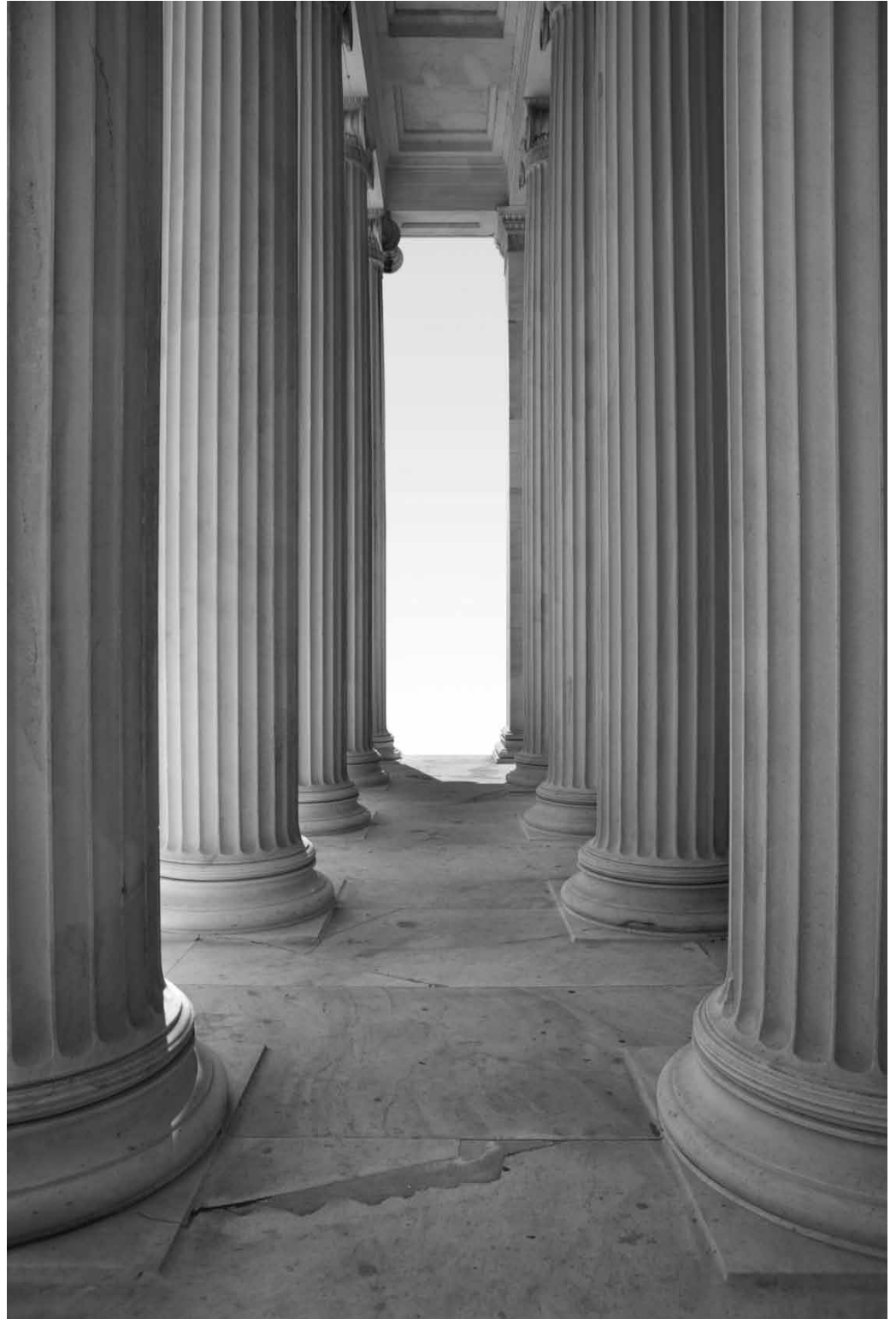


# Retirement Benefits



as administered by

**ERS**  
EMPLOYEES RETIREMENT  
SYSTEM OF TEXAS

## for Elected State Officials

December 2011

# Retirement Benefits for Elected State Officials

This booklet provides information regarding retirement benefits available to you as an elected state official. This publication summarizes the law (Title 8, Texas Government Code) and the Board of Trustees Rules of the Employees Retirement System of Texas, which administers these benefits. The actual Law and Rules prevail in all questions of interpretation and application.

