

# Retiree Factsheet

This flyer answers some of the most commonly asked questions of Texas Municipal Retirement System annuitants. If you have questions that are not covered in this factsheet, please call or e-mail TMRS®.

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**Hablamos Español.**

## Personal Information

### How Do I Review or Change My Account?

It is important to keep TMRS updated with your current address, beneficiary choice, and direct deposit information. **Changes** require a form. The chart below explains how to review and make changes.

Address or name <b>change</b>	 	
Beneficiary info	 	
Change withholding		
Retiree 1099R info	  	
Direct deposit (new or <b>change</b> )		
Account Statement	  	

-  **By phone** – requires 2 account identifiers\*
-  **In writing** – by letter or fax; include signature and 2 account identifiers
-  **Web** – use [www.MyTMRS.com](http://www.MyTMRS.com) with password
-  **Form** – needs specific form with signature; forms available from [www.tmrs.com](http://www.tmrs.com)

\* Account identifiers are personal details known to the retiree only.

### How Do I Obtain Forms?

If you need a TMRS form, you may call us or download the form you need from the TMRS website ([www.tmrs.com](http://www.tmrs.com); click on Forms). Direct deposit changes (account or institution) require a new **Direct Deposit Authorization** form, and address changes need the **Change of Address** form. To change your beneficiary(ies), contact TMRS for directions, and we will send you the proper form.

### How Does MyTMRS® Work?

To use this secure online service, you must first register (directions are on [www.MyTMRS.com](http://www.MyTMRS.com)) and set up your user name and password. After that, you may access account information such as your address, beneficiary, and year-to-date annuity payment information. Also, 1099-R forms and Account Statements may be viewed and printed through MyTMRS.

### When Do I Receive My Monthly Payment?

Monthly payments are direct deposited on the last business day of each calendar month.

## Post-Retirement Benefits

### Will Social Security Affect My Benefit?

No. Social Security payments never reduce your TMRS monthly benefit. However, if you have service with employers who do not participate in Social Security, or if you are receiving a Social Security benefit based only on your spouse's employment, there are federal provisions that may affect your Social Security benefit (the Windfall Elimination Provision and the Governmental Pension Offset). You may wish to check with the Social Security Administration at [www.ssa.gov](http://www.ssa.gov) or 1.800.772.1213.

### Does TMRS Offer Insurance?

TMRS does not provide any health insurance coverage. Check with your city to see what options may be available to retirees.

### Can I Pay Insurance with My TMRS Benefit?

If you are a retired eligible Public Safety Officer, the federal HELPS provision allows you to deduct from your TMRS benefit payment to pay premiums for health or long-term care insurance in order to reduce your taxable income. The amount that may be excluded from your taxable income on your individual tax return cannot exceed \$3,000 per year. See the TMRS-HLPS form for details.

### Does My Monthly Annuity Ever Increase?

You are guaranteed a retirement annuity, but whether your annuity amount is increased depends on the options in your city's plan. Your city may choose to grant you an increase when the cost of living rises.

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# Taxes

## **Do I Have to Pay Taxes on My Benefit?**

Your monthly benefit is taxable as income. Therefore, you need to file a tax-withholding instruction form with TMRS (IRS Form W-4P) to instruct us on the amount you want withheld. Each year, at the end of January, TMRS will send you an IRS Form 1099-R, showing your total retirement payments, taxable and nontaxable amounts (if any), and the amount of taxes withheld by TMRS. 1099-Rs are also available on MyTMRS. In any matter involving taxation of your benefit, we encourage you to contact a tax advisor.

## **How Do I Change My Withholding?**

You may change your withholding instructions at any time by submitting a new Form W-4P to TMRS (available from [www.irs.gov](http://www.irs.gov) or [www.tmr.com](http://www.tmr.com)). If you have not provided TMRS written instructions on a Form W-4P, withholding will be based on the IRS tax tables (married, with three exemptions). You will be responsible for any taxes and penalties due if you fail to have adequate amounts withheld from your monthly payments. Consult a tax advisor or the IRS if you have questions on withholding choices.

# Life Changes

## **What If I Return to Work?**

Returning to work will not affect your retirement benefit UNLESS you return to work in a full-time position for the city from which you retired. In that case, your TMRS benefit will be “suspended,” stopping the monthly benefit payments.\* Any suspended payments will not be paid at a later date; nor will your monthly payment be recalculated to include these payments. When you stop employment again, your benefit will resume.

Your annuity payments will not be suspended if you work for:

- Any employer that is not a TMRS city;
- The city that was your employer before you retired, if you are in a position that is not full-time; or
- A TMRS city other than the one that employed you before your retirement (Note: Your new employment must begin no earlier than one month after your retirement date).

If you return to work for any TMRS city as a full-time employee, you will again become a contributing member of TMRS.

\* The exception to loss of payments is if you return to the same city in a full-time position **after 8 years**. In that case, you would receive the suspended payments in a lump sum when you re-retire.

## **What If I Marry After Retirement?**

If you marry after retirement, you may be eligible to change your payment plan to provide a survivor benefit for your new spouse. To be eligible for this change, you must have selected the Retiree Life Only Benefit or a Guaranteed Term option at retirement. You only have one year after the date of your post-retirement marriage to notify TMRS that you wish to change your retirement option. If you retired under a Lifetime Survivor Option, your beneficiary dies, and you remarry, you may also make this change. **This change can be made only once.**

Changing your option does not increase the total benefit you and your spouse will receive. Depending on the new option you choose and the age of your beneficiary, your monthly payment will be reduced to pay the cost of the additional survivor benefit.

## **What If My Beneficiary Dies?**

If your beneficiary dies, contact us as soon as possible. Retirement options that provide a lifetime survivor benefit include a “pop-up” feature. If your designated beneficiary dies before you, your benefit will “pop up” to the amount of the Retiree Life Only benefit. It is always important to keep your beneficiary information current with TMRS.

## **What If I Become Incapacitated?**

Consider executing a durable general power of attorney (POA). This document can help you avoid complex and costly guardianship proceedings for your family if you become physically or mentally incapacitated by illness or injury. A POA gives your designated representative the power to act on your behalf, but must be executed before you become incapacitated.

## **What Happens to My TMRS Benefit When I Die?**

At your death, your retirement benefits will be paid to your chosen beneficiary, depending on the retirement option you chose. Your personal representative or a family member needs to notify TMRS at the time of your death. We will advise your designated beneficiary of the proper forms to submit.

## **What Is a Supplemental Death Benefit?**

Some cities have adopted the Supplemental Death Benefit (SDB) for retirees. If the city from which you retire offers this additional benefit, when you die, your beneficiary will receive a separate lump-sum payment of \$7,500. ♦

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