




Quick Facts For
TCDRS
BENEFICIARIES

WWW.TCDRS.ORG ★ 800-823-7782



We are very sorry for your loss. We know this is a difficult time for you and are here to help. We've designed this brochure to answer some questions you might have about your TCDRS benefit.

TAXES AND WITHHOLDING

The money you receive from TCDRS is considered taxable income. As a result, it's subject to federal income tax. How much you owe depends on your total income, not just how much you receive 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 a substantial tax bill at the end of the 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 WWW.TCDRS.ORG.

You may change your withholding at any time by submitting the *Income Tax Withholding* (TCDRS-73) form to TCDRS.

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 WWW.TCDRS.ORG.

A PORTION OF YOUR BENEFIT PAYMENT MAY NOT BE TAXABLE

If your loved one 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.

COST-OF-LIVING ADJUSTMENTS

Your TCDRS benefit is a fixed 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.

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 loved one's former employer has to consider the cost of their total benefits package when deciding whether to adopt one. COLAs don't automatically renew each year, so even if you receive one, you should still take inflation into consideration when figuring your budget in the future.

*If your loved one's former employer
ADOPTS A COLA, you will receive
a letter from TCDRS.*

ACCESSING YOUR ACCOUNT ONLINE

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



WE'RE HERE TO HELP

*If you have any questions,
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.