The information in this booklet is subject to change by the Texas Legislature.



Customer Benefits Division  
P. O. Box 13207  
Austin, Texas 78711-3207  
(877) 275-4377, toll-free, ext. 7387

**[www.ers.state.tx.us](http://www.ers.state.tx.us)**

December 2011

# Retirement eligibility and benefits



## Retirement Benefits for Elected State Officials

Retirement benefits for elected state officials and other eligible officials are provided by the Employees Retirement System of Texas (ERS). In this booklet, you will find information on the three types of benefits available in the elected class retirement program: service retirement, disability retirement, and death benefits. Retirement records of members and beneficiaries are confidential. ERS will not release certain information about your account without your written authorization.

Membership under the elected class is optional. To gain membership, eligible persons must submit an application for membership. These applications are available from the benefits coordinators of the Texas House, Texas Senate, and State Comptroller's Office. Upon receipt of the application, ERS will instruct your payroll office to deduct a retirement contribution from your monthly salary.

Membership in the elected class is limited to:

- Persons who hold state offices normally filled by a statewide election and not included for coverage under the Judicial Retirement System of Texas Plan I or Judicial Retirement System of Texas Plan II;
- Members of the State Legislature; and
- District and criminal district attorneys, to the extent that they receive salaries from the state general revenue fund.

Texas legislators contribute at the rate of 8% of gross salary; all other members contribute 6.5% of gross salary. Retirement contributions, based on compensation earned after December 31, 1987, are tax-sheltered and are not subject to federal income tax until distribution is made as annuity payments after retirement or as a refund of contributions upon termination of membership.

The amount of each contribution is credited to your ERS elected class account. In addition to your contribution, the State contributes an amount necessary to finance the system. State contributions are not credited to the members' individual accounts and are not included in the amounts refunded to those members who withdraw their retirement contributions.

All ERS retirement accounts earn 5% interest each fiscal year on the mean balance in the accounts for the year. This rate is set by state law and only applies when you take a refund of your contributions. It is irrelevant in determining your annuity amount at retirement.

### ERS retirement funds

Your retirement program through ERS is a defined benefit plan. It is invested to provide you with a retirement benefit, based on a formula authorized by the State Legislature. Your monthly annuity at retirement does not depend on the amount of money in your account; it will provide you with a monthly annuity for your lifetime.

ERS is funded on sound actuarial principles. State contributions, member contributions, and investment income provide the funds for payment of retirement benefits. Administrative costs are paid from investments and membership fees. Money received by ERS is invested by a professional staff in accordance with Board of Trustee policies and constitutional and statutory guidelines.

ERS was established in 1947 and is governed by six trustees who serve staggered terms of six years. Three members are elected by the membership of the retirement system in even years. Three are appointed, subject to Senate confirmation—one each by the Governor, the Chief Justice of the Supreme Court, and the Speaker of the House of Representatives. The trustees appoint an Executive Director who is responsible for all administrative functions and the supervision of ERS staff.



# Retirement eligibility and benefits

## Retirement Benefits for Elected State Officials

### Retirement benefits

Retirement benefits start with the computation of a standard monthly annuity at your retirement age. The amount is reduced if you select one of the five options to continue benefits for your survivor in the event of your death. It may also be reduced if you select a partial lump sum option at retirement.

