LORRAINE
MORE TIME WITH THE GRANDKIDS!!!!

GEORGE
MORE TIME FOR GOLF!!!!
LESS TIME WITH LORRAINE!!!!

GEORGE
MORE TIME FOR GOLF!!!!
MORE TIME WITH LORRAINE!!!!
SOURCES OF RETIREMENT INCOME

NON-TRADITIONAL SOURCES
- WINNING THE LOTTERY
- COMPUTER GLITCH AT BANK
- INHERITANCE FROM UNCLE EARL

SOURCES FOR RETIREMENT INCOME
- RETIREMENT PLANS (TRS OR ORP)
- SOCIAL SECURITY
- PERSONAL SAVINGS
- PART-TIME JOB

Retirement Eligibility
TAMUS Retiree Eligibility

<table>
<thead>
<tr>
<th>TRS</th>
<th>ORP</th>
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</thead>
<tbody>
<tr>
<td>Eligibility rules based on date of hire.</td>
<td>Eligibility rules based on date of hire.</td>
</tr>
<tr>
<td>Return to work restrictions</td>
<td>No return to work restrictions</td>
</tr>
</tbody>
</table>

TAMUS Retirement Eligibility

**Hired on or BEFORE 8/31/2003**

To retire with TAMUS retiree status, you must meet these requirements:

- You are at least age **55** and have at least 5 years of service credit, or your age plus years of service equal at least **80**, or you have at least 30 years of service, **and**
- You have 3 years of service with the A&M System, **and**
- The A&M System is your last state employer, **and**
- You have an active TRS/ORP account

**Hired AFTER 8/31/2003**

To retire with TAMUS retiree status, you must meet these requirements:

- You are at least age **65** and have at least 10 years of service credit, or your age plus years of service equal at least **80** and you have 10 years of service credit, **and**
- You have 10 years of service with the A&M System, **and**
- The A&M System is your last state employer, **and**
- You have an active TRS/ORP account.
TRS Retirement Eligibility

What is my TRS tier?
- TRS has six retirement tiers
- Based on:
  - TRS start date
  - Age
  - Years of TRS service

Your tier will be shown on your TRS statement, or on your “MY TRS” page.
TRS Grandfathering

Legislative changes occurred September 1, 2005. Anyone who met one of the below criteria by 9/1/05 is considered grandfathered:

- Age 50
- 25 years of service
- Rule of 70

The Retirement Process

When should I begin the retirement process?
- Approximately 6 months before your actual retirement date

Who should I contact?
- Engineering HR/Payroll
- TRS
- Social Security
**The Retirement Process**

Only you can determine when you are ready to retire, but some date considerations to factor into your decision are:

- End of the Academic Year
- After 90th work day
- Timing in the month

---

**TRS Standard Annuity Calculation**

Average of your 3 or 5 highest salaries in a fiscal year (Depends on your tier) $52,174  
× 2.3% (MULTIPLIER)  
× Total years of TRS service 30  
Equals $36,000  
Divide by 12 to get your monthly TRS annuity $3000/MONTH
ANNUITY PAYMENT OPTIONS

STANDARD ANNUITY

OPTION 1: (100% Joint Life Annuity)

OPTION 2: (50% Joint Life Annuity)

OPTION 3: (Payments Guaranteed for 60 Months from Retirement Date)

OPTION 4: (Payments Guaranteed for 120 Months from Retirement Date)

OPTION 5: (75% Joint Life Annuity)

PARTIAL LUMP-SUM OPTION (PLSO)

AT RETIREMENT, IF YOU MEET THE ELIGIBILITY REQUIREMENTS YOU CAN ELECT TO BE PAID A PARTIAL LUMP-SUM AMOUNT.

THE THREE PARTIAL LUMP-SUM PAYMENT OPTIONS ARE:
- 12 MONTHS OF YOUR STANDARD ANNUITY
- 24 MONTHS OF YOUR STANDARD ANNUITY
- 36 MONTHS OF YOUR STANDARD ANNUITY

WILL MY STANDARD ANNUITY BE REDUCED IF I PARTICIPATE IN PLSO?

