



As a TCDRS member

YOU'LL REACH IMPORTANT MILESTONES

on the road to retirement.

Changing **JOBS**

Understanding these milestones will help you get the most out of your benefits so you can retire with confidence.

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.

WWW.TCDRS.ORG ★ 800-823-7782



WE'RE HERE TO HELP

The working world is anything but predictable. Goals change, opportunities arise and sometimes you change jobs on your road to retirement.

While making career changes can be stressful, you have options with your TCDRS account that can make the transition easier.

*Just because you **LEAVE YOUR JOB**,
doesn't mean you have to
withdraw your TCDRS account.*

*If you have any questions about how your TCDRS benefit travels with you, please visit **WWW.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.

OPTION

1

KEEPING YOUR MONEY IN TCDRS

There are good reasons to leave your money in TCDRS:

- ★ As long as you keep your TCDRS account open and do not withdraw your money, you will continue to earn 7% compound interest, tax-deferred each year.
- ★ If you are vested, you can choose to receive a monthly benefit for life when you become eligible and choose to retire. Any monthly benefit includes employer matching.
- ★ If you have four or more years of TCDRS service time, your beneficiary is eligible for the Survivor Benefit and could choose a lifetime monthly benefit that includes employer matching in case you pass away prior to withdrawing or retiring.

Even if you are not vested when you leave your job, you may want to keep your money in TCDRS in case you go to work for another employer that participates in TCDRS or another

*You could accumulate enough service time at another job to earn a **MONTHLY BENEFIT** from your TCDRS account.*

Texas public retirement system that participates in the Proportionate Retirement Program, such as the state, a city or a school district.

If you have proportionate service time, contact TCDRS Member Services to be sure it has been credited to your account.

If you want to leave your money in your TCDRS account, all you have to do is keep your account information updated. It is important to be sure we always have your current address so we can send you vital information about your account. You'll also want to keep your beneficiaries updated.

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.

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

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 by combining time from another qualifying employer, and keep your money in TCDRS, your former TCDRS employer matches your account dollar-for-dollar or more at retirement.

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. However, there is no penalty for retiring before age 59½.

*You can apply for withdrawal **ONLINE** in a few simple steps by signing into your account at www.TCDRS.org.*

You can apply for withdrawal via online application or paper form.

★ **Apply online:** The online application will provide fast processing and an electronic payment. To apply online, sign into your account at www.TCDRS.org and click “Apply for Withdrawal” in your Account Summary

or in the page footer. Once you submit this application, TCDRS will begin processing it.

★ **Apply via paper form:** To apply via paper form, complete the Withdrawal Application (TCDRS-11) found at www.TCDRS.org/Forms and mail or fax it to TCDRS. You will receive a paper check.

The January after you withdraw your money from TCDRS, we will send you an IRS 1099-R form. It will detail how much money you rolled over or withdrew and any taxes you had withheld. You will need to file the IRS 1099-R form with your income tax return.

*You don't get **EMPLOYER MATCHING** when you withdraw your money. You only get your personal deposits plus interest, minus the 20% we have to withhold for taxes.*

WE'RE HERE TO HELP

While making a career change can be challenging, you have options with your TCDRS account that can make the transition easier.

If you have questions about which option is best for you, please give TCDRS Member Services a call at 800-823-7782.