Your monthly standard annuity is calculated by multiplying the percentage value of your months and years of retirement credit times the current state salary of a district judge. Instead of using the state salary of a district judge, your benefits may be based on your average salary (highest 36 months) as a state employee (certain eligibility factors are required). The monthly standard annuity for a member retiring from the elected class may not exceed 100% of the state salary of a district judge. The percentage value for service credit in the elected class is 2.3% per year. To determine your service percentage, see the table on page 4.

Monthly retirement annuities calculated on the basis of the state salary of a district judge are automatically adjusted each time judicial salaries change. While members of the elected class have the option to retire under the service retirement benefit formulas available to members of the employee class, the benefit calculations are different, and annuity increases after retirement are dependent upon legislative approval.

### Retirement eligibility

Two factors determine eligibility for retirement: Your age and your years of service credit. If you meet eligibility criteria for the elected class, you may retire when you have:

- 8 years of service at age 60; or
- 12 years of service at age 50.

### Earning service credit

Eligible retirement service is legislative service and any other service that has been established in your ERS elected class retirement account. You earn a full month of service credit for each month a contribution is deducted from your salary, regardless of the number of days worked during the month or the amount of salary. No more than 24 months service may be credited in a two-year term, and no more than 48 months service may be credited in a four-year term.

Prior to retirement from the elected class, you may be eligible to establish additional credit for withdrawn service, calendar year service, service not previously established, military service, or Additional Service Credit (ASC). The cost for any eligible retirement service will be calculated by ERS promptly upon your request.

### Withdrawn service

Upon taking the oath of office, you may purchase service credit for all eligible service previously canceled by withdrawal of your contributions. Withdrawn elected class service will be credited to your elected class account, and withdrawn state employee service will be credited to your employee class account. Payment to establish withdrawn service includes the total amount withdrawn, plus 10% penalty interest for each fiscal year from the date of withdrawal to the date of repayment.

### Calendar year service

If you are a member of ERS, you are eligible to establish service credit in your elected class account for all or part of any calendar year during which you:

- Were eligible to take the oath for an office included in the elected class; or
- Held an office in the elected class.

## Two factors determine eligibility for retirement:

Your age and your years of service credit.



## Retirement Benefits for Elected State Officials

The cost to purchase service credit for calendar year service includes contributions only or contributions and 10% interest, depending upon the date payment is made and when the service was performed.

### Service not previously established

If you are a member of ERS with an elected class account or an employee class account, you may buy service credit for waived service. The cost to purchase service credit for each month of service not previously established includes contributions and 10% interest per year.

### Military service

You may buy a maximum of 60 months (five years) of service credit for active U.S. military service. You are eligible to purchase military service only if you are not eligible to receive a regular military retirement, based on 20 years or more of active federal military duty or its equivalent, and you did not receive a dishonorable discharge. Partial months may be purchased. The cost to purchase service credit for each month of active military service includes contributions and 10% per year penalty interest.

If you purchase military service within one year from the date you become a member of ERS, you are not required to pay any penalty interest. You may obtain the cost amount of purchasing your military service by furnishing

a copy of your discharge (DD214) or a copy of any official document that shows your active duty entry and separation dates. Service credit for military service is used in determining all death and occupational disability benefits.

Before service credit for military service is included for service or non-occupational disability retirement benefits, you must have:

- Six years of membership service in the elected class, if you purchased service credit prior to January 1, 1978 for military service.
- Eight years of membership service in the elected class if you purchased service credit after January 1, 1978 for military service.

Special provisions of the law apply to establishing credit for military service for certain members who have both an elected class account and an employee class account.

### Additional Service Credit

State employees are eligible to purchase Additional Service Credit (ASC) for added service credit. You must be a contributing member and have at least 10 years of actual ERS service credit (not counting military service) to be eligible for this option.

This credit purchase option allows up to three years of additional service to be purchased. The service must be purchased in year increments up to three years, except for employees within a

year of retirement, who may purchase the necessary months of time to enable them to retire. ASC is designed to be revenue neutral to the retirement system and as a result will be expensive to purchase.

