credit. This includes service credit from a state agency, a higher education institution that participates in the Texas Employees Group Benefits Program (GBP), or the University of Texas and Texas A&M University systems. Service credit with an independent school district cannot be applied to meet this requirement.

- If you meet the rule of 80 when you retire, you will immediately be eligible for insurance coverage. If you retire directly from state employment, you can continue your health insurance and optional coverage without a break in coverage.
- If you do not meet the rule of 80 and you retire with 10 years of service credit, you will be eligible for optional coverage when you retire and health insurance at age 65.
- If you don't retire directly from state employment but are eligible to enroll in retiree health insurance, you may have a 60-day health coverage waiting period. Your health insurance coverage will be effective the first of the month following the 60th day of your retirement date. If your 60th day falls on the first of the month, your coverage will begin on that day. Your optional coverage will be effective the first of the month following your retirement date.

Group 1:

- *If you retire directly from state employment*, you can retire at age 60 and receive a monthly retirement payment. You will also be eligible for optional benefits, such as dental and vision coverage. However, if you do not meet the rule of 80, you will not be eligible for health insurance coverage until the first day of the month following your 65th birthday.
- *If you retire at age 60 after leaving state employment*, you can retire with your optional insurance and monthly annuity. However, you will not be eligible for health insurance until age 65. You may have a waiting period before your health insurance begins. Your health coverage would begin the first of the month following your 65th birthday, as long as 60 days have passed since your retirement date.

Groups 2 and 3:

- If you retire directly from state employment, you can retire at age 65 with your monthly retirement payment, optional coverage and health insurance.
- If you leave state employment and later retire at age 65, you can retire with your monthly retirement payment and optional coverage. However, there is a 60-day waiting period from your retirement date, before your health insurance begins. Your health insurance would start the first of the month following your 60-day waiting period.

If you do not qualify for health insurance at retirement, your options for health insurance coverage include:

COBRA

- You may enroll in health insurance through COBRA for up to 18 months from your retirement date. You'll pay the full cost of your health insurance, plus a 2% administrative fee. This applies to retirees who are not eligible for ERS health insurance or Medicare.
- If you're still receiving health insurance through COBRA 18 months after leaving state employment, you have 10 years of state service and you have not yet turned 65, you and your eligible dependents may be able to sign up for interim coverage until age 65. You must have been in a GBP-eligible position, as a state officer or employee on or before August 31, 2003 and you must meet the requirements for retiree insurance, as those requirements existed on August 31, 2003. Interim coverage is expensive. You pay the total actuarial cost as determined by the ERS Board of Trustees.

Marketplace and other coverage options

If you are not eligible for GBP coverage:

- You may be able to find more affordable coverage for you and your family through the Health Insurance Marketplace. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You could be eligible for a tax credit that lowers your monthly premiums and cost-sharing reductions right away. To access the Marketplace visit: www.HealthCare.gov.
- You also may be able to find more affordable coverage through your spouse's employer or with individual health coverage on the open insurance market

Tiered retiree health insurance premiums

The amount of the state's contribution to your monthly health insurance premium is based on when you were hired. If you had less than five years of eligible service at a GBP-participating agency or higher education institution as of September 1, 2014, you may have to pay part of your health insurance premium when you retire.

If you had less than five years of service on September 1, 2014, the state's insurance premium contribution will be based on the number of years you worked for an agency or institution that participates in the GBP:

- 100% contribution with 20 or more years,
- 75% contribution with 15 less than 20 years and
- 50% contribution with 10 less than 15 years.

The first column in the chart below shows which years of service can be applied to meet the five-year requirement for retiree insurance "grandfathering." Certain types of service and participation will count even if you waived or opted out of GBP health coverage.

If you're not grandfathered, some service can put you into a higher insurance tier with a higher state contribution. The right column in the chart on the next page indicates which types of service can put you in a higher tier. For example, if a non-grandfathered member had 12 years of service, he or she could buy three years of Additional Service Credit (ASC) to get 15 years and a 75% state contribution to the retiree health premium.



IMPORTANT NOTICE ABOUT INSURANCE:

Health and other insurance benefits for employees and retirees are subject to change based on available state funding. The Texas Legislature determines the level of funding for such benefits and has no continuing obligation to provide those benefits beyond each fiscal year.

