

# DESTINATION RETIREMENT



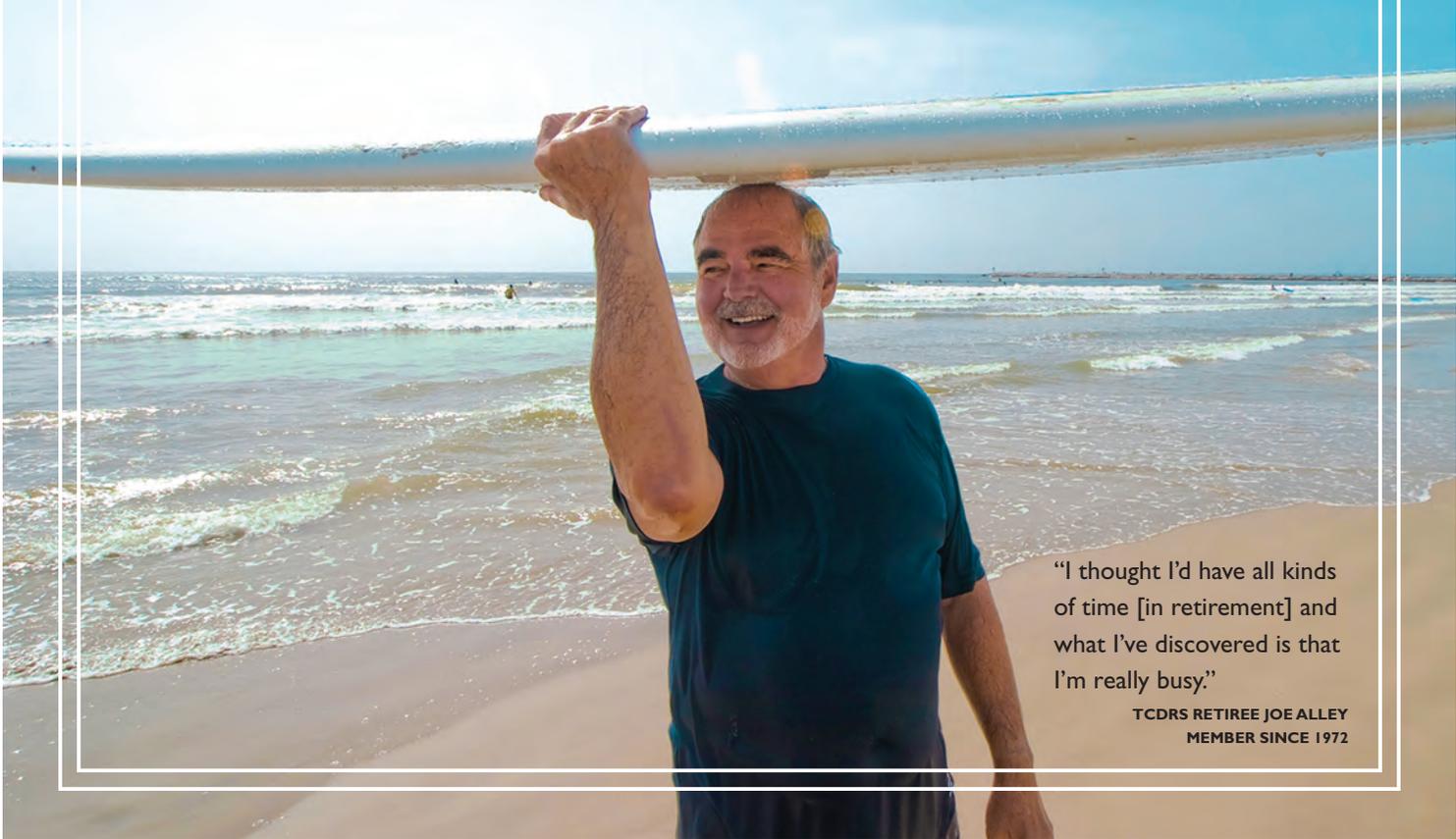
TCDRS RETIREMENT GUIDE



# WELCOME TO YOUR TCDRS RETIREMENT ROAD MAP



As you approach your destination of retirement, you'll want to be prepared for the next leg of the journey, so keep this information handy.