The option of purchasing ASC is open to all regular state employees, elected state officials, and certified peace officers (CPOs) and custodial officers (COs). Before you can purchase ASC, you must purchase all prior unestablished ERS service or military service.

# Standard annuity, percentage value of creditable service

| YRS | 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   | 7.092   | 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 |

# Other retirement systems



## Retirement Benefits for Elected State Officials

### Proportionate Retirement Program

Eleven retirement systems administer a Proportionate Retirement Program to provide benefits to members who have retirement service in more than one system. Service credit in ERS and the Teacher Retirement System of Texas (TRS) may be eligible for transfer between the systems. Participating systems are:

- Central Texas Community Health Centers - service must be certified by the 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
- Employees Retirement System of Texas
- Judicial Retirement System of Texas Plan I
- Judicial Retirement System of Texas Plan II
- Teacher Retirement System of Texas
- Texas County and District Retirement System
- Texas Municipal Retirement System

If you have money in an account in more than one system, you may be eligible for a service retirement if the combined total of all your years of service credit satisfies the minimum length-of-service requirement for the systems from which you will be retiring. You are not required to retire simultaneously from all systems for which you are eligible.

Under the Proportionate Retirement Program, military service credit established in more than one system for the same period of active military duty will be credited in only one system. If you qualify for proportionate retirement, you will receive a monthly annuity from each system based on service established in that system.

For the purpose of this statute (Title 8, Texas Government Code), retirement programs administered by the ERS for the elected class and the employee class are treated as if they are separate systems.

**The Proportionate Retirement Program is designed to provide benefits to members with service credit in more than one system.**



# Your annuity options

## Retirement Benefits for Elected State Officials

At retirement, you will select a standard annuity or one of five survivor options that may provide a monthly benefit after your death to the beneficiary named by you. **The decision you**

**make in choosing an option is an important one and cannot be changed after retirement.** Spousal consent will be required if you select the standard annuity or Option 3 or 4.

Survivor option reduction factor tables are used when retiring employees choose a survivor option to continue payments to a beneficiary after their death. Some of these factors are based on the employee's age at retirement and the beneficiary's age. For more information on the reduction factors that would apply to you and your beneficiary, contact ERS Customer Service at (877) 275-4377 toll-free.

| Monthly Payment Options |   |  |
|-------------------------|---|--|
| Option                  | Retiree Payment   | Survivor Payment   |
| Standard annuity        | This is the highest monthly payment paid to you for life. | No monthly survivor payment. If there is money left in your account after your death, your survivor receives a one-time payment.         |
| Option 1                | This is a lower monthly payment paid to you for life.     | After your death, your survivor gets 100% of your monthly payment for life.*   |
| Option 2                | This is a lower monthly payment paid to you for life.     | After your death, your survivor gets 50% of your monthly payment for life.   |
| Option 3                | This is a lower monthly payment paid to you for life.     | If you die before you get 60 monthly payments, your survivor gets the rest of the 60 monthly payments. Then the monthly payment stops.   |
| Option 4                | This is a lower monthly payment paid to you for life.     | If you die before you get 120 monthly payments, your survivor gets the rest of the 120 monthly payments. Then the monthly payment stops. |
| Option 5                | This is a lower monthly payment paid to you for life.     | After your death, your survivor gets 75% of your monthly payment for life.*  |

\*If your survivor is not a spouse or is younger than yourself, the percentage he or she receives may be less.

**Select a standard annuity or one of five survivor annuity options.**



**Retirement Benefits for Elected State Officials**

**Other features**

A lump sum payment will be paid to a retiree's beneficiary or estate in certain situations where the full amount of the retiree's contributions have not been paid in benefits. This law affects only those retirees who have chosen the standard annuity.

If you select Option 1, 2, or 5 and your beneficiary precedes you in death, then your monthly annuity check returns to the standard annuity amount.