Grandfathering

Type of participation/service	Years of service counted for grandfathering	Service counts toward higher tier
Regular state employee	Yes	Yes
Waiting period	Yes (service doesn't have to be purchased)	Yes
Refunded service	Yes (service doesn't have to be purchased)	Yes
Additional Service Credit (ASC)	No (members already need 10 years to purchase ASC)	Yes
Military service	No (military service isn't creditable until a member has five years of service)	Yes
Proportionate Retirement Program (PRP)	No	No
Texas Governmental Entity (TGE)	No	No
Teacher Retirement System (TRS) service from a GBP-participating agency or institution	Yes	Yes
TRS service from a non-GBP-participating institution (example: independent school district (ISD))	No*	Yes (if transferring service to ERS at retirement)
Optional Retirement Program (ORP) service from a GBP-participating agency or institution	Yes	Yes
University of Texas or Texas A&M University systems	No*	Yes (if transferring service to ERS at retirement)
Texas Municipal Retirement System (TMRS)	No (unless employed by TMRS and participating in the GBP)	No (unless employed by TMRS and participating in the GBP)
Texas County and District Retirement System (TCDRS)	No (unless employed by TCDRS and participating in the GBP)	No (unless employed by TMRS and participating in the GBP)
Community Supervision and Corrections Department (CSCD)	Yes (if eligible to participate in the GBP)	Yes (if eligible to participate in the GBP)
Time spent covered under COBRA or as a dependent in the GBP	No	No
Time spent covered in the GBP as a Former Legislative Employee, Former Elected State Official, Former Board Member, Wrongfully Imprisoned Person, or Texas State Guard volunteer	No	No

*If transferring service to ERS at retirement, service will be used to determine state insurance contribution.

Your health coverage and Medicare

You become eligible for Medicare either when you turn age 65, or if you're certified as disabled by the Social Security Administration (SSA) before age 65 and have received payments for 24 months. Medicare Part A covers hospitalization and Medicare Part B covers medical services. Part A is free for most people, but you do pay a monthly premium to SSA for Part B. Your initial enrollment period when you turn 65 is the seven-month period that includes the month of your 65th birthday, 90 days before and 90 days after.

If you're already receiving SSA payments, you'll be automatically enrolled in Part A and Part B at age 65. Otherwise, contact SSA toll-free at (800) 772-1213 to enroll, preferably three months before your 65th birthday.

If you don't sign up for Medicare when you're first eligible and not working for the State, you may be subject to a penalty on your monthly premium when you eventually sign up.

Once you are retired and eligible for Medicare, your state health insurance is no longer primary. If you're not enrolled in Medicare Parts A and B, you could have to pay as much as 80% or more of the medical and hospitalization expenses Medicare would have paid since Medicare should be your primary coverage,

When you have enrolled in Medicare Parts A and B and have contacted ERS to provide your Medicare information, we will begin the process to enroll you in the HealthSelectSM Medicare Advantage Plan, a preferred provider organization (MA PPO), administered by Humana, and the HealthSelect Medicare Rx (PDP) plan, a prescription drug plan administered by UnitedHealthcare[®]. When ERS receives the Medicare information for your Medicare eligible dependents regardless of age, we will also begin the process to enroll them in HealthSelect MA PPO and HealthSelect Medicare Rx.

The Medicare Advantage plans work together with Medicare Parts A and B to cover most of your Medicare-eligible services at 100%. They are only available to Medicare-eligible retirees, dependents and surviving dependents.

KelseyCare Advantage Medicare health maintenance organization (MA HMO) for those in the Houston area

If you live in one of these counties—Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery or Waller—you have another Medicare Advantage option. It has similar benefits to the HealthSelect MA PPO.

Find more information at <https://ers.kelseycareadvantage.com/>.

If you want to stay with HealthSelect of Texas or an HMO, or if you want to enroll in KelseyCare Medicare Advantage HMO, you can opt out of the HealthSelect MA PPO by calling ERS.

You can't be enrolled in an ERS Medicare Advantage plan and a private Medicare Advantage plan at the same time.

HealthSelect MA PPO offers these out-of-pocket savings to retirees:

- No deductibles
- Most Medicare-eligible services covered at 100% in the U.S
- An open network where you can see any doctor who accepts Medicare
- No referral or primary care physician (PCP) requirements
- No Medicare paperwork. HealthSelect Medicare Advantage handles all claims paperwork for you
- Lower premiums for dependents than other GBP plans
- Extra benefits, such as health club memberships and meal delivery after hospital stays
- Prescription drug benefits provided through HealthSelect Medicare Rx, administered by UnitedHealthcare.

Find more about the HealthSelect MA PPO at www.humana.com/ersmedicareadvantage or call Customer Care toll-free at (855) 377-0001, TTY: 711. It's important to use providers that accept or are willing to bill Medicare.

Survivor benefits

Survivor insurance coverage

If an active employee or retiree with 10 or more years of service dies, their spouse and eligible dependents continue to be eligible for health, dental and/or vision coverage, but they need to enroll within 30 days.

To continue health, dental and/or vision coverage, any dependents would need to pay the entire premium and continue to meet residency requirements of the health, dental and/or vision plans. Your spouse may continue coverage for life. Dependent children may continue coverage as long as they are eligible, regardless of whether the spouse continues coverage.

Lump sum death benefit

If you die as an ERS retiree, a \$5,000 lump sum death benefit will be paid to your designated beneficiary, estate or appropriate heirs when a claim is submitted. The lump sum death benefit costs you nothing. This is in addition to any life insurance or other survivor benefits to your beneficiary. You don't have to be enrolled in the GBP to qualify for this benefit. If you're in the Proportionate Retirement Program with less than five years of service credit from ERS, the payment will be reduced accordingly.