ABSOLUTELY!!

ALSO, ANY FUTURE POST-RETIREMENT INCREASES WILL BE BASED ON THE SMALLER ANNUITY AMOUNT.

EARLY-AGE RETIREMENT

IF YOU DO NOT MEET THE NORMAL-AGE REQUIREMENTS, YOU MAY BE ELIGIBLE FOR AN EARLY-AGE RETIREMENT. THE REQUIREMENTS ARE BASED ON YOUR TIER.

TIER 1 AND 2 EXAMPLES:
- YOU ARE AT LEAST AGE 55 WITH FIVE OR MORE YEARS OF SERVICE CREDIT BUT DO NOT MEET THE RULE OF 80, OR
- YOU HAVE 30 OR MORE YEARS OF SERVICE CREDIT BUT DO NOT MEET THE RULE OF 80.

IF I TAKE AN EARLY-AGE RETIREMENT, WILL MY ANNUITY BE REDUCED FROM THE STANDARD ANNUITY FORMULA?

ABSOLUTELY!!!
TRS Reference Information

- TRS Phone Number
  - 1-800-223-8778
- TRS Website:
  - www.trs.state.tx.us
- TRS Benefits Handbook
- TRS Service Credit
  - www.trs.state.tx.us/benefits/documents/brochure_texas_service_credit.pdf
- MY TRS
  - https://oapi.trs.state.tx.us/ONAC/do/login

Optional Retirement Program

- A defined contribution plan authorized by the Texas A&M University System under section 403(b) of the IRS code.
- Participants manage their own personal investments.
- Entails more individual risk and responsibility than the TRS plan.
- Seven vendors to choose from.

ORP CONTRIBUTION RATES
(As of September 1, 2014)

Employee Deduction Rate 6.65%
Employer Contribution Rate 6.60%
(Some members may be grandfathered at employer rate of 8.50%)
ORP VESTING

Participants with MORE than one year of participation are VESTED. (Must participate at least one year plus one day to vest.)

When you retire or terminate employment, you retain control over both the employee and employer contributions.

Participants with one year of participation or LESS are NON-VESTED.

When you terminate employment, you FORFEIT all employer contributions.

ORP RETIREMENT

- ORP does not have any retirement eligibility rules.
- You decide when you have enough money to retire.
- Difficult to determine future rate of return on your money or how much you will need for retirement.
- You may need to contact a financial advisor or your ORP vendor to assist you with decisions.

THE TEXAS A&M UNIVERSITY SYSTEM

SUPPLEMENTAL PLANS

- Tax-Deferred Account Program (TDA)
- Texa$aver Deferred Compensation Plan (DCP)
TAX-DEFERRED ACCOUNT PROGRAM (TDA)

- 403(b)
- Regular TDA (Pre-tax contributions)
- Roth TDA (After-tax contributions)
- Seven vendors available
- $18,000 maximum limit for 2015
- $24,000 maximum limit for 2015 if age 50 or over

<table>
<thead>
<tr>
<th>Vendor</th>
<th>ORP Phone Number</th>
<th>TDA Phone Number</th>
<th>Roth Phone Number</th>
<th>ORP TDA</th>
<th>ORP Mutual</th>
<th>ORP Variable/Fixed Annuity</th>
<th>TDA TDA</th>
<th>TDA Roth</th>
<th>TDA Mutual</th>
<th>TDA Variable/Fixed Annuity</th>
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<tr>
<td>VALIC</td>
<td>800-448-2542</td>
<td>800-763-3556</td>
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<td>MetLife Resources</td>
<td>800-236-8489</td>
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<td>Fidelity Investments</td>
<td>800-343-0860</td>
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<td>Voya (formerly ING)</td>
<td>800-506-2201</td>
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<td>Lincoln Financial Group</td>
<td>800-454-6265</td>
<td>877-255-3260</td>
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<td>Pentegra</td>
<td>866-633-4015</td>
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<td>TIAA-CREF</td>
<td>800-842-2776</td>
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</table>

If this document was provided to you as a hard copy, please view the list on the System Human Resources website at http://www.tamus.edu/business/benefits/administration/retirement-programs/orp-tda-approved-vendors/ for a direct link to each vendor’s web site.

