



Changing JOBS

TCDRS.ORG ★ 800-823-7782



As a TCDRS member

YOU'LL REACH IMPORTANT MILESTONES

on the road to retirement.

Sometimes the road to retirement includes changing jobs, but leaving your county or district job doesn't mean you lose your retirement savings. You have options with your account including letting your money grow with TCDRS.

OPTION

1

KEEPING YOUR MONEY IN TCDRS

There are good reasons to leave your money in TCDRS:

- ★ As long as you do not withdraw your money, you will continue to earn 7% compound interest, tax-deferred each year.
- ★ If you are vested, you can receive a lifetime monthly benefit (including employer matching) when you become eligible and choose to retire.
- ★ If you have four or more years of TCDRS service time, your beneficiary is eligible for the Survivor Benefit.

Even if you are not vested, you may want to keep your money in TCDRS in case you work for another TCDRS-participating employer or Texas governmental entity, such as the state, a city or a school district.

If you have additional service time, sign in to your account at [TCDRS.org](https://www.tcdrs.org) and select “Report other service time” or call TCDRS Member Services.

It is important to keep your contact information up to date as well as your beneficiaries. You can update your account information at [TCDRS.org](https://www.tcdrs.org).

YOUR MONEY will continue to earn interest for as long as you keep it in TCDRS or until you retire.

OPTION

2

ROLLING OVER YOUR ACCOUNT

If you roll your money into another tax-deferred retirement account, for instance, to a traditional IRA or your new employer's retirement plan, you can avoid taxes and penalties while you continue to save for retirement.

Rolling over your account means you're missing out on an opportunity to greatly increase your retirement savings. If you're vested, or become vested and keep your money in TCDRS, your former TCDRS employer matches your account dollar-for-dollar or more at retirement.

Any **MONEY YOU ROLL OVER**
or withdraw will not include
employer matching.

You can apply for a rollover or withdrawal only

The January after you withdraw your money from
form. It will detail how much money you rolled over
withheld. You will need to file the IRS 1099-R

OPTION

3

WITHDRAWING YOUR MONEY

If you decide to withdraw your money, keep in mind these consequences:

★ **Taxes:** Because your TCDRS account is tax-deferred, you will have to pay taxes on your money when you withdraw it. The IRS requires TCDRS to withhold 20% of your money for federal income taxes.

You also have to report your withdrawal when you file your income taxes. Check with a tax professional to get a better idea of how your withdrawal will affect your income taxes.

★ **Withdrawal Penalty:** If you are younger than 59½ when you withdraw your account, you may have to pay the IRS a 10% penalty for early withdrawal, in addition to the federal income taxes you owe.

line at [TCDRS.org](https://www.tcdrs.org).

From TCDRS, we will send you an IRS 1099-R
and over or withdrew and any taxes you had
form with your income tax return.



WE'RE HERE TO HELP

If you have any questions about how your TCDRS benefit travels with you, please visit **TCDRS.ORG** or call TCDRS Member Services at **800-823-7782**.

We're available Monday through Friday from 7:30 a.m. to 6 p.m., CST.