Optional benefits

Retiree Benefits	Active Employee Benefits
Health + \$2,500 Basic Term Life	Health + \$5,000 Basic Term Life
Dental	Dental
Vision	Vision
Optional Term Life - Elections 1, 2, or \$10,000 Fixed Optional Life	Optional Term Life - Elections 1-4
Long-term Care Insurance (existing accounts only)	Long-term Care Insurance (existing accounts only)
TexFlex - When you retire, you can't enroll in TexFlex, but you can use your remaining balance if you participate through COBRA through the end of the plan year.	TexFlex health care, dependent care, Limited flexible spending account, and Commuter spending account
TexaSaver 401(k) / 457 Program - Retirees who have returned to work for the State can contribute to their TexaSaver account(s), whether they are enrolled in retiree benefits or active employee benefits. Retirees who have not returned to work cannot enroll in, have a loan on or contribute to a TexaSaver account.	TexaSaver
Discount Purchase Program	Accidental Death & Dismemberment Insurance
	Texas Income Protection Plan short-term and long-term disability insurance
	Premium Conversion (tax savings)
	Discount Purchase Program



TRS retiree eligibility for GBP insurance

If you began working for the state after August 31, 2001, you need at least 10 years of service credit with a GBP-participating agency.

If you began working for the state before September 1, 2001 and retire with TRS, you may qualify for GBP retiree benefits if you have:

- at least 10 years of TRS and ERS combined service,
- worked for an employer that participates in the GBP for at least three of those 10 years and
- three years by August 31, 2001, or were employed on August 31 and continued contributing to get the three years.

Employers participating in the GBP include State of Texas agencies and some higher education institutions. The University of Texas and A&M University systems and independent school districts do not participate in the GBP.

Regardless of your hire date, your last place of public employment must be with a GBP agency. If not, contact TRS to see if you may be eligible for TRS insurance coverage.

Have you worked for both a school district and a higher education institution?

If you work for a higher education institution that participates in the GBP, your last place of public employment will be the one TRS has certified. If your last place of public employment is with a higher education institution, you may be eligible for GBP retiree insurance. If your last place of public employment is with a school district you will not be eligible for GBP retiree insurance.

Other considerations

If you die before you retire

If you are actively employed with the State of Texas and have 10 or more years of regular state service credit, ERS strongly encourages you to file a Death Benefit Plan (DBP). This way, if you die before you retire, your beneficiary can have a retirement benefit depending on the plan chosen. If you don't designate a beneficiary before your death, your benefits go to your estate or appropriate heirs. For more information about survivor death benefits, go the Retirement page on the ERS website.

Disability retirement

If you become physically or mentally unable to work due to a diagnosed medical condition, you may be eligible for disability retirement.

ERS offers two different types of disability retirement, non-occupational and occupational.

Non-occupational:

- You must apply within two years of your last ERS retirement contribution.
- You must have at least 10 years of ERS or creditable state service.
- You must have been a contributing member of ERS at the time you became disabled.
- Your incapacity must likely be permanent.
- You are unable to hold your current or previous state position or any other job earning similar pay.
- You have sought and been denied a workplace accommodation with your agency.

Occupational:

- You must apply within two years from the date of your injury
- Your incapacity must likely be permanent

- You must have been a contributing member of ERS at the time you became disabled.
- Your incapacity directly resulted from a sudden and unexpected injury or disease that results solely from a specific act or occurrence determinable by a definite time and place and solely from an extremely dangerous risk or severe physical or mental trauma or disease that is not common to the public at large and that is peculiar to and inherent in a dangerous duty that arises from the nature and in the course of a person's state employment.
- You are unable to hold your current or previous state position or any other job earning similar pay.
- You have sought and been denied a workplace accommodation with your agency.

Retirement benefits for an ex-spouse

If an ex-spouse is entitled to any of your ERS retirement benefits, you'll need to provide a Qualified Domestic Relations Order (QDRO). ERS will review your documents and approve them if they meet all legal requirements. You'll receive a notification upon approval.

Use the model QDRO form at http://ers.texas.gov/PDFs/Forms/QDRO_model.pdf as a guide. Get the QDRO signed by the judge who exercised jurisdiction over the divorce. Have the original QDRO certified by the county clerk in the county in which the divorce was granted. Provide ERS with an original, certified copy of the QDRO and a copy of the divorce decree.



Life after retirement

There's more to retirement than financial planning. Having a "successful" retirement simply means reaching or maintaining your desired level of physical, social, and psychological well-being. It's important to stay informed, prepare for what the future holds, and know what resources are available in your community to assist you in your journey.

Many people find that retiring from a full-time scheduled work provides freedom to engage in physical fitness activities, to continue education or other avenues of mental stimulation, to socialize and to engage in spiritual and volunteer activities that can add meaning to life.