Participation in the Optional Retirement Program (ORP) and in the Tax-Deferred Account (TDA) Program entails certain responsibilities for the participant, including selection and monitoring of the vendor and individual investments. The Texas A&M University System has no fiduciary responsibility for the financial stability of the ORP/TDA vendor or the market value of individual investments chosen by the participant.

TEXA$AVER DEFERRED COMPENSATION PLAN (DCP)

- 457 Plan
- Traditional (Pre-tax contributions)
- Roth (After-tax contributions)
- $18,000 maximum limit for 2015
- $24,000 maximum limit for 2015 if age 50 or over

Administered through Great West

Phone 800-634-5091
Website www.Texasaver.com
If an employee meets the TAMU System retirement eligibility criteria, then as a retiree, the employee is eligible for **full state contribution**, regardless of percent effort as an employee.
Medical Coverage

• Same medical options as current employees.
  – May be eligible for the 65 Plus Plan.
• When eligible for Medicare, TAMU System health plan becomes secondary.
• If you decline TAMU health coverage, you may apply ⅔ of the state contribution to:
  – Alternate Basic Life
  – AD&D
  – Dental
  – Vision

Additional Coverage

Dental and Vision
– Same dental/vision options as current employees

Long-Term Disability
– Coverage ends on the last day of the month in which you retire.

Flexible Spending Accounts
– Not available

Additional Coverage

Basic Life Insurance:
– Remains $7,500 Life/$5,000 AD&D
Alternate Basic Life (if certify other medical):
– $50,000 max if under age 80
– $30,000 max at age 80
Optional Life:
– $100,000 max if under age 70
– $60,000 max if age 70-79
– $30,000 max at age 80
Accidental Death & Dismemberment (AD&D):
– $200,000 max if under age 70
– $50,000 max at age 70
TRS Retirees

- TRS participants MUST provide confirmation they are receiving a TRS annuity within **90 days** of their retirement date in order to maintain TAMU retiree insurance.
- Letter will be sent by TRS once retirement application has been processed verifying the annuity amount and the date the annuity will begin. A copy should be sent to Engineering HR.

Medicare

**Part A: Hospitalization**
- No cost

**Part B: Medical**
- Covers physician services, outpatient services, medical equipment, testing, etc.
- Requires a premium and will coordinate with TAMUS coverage

**Part D: Prescription Drug**
- Requires a premium and will **not** coordinate with TAMUS coverage
Medicare Coordination

- **Retired and not working:**
  - Medicare is primary, A&M health plan is secondary
- **Retiree working less than 50% effort:**
  - Medicare is primary, A&M health plan is secondary
- **Retiree working 50% effort or more:**
  - A&M Plan is primary, Medicare is secondary

A&M Care 65+

*Available to retirees who are Medicare-primary*

- Lower premium, $500 deductible, and $1,400 out-of-pocket max
- Must be enrolled in Medicare A & B
- All participants and covered dependents must be age 65 or older

TRS Work Restrictions

- Requires a **FULL** calendar month break in service and then limited to part-time employment.
- Requires **FULL** calendar year break in service to remove work restrictions.
Retirement Benefits & Final Thoughts

Retirement Benefits

- Campus Parking
- Survivor Insurance
- No more work!
- Access to Rec. Center
- Retiree ID Card
- Library Privileges

Final Thoughts

- Stay informed - keep contact information up to date!
- Annual enrollment period in July
- Most benefit plans provide national and international coverage
- Retirees not required to have a wellness exam each year to receive lowest premium rate
- Complete an online health assessment through www.bcbstx.com to receive a $50 deductible credit each year
Contacts

Engineering Human Resources
- Engineeringhr@tamu.edu
- 979-458-7699

Engineering Payroll
- Payroll@tees.tamus.edu
- 979-458-7493

Social Security Administration
- 800-772-1213
- https://www.medicare.gov

Retirement Questions?