



## AM I ELIGIBLE TO RETIRE?

### YOUR ERS RETIREMENT

**The following applies to you if you began work before September 1, 2009, and worked long enough to become an ERS member, or if you have prior state service and left your money on account with ERS.**

As a state employee, you contribute to your ERS retirement account. ERS invests your money to provide you a monthly retirement payment for your lifetime when you are eligible to retire.

Your monthly retirement payment is calculated using your service credit and your highest 36 months of salary. You have three ways to estimate your retirement:

- Quick calculator on [www.ers.state.tx.us](http://www.ers.state.tx.us) that uses information you provide,
- Log in to your account and click Retirement Estimate under My Retirement Information to receive an estimate based on your actual account information, or
- Call ERS.

While you are employed by the State, you will receive a Statement of Retirement Benefits each year in the month following your birthday. The statement includes:

- An estimate of when you can first retire;
- An estimate of your monthly retirement check from ERS;

- Whether you will qualify for insurance benefits at retirement;
- Who will receive your benefits after your death;
- Your ERS retirement account balance and years of service credit;
- A graph showing how much your monthly retirement benefit will increase if you work a year past your first full retirement eligibility date; and
- An estimate of disability retirement benefits.

You can also check your account balance using our Interactive Voice Response System. Call (512) 867-7711 in Austin or outside of Austin toll-free at (877) 275-4377.

#### Retirement Eligibility

**The following information applies to employees who were ERS members on August 31, 2009.**

**To be eligible to retire, your service credit must be on account with ERS at retirement.**

- **Age 60 with five years of service credit.**
- **Rule of 80: Your years and months of service credit (at least five years) and your years and months of age equal or exceed 80.**

### CAN I INCREASE MY SERVICE CREDIT?

You can increase your service credit by purchasing any withdrawn ERS service credit you may have before you apply for retirement. The penalty interest is 10 percent per year since the date of your withdrawal. You can also purchase waiting period service, up to five years of active duty military service, and up to three years of Additional Service Credit (ASC).

To buy ASC, you must have at least 10 years of ERS service credit. Use the estimator on the ERS website to estimate the cost of your ASC.

You can also count leftover sick and annual leave toward service credit at retirement. They are calculated separately. You earn one month of service for each 160 hours of accumulated leave. Any fraction over 160 hours of leave also equals

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#### Sample standard annuity calculation for state employee

You are a 56-year-old member with 24 years of creditable service, so you are eligible to retire under the Rule of 80. Your final average salary is \$2,645 (average of highest 36 months salary).

Percentage Calculation:

$$24 \text{ years} @ 2.3\% = 55.2\%$$

Standard Annuity Calculation:

Final Average Salary	\$2,645.00
Percentage	x 55.2%
Monthly Standard Annuity	\$1,460.04

one additional month of service credit. For example, if you have 321 hours of sick leave, you will earn three months' credit:  $321 \div 160 = 2.006 = 3$  months.

**You may only use sick and annual leave for service credit if your last day on state payroll is in the same month as your retirement date.**

If you were hired after September 1, 2003 and had a waiting period, you may purchase the service at its actuarial value. To do so, you must get a service purchase cost coupon from ERS.

## AM I ELIGIBLE FOR INSURANCE IN RETIREMENT?

You must have at least 10 years of service credit to be eligible for insurance benefits. If you began work before September 1, 2001, at least three of those years must have been with an agency in the Texas Employees Group Benefits Program (GBP). If you began work on or after September 1, 2001, at least 10 years must be with an agency in the GBP.

### Does the State pay for my insurance?

Under current State and ERS laws and rules, the State will pay the same portion of your premium as it does for you as an employee. This means if you are a part-time employee, the State will pay

### Examples

Age	Total service credits	Eligible to retire?	With insurance?
53 yrs. 5 mos.	26 yrs. 7 mos.	Yes, under Rule of 80	Yes
75 yrs. 6 mos.	4 yrs. 6 mos.	No	No
49 yrs. 6 mos.	30 yrs. 6 mos.	Yes, under Rule of 80	Yes
60 yrs. 2 mos.	10 yrs. 10 mos.	Yes, at age 60	No*

\*Insurance begins at age 65 unless you meet the Rule of 80 with 10 years of service.

the part-time contribution (50%) for your retiree health insurance premium.