Take advantage of free health and wellness programs

It is never too late to make changes that will have a positive impact on your health. Poor health is not a consequence of aging. Healthy lifestyle behaviors, such as smoking cessation, physical activity, and proper nutrition can improve your health at any age.

Each health plan available through ERS offers wellness programs that can help you lead a healthier life. If you're living with a chronic condition like diabetes or asthma, they offer disease management programs that provide personal support, help with complex health care needs and advice on critical treatment decisions.

Health and wellness programs

Health plan	Wellness and disease management programs
HealthSelect of Texas and Consumer Directed HealthSelect, administered by Blue Cross and Blue Shield of Texas	<ul style="list-style-type: none"> • The Well on Target® wellness website will provide you with personalized tools and resources to help you set and reach your wellness goals. • Wellness coaches are available to help you with a variety of topics and issues such as nutrition, fitness exercise, and stress. • The Fitness Program is a flexible membership program you can use to gain access to more than 9,000 fitness centers. • Programs for weight loss and weight management such as Naturally Slim and Real Appeal can help you feel better, have more energy, and cut your risk for many health conditions. • Tobacco cessation resources provide support when you need help quitting tobacco. <p>For more information visit: https://healthselect.bcbstx.com/content/health-and-wellness-incentives/index</p>
Scott & White Health Plan	<ul style="list-style-type: none"> • Through wellness programs, you have access to a Health Coach by phone anytime, day or night. Health Coaches are specially trained to provide you with health information and support. • Complex case management is available for members who have chronic conditions or complex needs. <p>For more information visit: https://ers.swhp.org/disease-and-condition-management</p> <ul style="list-style-type: none"> • Create a personal health program by completing the wellness assessment. • A variety of online wellness programs to assist you with healthy choices. Programs currently offered include: <ul style="list-style-type: none"> • Balance – Manage your weight • Nourish – Eat healthier • Relax – Deal with stress • Breathe – Quit smoking • Care for depression • Dream – Sleep better • Care for your health – Care for chronic conditions • Care for pain <p>For more information visit: https://ers.swhp.org/wellness-value-added-service</p>

Health and wellness programs

Health plan	Wellness and disease management programs
Community First Health Plans	<p>Disease management programs including:</p> <ul style="list-style-type: none"> • Asthma • Behavioral health • Case management • Diabetes • Flu • Healthy expectation – programs designed to help expecting moms and their babies <p>For more information visit: http://members.cfhp.com/root/category/disease-management/</p>
HealthSelect Medicare Advantage, administered by Humana	<ul style="list-style-type: none"> • Smoking cessation programs • The Well Dine food program allows you to receive 10 nutritious, precooked frozen meals delivered to your door at no cost after a hospital or nursing facility stay. • Silver Sneaker is a free fitness program that allows you to access local gyms in your area. <p>For more information visit: https://our.humana.com/ers-medicare/extra-benefit</p>
KelseyCare Medicare Advantage	<ul style="list-style-type: none"> • KelseyCare Advantage offers wellness tools, information, and assistance to help you achieve a healthier lifestyle. <p>For more information visit: https://ers.kelseycareadvantage.com/Pages/wellness-programs.aspx</p>



Returning to state employment

Before you can return to work for the State of Texas, you must be retired for at least 90 days and you cannot have a prior agreement with your employer to return to your job.

If you return to work for the State of Texas, you won't contribute to the ERS Retirement Trust Fund, and you will not be eligible to retire a second time from the state. But you can participate in Texa\$aver. In addition, your agency must pay a surcharge equal to 9.5% of your salary to ERS. This makes up for the fact that you are not contributing to the ERS Retirement Trust Fund but are drawing a monthly payment. The surcharge does not come out of your paycheck.

You can elect to receive active employee benefits if you return to work for the State. If you do so, you can enroll in Texas Income Protection Plan disability insurance, TexFlex health care and dependent care accounts and life insurance options that aren't available to retirees. Please note that active employees, even return-to-work retirees, cannot enroll in a Medicare Advantage plan. (See page 22 for a comparison between active and retiree benefits.)

Your optional life insurance amounts are based on your annual salary. If you have a lower annual salary than when you retired and you choose active benefits, your Optional Term Life Insurance amount will be lowered permanently, even when you switch back to retiree benefits.

If you return to part-time employment, the state contribution towards your health insurance premium will be 50% for you and 25% for your dependents.

If you go to work for an organization that is part of the Proportionate Retirement Program (PRP), you can use your ERS service credit to help you become eligible to retire under that system. You would receive separate retirement payments from each system.

Ready to Save?

Keep saving! Remember that you can continue to use the Discount Purchase Program in retirement. Shop online and buy products and service, such as computers, appliances, vacation packages and more at discounted prices. Just visit **www.DiscountProgramERS.com** and click the retiree button. There is no enrollment, registration, or membership fees required.

TexaSaver

TexaSaver allows you to set aside pre-tax income for retirement savings. Personal savings in TexaSaver or other individual retirement accounts can help fill the gap between your future financial needs and your monthly retirement and SSA income.