If you select Option 1, 2, or 5, you **cannot** change your beneficiary after the effective date of retirement. You must designate a specific individual under these options, and the reduction from the standard annuity amount is calculated on the basis of the age difference in years of your age at retirement and the age of your beneficiary at that time.

If you select Option 3 or 4, you **can** change your beneficiary after retirement. The reduction from your standard annuity amount for these options is calculated on actuarial reduction factors, based on member's age at retirement.

**The partial lump sum option**

In addition to the standard annuity or survivor options, you may choose a partial lump sum option. The partial lump sum option will be calculated first, and your reduced annuity will then be used to calculate the percentage reduction for the survivor option.

You may choose to receive a check for up to 36 months of your standard annuity as a lump sum payment at retirement. Once chosen, a payment from one to 36 months of your standard annuity will be made with your first annuity payment. This payment may be subject to federal withholding taxes if the lump sum is not rolled over to an eligible qualified retirement plan or individual retirement account (IRA). The monthly standard annuity would then be permanently reduced using established actuarial reduction factors. Selecting the lump sum option will permanently lower your monthly annuity payments.

**You may choose to receive a check for up to 36 months of your standard annuity as a lump sum payment at retirement.**



# Disability retirement

## Retirement Benefits for Elected State Officials

If you become mentally or physically disabled and the disability is likely to be permanent, you may be eligible for disability retirement benefits. A medical examination is required, and the ERS Medical Board must certify that you are disabled before approval is granted. There are two types of disability retirements:

### Occupational disability

Regardless of age or length of service, you are eligible for this benefit if you prove your disability was the direct result of some risk or hazard inherent to your elected service. The amount of your occupational disability monthly annuity will be 18.4% of the state salary of a district judge or 2.3% of the state salary of a district judge times your years of elected class service, whichever is greater.

### Non-occupational disability

A contributing member is eligible to retire for a non-occupational disability if the member has:

- Eight years of membership service credit in the elected class of membership, exclusive of military service; or
- Six years of membership service credit in the elected class, plus two years of military service, if the military service was purchased before January 1, 1978.

For disability retirement, the retirement options are the same as those provided under a service retirement.

**There are two types of disability retirements: Occupational and Non-occupational.**

# Your retirement benefits



## Retirement Benefits for Elected State Officials

### Retiree insurance coverage

When you retire, you and your spouse are eligible to enroll in the Texas Employees Group Benefits Program (GBP), including available health maintenance organizations (HMOs). You also qualify for dental coverage with either of the State's two dental plans. Your children under age 26 and/or handicapped children of any age may be eligible for health insurance coverage. Unmarried children under age 26 and/or handicapped children of any age may be enrolled in dental insurance and/or Dependent Term Life Insurance.

Retired and active members are covered by the same health plans and receive the same state contributions toward premiums (100% for retiree and part of the premium for dependent coverage). Active members who go directly to retirement status may keep a portion of their optional term life insurance and, if they have dependent term life in force at that time, may keep a portion of that coverage. Retiree health premiums include \$2,500 of basic term life for the retiree only. Optional term life and dependent term life insurance are the only optional life insurance coverage available to retirees.

When a retiree with 10 or more years of service credit dies, the retiree's spouse, eligible children under age 26, and any currently covered eligible handicapped children of any age may enroll in GBP health coverage and dental coverage (unmarried children only) as a survivor provided the required premiums are paid and any dependency requirements continue to be met. Eligible survivors have 30 days to

**If you are enrolled in health insurance as an employee or retiree at the time of your death, you are covered by the State's basic term life coverage at no cost to you.**

enroll, and children may enroll regardless of whether the spouse continues coverage. The State makes no contribution toward the cost of surviving dependent coverage. This premium is the total responsibility of the covered dependent.

### Lump sum death benefit

If you are retired at the time of your death, a lump sum death benefit in the amount of \$5,000 will be paid to your selected beneficiary or estate. This payment is in addition to any other survivor benefit. If you retire under the Proportionate Retirement Program with less than the total years of retirement credit required for a service retirement from ERS, the payment is reduced accordingly.