"I thought I'd have all kinds of time [in retirement] and what I've discovered is that I'm really busy."

TCDRS RETIREE JOE ALLEY  
MEMBER SINCE 1972

## YOU'RE IN THE DRIVER'S SEAT



You started on the road to retirement back when your employment began, and you've been nearing your destination ever since. Now that you're in the home stretch, your future holds a world of possibilities, and the route you take to get there is entirely up to you.

There are decisions to make and things to consider, but TCDRS is here for you. We can help you map out your expectations and options to ensure that your route is the one that best suits your needs.

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# BEFORE YOU TURN THE CORNER

We all like to think about retiring someday, regardless of how far off it may be. However, before you turn that last corner and apply for retirement, there are three important questions to ask yourself:

- ☆ Can I afford it?
- ☆ What are my health insurance options?
- ☆ Am I emotionally ready?



For additional guidance in determining whether or not you're ready for retirement, watch our "Am I Ready to Retire?" video at [TCDRS.org/Video-Library](https://www.tcdrs.org/Video-Library)





“Work is a means to an end — to do exactly what you want. By golly, I earned [my retirement] and I’m going to enjoy it.”

TCDRS RETIREE SUE MADDOCK  
MEMBER SINCE 1984

## MAPPING YOUR PATH

One of the most important things you will do when you apply for retirement with TCDRS is **choose a benefit payment option**. Your choice can affect not only your retirement income, but also the livelihood of your loved ones when you pass away.

The first question to ask as you explore the available options is: Does my spouse or another loved one depend on me for financial support? In other words, will your spouse or loved one have adequate financial resources if

you pass away and don’t provide for them through your TCDRS benefit?

**All of the TCDRS benefit payment options provide you with a monthly payment for the rest of your life.** The decision you make at retirement is whether that payment will continue after your death, to whom and for how long. Thus, it is important to consider your beneficiary’s needs as you weigh your options. You’ll want to review your benefit payment options carefully.

# BENEFIT PAYMENT OPTIONS

## SINGLE LIFE OPTION

The Single Life option provides the highest monthly payment, but payments stop when you pass away. Your beneficiary will not receive monthly payments.

**Why choose this option?** You might consider this option if you have no dependents, or if your spouse is covered by another retirement plan.

**You still need a beneficiary.** Even though payments stop when you pass away, it is still important to name a beneficiary to receive any final payments that may be due. Your beneficiary may also receive the amount of your account balance at retirement (excluding employer matching) less all retirement benefits paid to you, if there

are any remaining funds. With this option, you may name more than one beneficiary and you may change your beneficiary after retirement.



A benefit estimate from TCDRS will show you the monthly payment amount you might expect for any payment option.

To create your own estimate, sign into your account at [TCDRS.org](https://www.tcdrs.org), or call TCDRS Member Services at 800-823-7782.

## Benefit Payment Options at a Glance

	BENEFIT PAYMENT OPTIONS	RETIREE LIFETIME MONTHLY BENEFIT?	MONTHLY PAYMENT TO BENEFICIARY?	NUMBER OF PRIMARY BENEFICIARIES ALLOWED	ABILITY TO CHANGE BENEFICIARY AFTER RETIREMENT?
Single Life	Single Life	Yes	No	Unlimited	Yes
	10-Year Guaranteed	Yes	Yes, within 10-year guaranteed term*	Unlimited	Yes
	15-Year Guaranteed	Yes	Yes, within 15-year guaranteed term*	Unlimited	Yes
Dual Life Options	50% to Beneficiary	Yes	Yes, for life	One	No
	75% to Beneficiary	Yes	Yes, for life	One	No
	100% to Beneficiary	Yes	Yes, for life	One	No
	100% to Beneficiary with Pop-Up	Yes	Yes, for life	One	No

\*Guaranteed term begins at the original retirement date.