State agency employees can enroll in either or both the TexaSaver 401(K) and 457 plans. Higher education institution employees can enroll in the 457 Plan if their institution offers it.

TexaSaver is not available to employees of non-participating higher education institutions, Community Supervision & Corrections Department (CSCD), the Windham School District, Texas County and District Retirement System or the Texas Municipal Retirement System

You should get retirement income estimates from ERS, SSA and TexaSaver (or any other retirement savings you have) based on the same retirement date.

Why should you enroll in TexaSaver 401(k) or 457?

Your ERS monthly annuity has no guaranteed cost-of-living adjustments. Once you retire, the amount of your monthly retirement payment will stay the same while your cost of living is likely to go up. Your health care costs are likely to go up as you get older. Funds in a TexaSaver 401(k) and/or 457 can help cover these additional costs.

- Need help with retirement financial planning?
- How much should I save?
- What can I do now to have more money in retirement?
- What funds should I invest in?
- What's the difference between traditional and Roth contributions?

Get your questions answered! TexaSaver participants are eligible for a FREE initial consultation with investment advisor representatives from Advised Assets Group, LLC (AAG).

How do I save money on income taxes with TexaSaver?

When you contribute to your TexaSaver account with payroll deductions, the taxable income is reduced by the amount you contribute. This will probably reduce your income tax payment. You will not have to pay taxes on the TexaSaver contribution amount until you withdraw the funds from your TexaSaver account,

TexaSaver Program Benefits

- Free one-on-one personal counseling
- Free financial workshops and group meetings
- Free online investment advice
- Customized online retirement planning tools
- Traditional before-tax and/or Roth after-tax contribution options
- Flexible distribution options
- Direct deposit from our paycheck
- Expertly-managed investment options
- Funds offering fee reimbursements
- Lower fees than many other investment companies
- The option to do everything yourself online
- The options to have investment and retirement planning help from Advised Assets Group
- A convenient saving plan to help provide a more secure retirement.

You may use funds from your TexaSaver 401(k) and/or 457 Plans (not including Roth contributions) to purchase State of Texas service credit. The purchase can include withdrawn ERS service, TRS service, military service, waiting period service, or Additional Service Credit.

See page 11 for more information. Contact ERS to use TexaSaver funds to purchase service credit.

Not participating in the TexaSaver Program Yet? It's okay, enroll today!

With a TexaSaver account you may:

- purchase service credit;
- defer unused annual leave;
- roll over a partial lump sum payment;
- roll over money from other qualified IRAs or 401(k) accounts;
- receive periodic withdrawals (monthly and quarterly options available);
- receive partial withdrawals and
- receive a full withdrawals

You can transfer or "roll over" money from a qualified, prior eligible employer's 401(k), 401(a), 403(b) or governmental 457 plan into the TexaSaver 401(k) or 457 Plans. You can also roll over money from an eligible IRA. The TexaSaver 401(k) and 457 Plans accept Roth rollovers from other qualified plans as well, but you can't roll over Roth IRAs to TexaSaver.*

*You are encouraged to discuss rolling money from one account to another with your financial advisor.

Be sure to keep your contact information current! Log in to your ERS OnLine account or call toll-free (877) 275-4377 to update your information. Hearing impaired or deaf callers may call 711 or (800) 735-2989.

What happens to my TexaSaver funds when I retire?

You can leave your money in your TexaSaver account after you retire. You can't deposit more money into your TexaSaver account after you leave state employment. You will not have to pay taxes on funds in your TexaSaver account until the funds are withdrawn. The IRS requires a minimum distribution beginning at age 70½. Contact TexaSaver for information about periodic payment, partial or full withdrawal, and other distribution options.

Be sure to keep TexaSaver contact and beneficiary information updated

Your TexaSaver beneficiary is not the same as your beneficiaries for life insurance and your State of Texas pension. If you have a 401(k) and/or 457 account, your beneficiaries may be the same or different for each account. Find a beneficiary form at www.texasaver.com. You may also request the beneficiary form toll-free at (800) 634-5091. When you enroll, you should name a beneficiary. Fill out the form completely and mail it directly to Empower Retirement. The address is on the form.

Retirement planning doesn't end when you stop working.

Many retirees still have questions and concerns about their financial life in their retirement years:

- Will my savings provide income throughout my lifetime?
- What payout options do I have with TexaSaver?
- How will taxes affect saving and spending decisions?
- How should I invest my money when I retire?