### When does my insurance begin in retirement?

You are immediately eligible for insurance benefits if you retire directly from state employment when you:

- 1) Meet the Rule of 80, or
- 2) Are at least age 65.

You will have a 90-day waiting period before your insurance benefits begin if you:

- Do not retire directly from state employment, or
- Retire under the age of 65 and do not meet the Rule of 80.

Proof of good health (evidence of insurability) will not be required after your 90-day waiting period.

## USING CREDIT FROM ANOTHER RETIREMENT SYSTEM

You can use service from an employer in the Proportionate Retirement Program (PRP) to qualify for retirement. Once your service has been verified and you have received an acknowledgment from ERS, it is combined with your ERS service credit at retirement to determine eligibility. The following retirement systems participate in the PRP:

- Central Texas Community Health Centers (CTCH)—service must be certified by City of Austin Retirement System,

- City of Austin Police Retirement System,
- City of Austin Retirement System,
- El Paso City Employees' Pension Fund,
- El Paso Firemen & Policemen's Pension Fund,
- ERS,
- Judicial Retirement System of Texas Plan I,
- Judicial Retirement System of Texas Plan II,
- Teacher Retirement System of Texas (TRS),
- Texas County and District Retirement System (TCDRS), and
- Texas Municipal Retirement System (TMRS).

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*Ten retirement systems participate in the Proportionate Retirement Program.*

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You may transfer TRS service to ERS when you apply for retirement to increase your service credit.

If you established service with a Texas Governmental Entity (TGE) and certified that service with ERS by December 31, 2005, up to 60 months of TGE service can be used to meet eligibility for retirement under the Rule of 80 before you reach age 60.

## HOW DO I BEGIN THE RETIREMENT PROCESS?

Call ERS to start the retirement process no more than 90 days before your expected retirement date, which is always the last day of the month. You are also responsible for notifying your agency of your intended retirement date.

ERS will mail you a retirement acceptance form. Sign the form and have it notarized. Return it to ERS, along with the other requested documents, before your expected retirement date.

### **Step 1—Determine first eligibility.**

**Step 2—Call ERS no earlier than 90 days before your expected retirement date.**

**Step 3—Receive retirement acceptance form from ERS. Review and sign the acceptance form and have it notarized.**

**Step 4—Return retirement acceptance form to ERS.**

**Step 5—Notify your agency of your intended retirement date.**

Be sure that you are not carried on a state payroll the month following the effective date of your retirement. Your application to retire will be canceled if you are reported on a state payroll to ERS the month following the date of your intended retirement. You are still considered on state payroll if you are on paid leave. If you are using your annual leave before retirement, be sure your vacation time does not go beyond the effective date of retirement.

To cancel your retirement, you must notify ERS in writing before your retirement date.

## ERS RESOURCES

### **Planning Seminars**

ERS offers free seminars to help you plan for retirement. **Ready, Set, Retire!** sessions, held in locations across Texas, are for state agency employees with retirement in their near future. Visit [www.ers.state.tx.us](http://www.ers.state.tx.us) for the schedule and to register.

### **Withdrawing (refunding) your account**

If you leave state employment before retirement, you can leave your money in your retirement account. Or, you may call ERS to apply for a withdrawal after termination of your employment, and you will get your contributions back with the accumulated interest. If you worked more than five years and did not take a withdrawal of your retirement account, you are vested for retirement benefits. This means that when you become eligible, you will get an annuity every month for the rest of your life.

### **Other retirement programs**

Besides its regular retirement program for state employees, ERS also provides retirement benefits to members who qualify for Disability Retirement, the Supplemental Retirement Program for Commissioned Peace Officers and Custodial Officers, retirement as a Judicial Officer (Plans I and II), and retirement as an Elected State Official. For more information on qualifying for retirement under one of these programs, contact ERS. The ERS website provides retirement information in the *Planning Your Retirement* booklet and the *Purchasing Service Credit* flier.