A lump sum payment will be paid to a retiree's beneficiary or estate in certain situations where the full amount of the retiree's contributions have not been paid in benefits before the retiree's death. This law affects those retirees who have chosen the standard annuity, but does not apply to Options 3 and 4.

**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.**



## Death benefits

### Retirement Benefits for Elected State Officials

Although ERS' primary purpose is to provide retirement benefits, it recognizes the need to provide some income protection to the survivors of both active and retired members.

Death benefit eligibility for an elected class member is based on years of service in the elected class and status as a contributing or non-contributing member. If you are:

- *A contributing member with less than eight years of retirement credit* at the date of your death, ERS will refund your contributions and interest, plus an additional 5% of the amount for each year of service credit, to your selected beneficiary or estate.
- *A non-contributing member with less than eight years of service credit* at the date of your death, ERS will refund your contributions plus interest to your selected beneficiary or estate.
- *A contributing member and you are eligible to retire*, but you have less than 10 years of service at the date of your death, your surviving spouse or, if there is no spouse, the guardian of your surviving minor child(ren) may select a monthly annuity\* under Option 1 or Option 4. If you are not survived by a spouse or dependent minor child(ren), ERS will refund your contributions and interest, plus an additional 5% of the amount for each year of service credit, to your selected beneficiary or estate.
- *A contributing or non-contributing member with at least eight but less than 10 years of service credit* at the date of your death, your surviving spouse is eligible to receive a monthly annuity\* in the amount of one-half the monthly standard annuity you would have been entitled to at age 60. Under this provision, an annuity cannot be paid if there is no spouse. If no annuity can be paid, ERS will refund your contributions, plus interest, to your selected beneficiary or estate. If you were a contributing member at death, an additional 5% of the amount in your account for each year of service credit is included in the amount refunded.

*\*If a refund is selected in lieu of an annuity and if you were a contributing member, an additional 5% of the amount in your account for each full year of service credit is payable in addition to the refund of contributions.*

### Filing a death benefit plan

If you are a *contributing member with at least 10 years of service credit*, you are eligible to file a death benefit plan to provide your beneficiary, at the date of your death, a monthly annuity under Option 1 or Option 4. If you do not file a death benefit plan and die before retirement, your surviving beneficiary or, if there is no beneficiary, your personal representative may choose either Option 4 for the benefit of your heirs or receive a refund of your contributions plus accrued interest.

*Note: The death benefit plan you choose as an active member does not affect the option you may select at the time of your retirement.*

### Occupational death

Regardless of your age or length of service, if you die as a result of a job-related injury or illness, your surviving spouse, or if there is no spouse, the guardian of your surviving dependent minor child(ren) will receive a lump sum payment in the amount of one year's salary. This payment is made in addition to other benefits, but is made **only** to a surviving spouse or dependent minor child(ren).

# How to apply for retirement



## Retirement Benefits for Elected State Officials

### Applying for a withdrawal of your retirement contribution

Withdrawal of your contributions cancels your membership in ERS and terminates your rights to benefits.

If your contributions to ERS stop for any reason, you can request a total withdrawal of all the money in your ERS account with accrued interest. Interest is credited through the month prior to the month in which a withdrawal payroll is processed. Any membership fees and/or interest paid to establish creditable service are not refundable. The process for withdrawing your contributions will begin when you contact ERS. Any withdrawal of contributions is a lump sum distribution from a qualified pension plan.

Interest earned on retirement accounts is subject to federal income tax in the year in which a withdrawal of the account is issued. Contributions based on compensation earned prior to January 1, 1988, are not subject to federal income tax. Contributions based on compensation earned on or after that date are subject to federal income tax in the year in which a withdrawal of the account is issued.

### Leaving elected office before retirement

If you are a member of the elected class with eight years of service credit, exclusive of military service, you are entitled to receive a monthly annuity upon reaching retirement age. Current law provides this “vested” right to

retirement benefits if you do not withdraw your contributions, even though you leave an elected office. You do not have to be a contributing member at the time of retirement.