Stay with TexaSaver to get all your questions answered and more:

- Meet with a federally registered investment adviser for investment help.
- Keep your Educational Representative.
- Go to group meetings.
- Roll other eligible retirement money to TexaSaver to consolidate accounts.
- Keep your account at institutional pricing with lower fees.
- Receive fund fee reimbursements – TexaSaver gives back more than \$3 million a year to participants.
- Call the same customer service center toll-free at (800) 634-5091 for help.
- Keep your web login, and use the same web features and tools (future upgrades)

Appendix

Service Multiplier Tables for Groups

	MONTHS											
	0	1	2	3	4	5	6	7	8	9	10	11
0	0.000	0.192	0.383	0.575	0.767	0.958	1.150	1.342	1.533	1.725	1.917	2.108
1	2.300	2.492	2.683	2.875	3.067	3.258	3.450	3.642	3.833	4.025	4.217	4.408
2	4.600	4.792	4.983	5.175	5.367	5.558	5.750	5.942	6.133	6.325	6.517	6.708
3	6.900	6.900	7.283	7.475	7.667	7.858	8.050	8.242	8.433	8.625	8.817	9.008
4	9.200	9.392	9.583	9.775	9.967	10.158	10.350	10.542	10.733	10.925	11.117	11.308
5	11.500	11.692	11.883	12.075	12.267	12.458	12.650	12.842	13.033	13.225	13.417	13.608
6	13.800	13.992	14.183	14.375	14.567	14.758	14.950	15.142	15.333	15.525	15.717	15.908
7	16.100	16.292	16.483	16.675	16.867	17.058	17.250	17.442	17.633	17.825	18.017	18.208
8	18.400	18.592	18.783	18.975	19.167	19.358	19.550	19.742	19.933	20.125	20.317	20.508
9	20.700	20.892	21.083	21.275	21.467	21.658	21.850	22.042	22.233	22.425	22.617	22.808
10	23.000	23.192	23.383	23.575	23.767	23.958	24.150	24.342	24.533	24.725	24.917	25.108
11	25.300	25.492	25.683	25.875	26.067	26.258	26.450	26.642	26.833	27.025	27.217	27.408
12	27.600	27.792	27.983	28.175	28.367	28.558	28.750	28.942	29.133	29.325	29.517	29.708
13	29.900	30.092	30.283	30.475	30.667	30.858	31.050	31.242	31.433	31.625	31.817	32.008
14	32.200	32.392	32.583	32.775	32.967	33.158	33.350	33.542	33.733	33.925	34.117	34.308
15	34.500	34.692	34.883	35.075	35.267	35.458	35.650	35.842	36.033	36.225	36.417	36.608
16	36.800	36.992	37.183	37.375	37.567	37.758	37.950	38.142	38.333	38.525	38.717	38.908
17	39.100	39.292	39.483	39.675	39.867	40.058	40.250	40.442	40.633	40.825	41.017	41.208
18	41.400	41.592	41.783	41.975	42.167	42.358	42.550	42.742	42.933	43.125	43.317	43.508
19	43.700	43.892	44.083	44.275	44.467	44.658	44.850	45.042	45.233	45.425	45.617	45.808
20	46.000	46.192	46.383	46.575	46.767	46.958	47.150	47.342	47.533	47.725	47.917	48.108
21	48.300	48.492	48.683	48.875	49.067	49.258	49.450	49.642	49.833	50.025	50.217	50.408
22	50.600	50.792	50.983	51.175	51.367	51.558	51.750	51.942	52.133	52.325	52.517	52.708
23	52.900	53.092	53.283	53.475	53.667	53.858	54.050	54.242	54.433	54.625	54.817	55.008
24	55.200	55.392	55.583	55.775	55.967	56.158	56.350	56.542	56.733	56.925	57.117	57.308
25	57.500	57.692	57.883	58.075	58.267	58.458	58.650	58.842	59.033	59.225	59.417	59.608
26	59.800	59.992	60.183	60.375	60.567	60.758	60.950	61.142	61.333	61.525	61.717	61.908
27	62.100	62.292	62.483	62.675	62.867	63.058	63.250	63.442	63.633	63.825	64.017	64.208
28	64.400	64.592	64.783	64.975	65.167	65.358	65.550	65.742	65.933	66.125	66.317	66.508
29	66.700	66.892	67.083	67.275	67.467	67.658	67.850	68.042	68.233	68.425	68.617	68.808
30	69.000	69.192	69.383	69.575	69.767	69.958	70.150	70.342	70.533	70.725	70.917	71.108
31	71.300	71.492	71.683	71.875	72.067	72.258	72.450	72.642	72.833	73.025	73.217	73.408
32	73.600	73.792	73.983	74.175	74.367	74.558	74.750	74.942	75.133	75.325	75.517	75.708
33	75.900	76.092	76.283	76.475	76.667	76.858	77.050	77.242	77.433	77.625	77.817	78.008
34	78.200	78.392	78.583	78.775	78.967	79.158	79.350	79.542	79.733	79.925	80.117	80.308
35	80.500	80.692	80.883	81.075	81.267	81.458	81.650	81.842	82.033	82.225	82.417	82.608
36	82.800	82.992	83.183	83.375	83.567	83.758	83.950	84.142	84.333	84.525	84.717	84.908
37	85.100	85.292	85.483	85.675	85.867	86.058	86.250	86.442	86.633	86.825	87.017	87.208
38	87.400	87.592	87.783	87.975	88.167	88.358	88.550	88.742	88.933	89.125	89.317	89.508
39	89.700	89.892	90.083	90.275	90.467	90.658	90.850	91.042	91.233	91.425	91.617	91.808
40	92.000	92.192	92.383	92.575	92.767	92.958	93.150	93.342	93.533	93.725	93.917	94.108
41	94.300	94.492	94.683	94.875	95.067	95.258	95.450	95.642	95.833	96.025	96.217	96.408
42	96.600	96.792	96.983	97.175	97.367	97.558	97.750	97.942	98.133	98.325	98.517	98.708
43	98.900	99.092	99.283	99.475	99.667	99.858	100.000	100.000	100.000	100.000	100.000	100.000
44	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
45	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000