## GUARANTEED TERM

- ★ 10-Year Guaranteed Term
- ★ 15-Year Guaranteed Term

As with all of your benefit payment options, you receive a benefit for life when you choose one of these guaranteed term options. Your beneficiary will receive your monthly payment only if you pass away within 10 or 15 years of your retirement date. Your beneficiary will receive payments until the end of the guaranteed term. You may name more than one beneficiary, and you may change your beneficiary after retirement.

For example, if you retired in March 2020 and selected the 10-Year Guaranteed Term payment option, your beneficiary would only receive that monthly payment if you pass away before March 2030. All payments to your beneficiary would end in March 2030.

**Why choose this option?** These options may be the right choice if you want to provide financial support to a loved one in case of your death during a certain timeframe. For example, a person who is helping to support a child in college may choose the 15-Year Guaranteed Term option, naming the child as beneficiary. This provides the retiree with a lifetime benefit, and ensures that the child continues to receive support if the retiree passes away before the 15-year term expires.

## DUAL LIFE

- ★ 50% to Beneficiary
- ★ 75% to Beneficiary
- ★ 100% to Beneficiary
- ★ 100% to Beneficiary with Pop-up\*

Under all Dual Life options, your primary beneficiary receives a percentage of your benefit payment for the rest of their life after you pass away. Your monthly payment amount is calculated to cover both your lifetime and the lifetime of your beneficiary. You may only name one beneficiary and cannot change your primary beneficiary after retirement. If your primary beneficiary dies before you, monthly payments stop when you pass away.

**Why choose this option?** Dual Life options are most commonly used to provide a lifetime benefit to a spouse or other loved one who may need lifetime financial support from the retiree. The level of that support will depend on the needs of the loved one. The lower the percentage you leave to your beneficiary, the higher your monthly payment.

**\*100% to Beneficiary with Pop-up:** With this option, your beneficiary will receive 100% of your monthly payment for life when you pass away, similar to the 100% to Beneficiary option. However, if your beneficiary dies before you, your monthly payment will “pop up” to a higher monthly amount, as if you had retired under the Single Life benefit payment option.

**Why choose this option?** The “pop up” option is often used if the beneficiary is older than the retiree or has health issues.

## PROPORTIONATE RETIREMENT PROGRAM



The Proportionate Retirement Program lets you combine service time you earned in any of these Texas retirement systems to your TCDRS account. To make this proportionate service count, please call TCDRS Member Services at 800-823-7782.

- CITY OF AUSTIN EMPLOYEES’ RETIREMENT SYSTEM**
- EMPLOYEES RETIREMENT SYSTEM OF TEXAS**
- JUDICIAL RETIREMENT SYSTEM OF TEXAS (ADMINISTERED BY ERS)**
- TEACHER RETIREMENT SYSTEM OF TEXAS**
- TEXAS MUNICIPAL RETIREMENT SYSTEM**

# MAPPING THE ROAD AHEAD

Unforeseen events will no doubt create a few detours in the road now and then. Health care expenses, home maintenance and auto repairs are just some of the costs that can upset a balanced budget. It's a good idea to have a backup plan for when the unexpected happens.

One issue you're sure to encounter is inflation, or the increase in the cost of goods and services. Inflation can affect your cost of living, which means the retirement budget you make now could look very different in 10 or 20 years. You'll want to keep this in mind as you calculate your expenses in retirement.

Your sources of income during retirement may or may not automatically adjust for the increase in the cost of living. For example, your TCDRS benefit is a fixed amount and will not increase unless your former employer passes a cost-of-living adjustment. As a result, your benefit payment could potentially decrease in buying power every year. With Social Security, benefits are typically adjusted annually for inflation.