Legislators who leave office prior to retirement with eight years of retirement credit in the elected class, exclusive of military service, are eligible to continue membership in the state insurance plan. If you continue participation in the state insurance plan after leaving office and prior to retirement, you must pay the full cost of the plan; there are no state contributions after you leave office until your retirement.

### State employment or elected office after retirement

If you accept a position as a state employee after retirement from the elected class, you are required to be a member of the employee class and to contribute to ERS. You will continue to receive your annuity payment, and service credit in the employee class will provide you additional retirement benefits.

If you retired with at least eight years of service, exclusive of military credit as an elected official, you will be eligible to transfer employee class service to your retiree elected class account.

If you return to the Texas Legislature or any other elected state office, you are again eligible for membership in the elected class. Your annuity payments will stop and be recalculated to reflect

any additional service and resume only after you no longer hold the elected position. No other type of employment affects your rights to retirement benefits.



# How to apply for retirement

## Retirement Benefits for Elected State Officials

You must notify ERS not more than 90 days before the date you want to retire. Your request must be received before the last day of the month in which you plan to retire. ERS will need the following from you to complete the retirement process:

- Your full name and Social Security number;
- Your mailing address;
- A telephone number where you may be contacted between 8 a.m. and 5 p.m. weekdays;
- The effective date of your retirement, which must be on the last day of a month;
- A copy of your birth certificate; and
- A copy of your beneficiary's birth certificate if you plan to retire under Option 1, 2, or 5.

### Exemption from forced payment of debts

All retirement annuity payments, optional benefit payments, member contributions, and money in the various retirement funds are exempt from garnishment, assignment, attachment, or any other legal process except child support payments as required by a court order or, in certain limited circumstances, a federal tax levy.

### Federal income tax on annuity payments

When you retire, ERS provides full and current information on the tax status of your monthly annuity. Federal income tax laws are subject to change at any time; however, the following is a summary of current tax provisions relating to annuity payments:

The retiree's contributions to the ERS are recovered tax-free on a prorated basis; therefore, a portion of your annuity payment will be taxable immediately and a portion may be excluded from tax. In general, the non-taxable part is the prorated return of your pre-1988 contributions. At the time the tax-free portion of your annuity payments equals the total of your contributions, your entire annuity payment will be taxable.

Federal law requires the ERS to deduct federal income tax on the taxable portion of annuity payments unless the member elects not to have tax deducted.

For additional information on federal income tax on pensions, contact the Internal Revenue Service.

### Social Security

Elected class members are covered by Social Security. The benefits you receive from Social Security do not affect any retirement benefits you receive from ERS. For information regarding your Social Security benefits, contact the Social Security Administration at (800) 772-1213.

## Requesting more information

You may write, call, or visit ERS for more detailed information on retirement plans or answers to specific questions as to how the law applies to your account. To assist ERS in responding to your requests, please provide your name as it appears on your payroll records and your Social Security number.

If you wish to visit with an ERS counselor in person, please call for an appointment. ERS is open from 8 a.m. until 5 p.m., Monday through Friday, except on holidays.

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

### **To visit in person:**

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

(Free parking is available in front of the ERS entrance parallel to 18th St.)

### **Statement of Retirement Benefits**

As a State of Texas elected official, you will receive a retirement statement from the Employees Retirement System of Texas (ERS) each year shortly after your birthday. We provide this statement to help you prepare for retirement. We suggest that you file it in a safe place with your other financial information.

### **To write:**

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

### **To call:**

(877) 275-4377, toll-free, ext. 7387

### **To email**

Go to Customer Support on our website, [www.ers.state.tx.us](http://www.ers.state.tx.us).



Customer Benefits Division  
P.O. Box 13207  
Austin, Texas 78711-3207

[www.ers.state.tx.us](http://www.ers.state.tx.us)