Glossary

Actively contributing member – a member who works for the State of Texas and currently contributes to his or her ERS retirement account.

Additional Service Credit (ASC) – a type of service credit available for purchase by an actively contributing ERS member with 10 years of service. Purchasing ASC can give you credit for time you did not actually work.

Age reduction – in some retirement groups, if you retire before a certain age, your monthly payment may be lower. The amount of the reduction depends on your age at retirement.

Annual Enrollment – your opportunity to add or change your insurance coverage. Annual Enrollment for Medicare retirees is typically held each fall and in summer for active employees and retirees who are not eligible for Medicare.

Annuity – your monthly retirement payment/check. Calculated using your highest average salary, years of service credit, and the service multiplier. Age and/or option reductions may apply based on your retirement group and age or the payment option chosen at the time of retirement. Sometimes referred to as a pension or monthly retirement payment.

Beneficiary – person or persons who will receive your life insurance, retirement annuity and other benefits in the event of your death. While you can name multiple beneficiaries for your life insurance, you can only name one beneficiary for certain annuity options.

COBRA – the Consolidated Omnibus Budget Reconciliation Act of 1985. Federal law that requires employers to offer health and dental coverage continuation to employees and covered dependents who lose health and dental coverage due to certain events. Members who retire directly from state employment and are not eligible for insurance, can sign up for COBRA within 105 days of losing coverage. The participant pays 100% of the premium and an administration fee.

GBP – (Texas Employees Group Benefits Program) Insurance and other benefits provided by the State of Texas and administered by ERS. This group of benefits is commonly referred to as “the GBP.” For retirees, the program consists of health, dental, life insurance and dependent life insurance.

HealthSelect Medicare Advantage – the health plan for Medicare eligible GBP retirees sometimes referred to as Medicare Part C.

HealthSelect Medicare Rx (PDP) – the prescription drug coverage for participants enrolled in Medicare. Sometimes referred to as Medicare Part D.

HHS Employee Service Center – the human resources contact for Texas Health and Human Services Enterprise (HHSC) employees.

Interim insurance – health coverage option for retirees who meet service credit criteria for health coverage, but are currently ineligible for GBP health coverage because they are under 65 and did not retire under the Rule of 80. Interim insurance is only available to those who elect COBRA for the full 18 months. The participant pays the total actuarial cost as determined by ERS Board of Trustees.

Medicare – a federally-funded health insurance program that pays a portion of health care costs for people age 65 and over, under age 65 and certified as disabled by the Social Security Administration or with End Stage Renal Disease (any age).

Medicare Advantage Plan – a plan offered by a private company that contracts with Medicare to provide participants with Part A (hospital) and Part B (medical) benefits. Sometimes referred to as Medicare Part C.

Member – an individual who has not withdrawn his or her ERS retirement account.

Multiplier – a set percentage used to calculate your monthly payment. The multiplier is 2.3% for regular service employees.

Glossary

Non-contributing member – a member who no longer works for the State of Texas and has elected to keep his or her money in their ERS retirement account.

Option reduction – when you choose a survivor option for your retirement payment, your payment is reduced based on your age and your beneficiary's age.

Qualified domestic relations order (QDRO) – a legal order subsequent to a divorce or legal separation that splits and changes ownership of a retirement plan to give the divorced spouse his or her share of the asset. A certified copy of the divorce decree and QDRO must be received for review and approved by ERS' General Counsel. Benefits are payable to an alternate payee only if the order is determined to be a valid ERS QDRO.

Regular Service – the retirement service credit earned by a regular state employee participating in the ERS retirement program. This is separate from service earned as a CPO/CO, elected state official or state judge.

Regular state employee – members under the "employee class" who have a 2.3% retirement payment multiplier and law enforcement or custodial officers.

Rule of 80 – when your age and service credit added together equal 80, you are eligible to retire with ERS.

Service percentage – your years of service multiplied by 2.3%. ERS uses the percentage of your years of service credit to calculate your monthly payment.

Standard annuity – the maximum monthly amount paid in a monthly retirement payment for a retiree's lifetime that does not include a beneficiary option. The amount is determined using a formula that includes your highest average salary, pension multiplier and service credit. Also called a retirement payment.

