



WE'RE HERE TO HELP

ACCESSING YOUR ACCOUNT ONLINE

When you sign in at TCDRS.ORG, you'll have access to your payment history, withholding amounts, benefit verification information and other helpful information especially for retirees. If you haven't registered for online account access, registration only takes a few minutes.

If you have any questions, 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.



Transition to RETIREMENT

TCDRS.ORG ★ 800-823-7782

TAXES AND WITHHOLDING

The money you deposited into your TCDRS account while you were working came out of your paycheck before taxes. That money was tax deferred.

Now that you're retired and have started receiving a monthly benefit payment from TCDRS, you will owe taxes on the money you receive. How much you owe depends on your total income, not just how much you get from TCDRS.

You don't have to withhold money from your benefit payments to pay taxes. However, if you choose not to withhold, or if you don't withhold enough, you may have to pay taxes. You might also have to pay a penalty if your withholding and payments are not sufficient for the tax year.

What's the Right Amount to Withhold?

To determine the right amount to withhold, it's a good idea to talk to a financial professional about your personal tax situation.

To get an idea of how different withholding options can affect your benefit, sign in to your TCDRS account at [TCDRS.ORG](https://www.tcdrs.org).

You can change your withholding at any time by signing in to your online account or calling TCDRS Member Services.

This brochure is intended as a general summary. In all cases, the actual provisions of applicable state and federal laws take precedence.

Filing Taxes

Each January, you will get an IRS 1099-R form. It shows how much money you received from TCDRS the previous year as well as how much was withheld for federal income taxes. You'll use this form to file your income taxes. A copy of your 1099-R will also be available online when you sign in at [TCDRS.ORG](https://www.tcdrs.org).

COST-OF-LIVING ADJUSTMENTS

Your TCDRS retirement benefit is a fixed benefit payment. That means the benefit amount will be the same every month for the rest of your life once you start receiving it. However, your expenses can change even if your lifestyle doesn't. The cost of goods goes up a little bit each year. Over time, your benefit purchases less and less due to inflation.

A cost-of-living adjustment (COLA) restores some of the purchasing power your benefit loses during your retirement years.

Your TCDRS benefit doesn't automatically increase to keep up with inflation. Your former employer has to consider the cost of their total benefits package when deciding whether to

A PORTION OF YOUR BENEFIT PAYMENT MAY NOT BE TAXABLE

If you made deposits into TCDRS before 1986 or re-established a closed account, those deposits were already taxed. Because of this, a portion of your current monthly benefit may not be taxed again. Your IRS 1099-R form will list the taxable and non-taxable portions of your benefit.

adopt one. COLAs don't automatically renew each year, so even if you receive one, you should still take inflation into consideration when figuring out your budget in the future.

If your former employer **ADOPTS A COLA**, you will receive a notification from TCDRS.

RETURNING TO WORK

Many retirees choose to jump back into the workforce for a lot of different reasons. They enjoy the sense of accomplishment they get from work, or they simply want to stay busy. For some, they need extra income in retirement.

If you decide to return to work, it will not affect your TCDRS monthly benefit. If you decide to go back to work for the employer you retired from, certain criteria must be met:

- ★ You cannot have a prior agreement or understanding with your former employer that you will be rehired.
- ★ In addition, you must have a break in service of one full calendar month. For example, if your employment terminated on April 15, you can't go back to work for that same employer before June 1. The entire calendar month of May must pass before you can be rehired.

If you don't meet these two requirements, your retirement benefit payments will be stopped and you will have to repay the money you've already received from TCDRS.