“You read about it, and then you go there and see it. It's a different feeling you get when you travel.”

TCDRS RETIREE DEO SOOKDEO  
MEMBER SINCE 1979

## TIPS FOR A SMOOTHER RIDE

The following strategies offer some alternate routes that allow you to increase your retirement income and soften the impact of those bumps in the road:

**Take the long way.** Delay retirement from TCDRS. As long as you don't withdraw or retire from your TCDRS account, the amount of your monthly benefit will increase every year whether you are working for your current employer or not. The longer you wait, the larger your monthly benefit will be. It also decreases the amount of time inflation can act on your benefit payment.

**Pick up your Social Security later.** You can increase the amount of your Social Security payment by waiting to take it. To find out how much it might increase, visit [SSA.gov](https://www.ssa.gov), and type "delayed retirement credit" in the search box.

**Staying on the road.** Working in retirement is something many retirees do by choice because they enjoy working. The added benefit of increasing your income will help you keep up with inflation and possibly allow you to create a cushion of savings to tap into as needed.

**Ask for help along the way.** Talk to a financial planner or accountant. A financial professional can review your total retirement income, help determine how to best make use of your resources, and suggest an appropriate withdrawal rate in retirement to meet your needs and withstand inflation.



Estimate your benefit at [TCDRS.org](https://www.tcdrs.org), and see how delaying retirement could increase your monthly payment. It just might be worth the wait!

"I don't know how I ever had time to go to work. I'm busier now than I've ever been and enjoying it more."

TCDRS RETIREE PATSY BERRY  
MEMBER SINCE 1975

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# HOW TO BEGIN YOUR RETIREMENT BENEFITS

- ☆ Two to three months before the date you wish to start your benefit payment, sign into [TCDRS.org](https://www.tcdrs.org) and click the “Apply for Retirement” button on your Account Summary page. This online tool is the most efficient and secure way to submit your application. On the first page of the application is a list of the information you need to have ready before you apply.

If you prefer to submit your application by mail, fill out and submit the following to TCDRS:

- ☆ *Retirement Application* (TCDRS-22)
- ☆ A copy of your government-issued photo ID

You can find the retirement application form at [TCDRS.org/Library](https://www.tcdrs.org/Library) or request it from TCDRS Member Services.

- ☆ Your benefit payments begin the last business day of the month following your effective retirement date. For example, if your retirement date is March 31, your first monthly benefit payment will be issued the last business day of April.

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## TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM

Barton Oaks Plaza IV, Ste. 500  
901 S. MoPac Expy.  
Austin, Texas 78746  
800-823-7782  
Fax: (512) 328-8887

Member Services hours:  
7:30 a.m. to 6 p.m., CST  
Monday–Friday  
[TCDRS.org](https://www.tcdrs.org)

If you haven't done so already, go to our website to register for online access to your account. The process is simple and only takes a few minutes. Once you've signed in, you'll be able to:

- Estimate your benefit online
- Find retirement planning information
- Apply for retirement online

Once you're retired, you can use your online access to:

- Verify your benefit payments
- Calculate your income tax withholding
- View timely account information
- Change your banking information

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## MEDICARE

800-633-4227  
[Medicare.gov](https://www.Medicare.gov)

You can enroll in Medicare during the seven-month period that begins three months before the month you turn 65. Coverage can start as early as the month of your 65th birthday. If you don't sign up during this initial enrollment period, you could be charged higher premiums for the rest of your life. Customer service representatives are available 24 hours a day, seven days a week.

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## SOCIAL SECURITY ADMINISTRATION

800-772-1213  
[SSA.gov](https://www.SSA.gov)

Customer service hours: 7 a.m. to 7 p.m. Monday–Friday

Visit the website to:

- Estimate your future benefits
- Find a local office
- Apply for retirement benefits



800-823-7782

[TCDRS.org](http://TCDRS.org)