Survivor Annuity – the retirement payment paid to the designated beneficiary of your retirement account upon your death. You must elect one of the survivor retirement options for your beneficiary to have the survivor annuity. Also called a survivor payment.

Waiting period service – the 3-4 months at the beginning of an employment period when a member did not contribute to ERS. Actively contributing members are eligible to buy it.

Withdrawn service – service credit refunded from ERS. It cannot be counted as service credit until you buy it back. You can do so if you have service credit with ERS or a Proportionate Retirement System. Sometimes called "refunded service."

Become a more informed member

ERS publications

- Your ERS Connection retiree newsletter

ERS Website:

www.ers.texas.gov

- Detailed information about retirement and insurance benefits
- 24/7 access to your personal account information by signing into your online account on the ERS website
- Service purchase estimator
- Registration for ERS events
- And much more!

Write to:

Employees Retirement System of Texas
Customer Benefits Division
P.O. Box 13207
Austin, Texas 78711-3207

Call or fax:

(877) ASK-4-ERS (275-4377) toll-free

7-1-1 or (800) 735-2989 for hearing impaired or deaf callers

(512) 867-7438 fax

Customer Service is available 7:30 a.m. - 5:30 p.m. CT weekdays.

The ERS Interactive Voice Response System gives you 24/7 access to your personal account information, including your retirement account balance, projected retirement account and monthly payment, a list of your current benefits, and more.

Visit in person:

Employees Retirement System of Texas
200 E. 18th Street
Austin, Texas 78701

Please make an appointment for retirement counseling so we can better serve you.

Our lobby hours are 8 a.m. - 5 p.m. CT weekdays.

Retirement records of members and beneficiaries are confidential. ERS will not release certain information about your account without your written authorization.

Other numbers:

Social Security Administration

(800) 772-1213

Internal Revenue Service

(800) 829-1040

Teacher Retirement System of Texas

(800) 223-8778

Texas County and District Retirement System

(800) 823-7782

Texas Municipal Retirement System

(800) 924-8677

City of Austin Retirement System

(512) 458-2551

City of Austin Police Retirement System

(512) 416-7672

El Paso Firemen & Policemen's Pension Fund

(915) 771-8111

El Paso City Employees' Pension Fund

(915) 212-0112

HHS Enterprise Employee Service Center

(888) 894-4747

The Employees Retirement System of Texas (ERS) complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. ERS provides free language aids and services, such as: written information in other formats (large print, audio, accessible electronic formats, and other formats), qualified interpreters, and written information in other languages.

If you need these services, call: 1-877-275-4377, TDD: 711.

If you believe that ERS has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance by mail, fax or email:

Mail: Section 1557 Coordinator Employees Retirement System of Texas
P.O. Box 13207, Austin, Texas 78711. Fax: 512-867-3480.

Email: 1557coordinator@ers.texas.gov

For more information visit: <http://www.ers.texas.gov>

You can also file a civil rights complaint with the U.S. Department of Health and Human Services online, by mail or by phone at:

Online: <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>

Complaint forms are available at: <http://www.hhs.gov/ocr/office/file/index.html>.

Mail: U.S. Department of Health and Human Services, 200 Independence Avenue, SW, Room 509F, HHH Building, Washington, D.C. 20201.

Phone: 1-800-368-1019, 800-537-7697 (TDD).

ATTENTION: Language assistance services, free of charge, are available to you.	ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística.
CHU Ý: Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn.	ध्यान दें: यदि आप हिंदी बोलते हैं तो आपके लिए मुफ्त में भाषा सहायता सेवाएं उपलब्ध हैं।
注意：如果您使用繁體中文，您可以免費獲得語言援助服務。	توجه: اگر بہ زبان فارسی گفتگو می کنید، تسهیلات زبانی بصورت رایگان برای شما فراهم می باشد.
주의: 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다.	ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung.
ملحوظة: إذا كنت تتحدث اذكر اللغة، فإن خدمات المساعدة اللغوية تتوافر لك بالمجان.	સુચના: જો તમે ગુજરાતી બોલતા હો, તો નિ:શુલ્ક ભાષા સહાય સેવાઓ તમારા માટે ઉપલબ્ધ છે.
خبردار: اگر آپ اردو بولتے ہیں، تو آپ کو زبان کی مدد کی خدمات مفت میں دستیاب ہیں۔	ВНИМАНИЕ: Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода.
PAUNAWA: Kung nagsasalita ka ng Tagalog, maaari kang gumamit ng mga serbisyo ng tulong sa wika nang walang bayad.	注意事項：日本語を話される場合、無料の言語支援をご利用いただけます。
ATTENTION: Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement.	ໂປດຊາບ: ຖ້າວ່າ ທ່ານເວົ້າພາສາ ລາວ, ການບໍລິການ ຊ່ວຍເຫຼືອດ້ານພາສາ, ໂດຍບໍ່ເສັຍຄ່າ, ແມ່ນມີພ້ອມໃຫ້ ທ່ານ.

1-877-275-4377

