

# Retirement Plans Offered by TRS

## PLAN A: MAXIMUM PLAN

### No Monthly Benefit to a Beneficiary

This plan provides you with the largest possible monthly lifetime benefit for you for the remainder of your life. Under this plan, the contributions and interest you made during your active employment are reduced monthly from your gross benefit payment. In most cases, your contributions and interest will be depleted within 18 months of your retirement. However, your monthly benefits will continue for the remainder of your life.

At your death, the monthly benefits stop and your beneficiary is not entitled to receive a monthly benefit. If your death occurs before you have received, in monthly payments, the total amount of your contributions and interest, the remaining funds will be paid in a lump-sum to your designated beneficiary. If there is no surviving beneficiary(ies) at the time of your death, any applicable lump-sum payment will be paid to your surviving spouse. In the event there is no surviving spouse, final payment will be made to your estate. You may change your beneficiary designations at any time under this plan of retirement.

To estimate your monthly lifetime benefit for Plan A, Maximum, you can use the retirement benefit formula (2%, times years of membership service, times your average monthly salary for your highest 2 consecutive years of membership service).

Visit [trsqa.com](http://trsqa.com) to use the pension calculator.



## PLAN B: SIX SURVIVORSHIP PLANS

### Plan B provides members with six survivorship options:

Option 1 allows you to possibly leave a lump-sum payment, but no monthly benefit, to a beneficiary(ies) after your death; Options 2-4 allow you to provide a continuing monthly benefit to a beneficiary(ies) after your death.

**If you select a survivorship plan, the amount of your monthly benefit will be reduced** actuarially to allow for the lump-sum payment or monthly payment for life to your designated beneficiary(ies).

The amount of the reduction in monthly benefits (cost of the option) depends on your age and the age of your beneficiary(ies). The age of the beneficiary(ies) will influence the amount of your retirement benefit under Options 2, 3, and 4. For example, the younger your beneficiary(ies), the smaller your monthly benefit will be (the cost of the option is greater).

If you select one of the survivorship plans of retirement you cannot change your beneficiaries after retirement except as specifically provided by law.



## SIX SURVIVORSHIP OPTIONS FOR PLAN B

### PLAN B: OPTION 1

#### Possible Lump-Sum Payment, but No Monthly Benefit to a Beneficiary

Option 1 allows you to possibly leave a lump-sum amount to a beneficiary(ies) in return for a slightly reduced lifetime monthly benefit (from the maximum amount). Under this plan, the total of your contributions and interest at the time of your retirement will be reduced each month by only the portion of your total gross benefit made up of your contributions and interest. At your death, all monthly benefits stop. However, any remaining contributions and interest will be refunded to your designated beneficiary(ies) or your estate.

In most cases, your contributions and interest will be depleted within 10 to 14 years after retirement, but your benefits will continue throughout your life. You may change your beneficiary designation at any time after retirement. If you have named your spouse as a beneficiary and you become divorced, you may change your plan of retirement.

### PLAN B: OPTION 2

#### Monthly Benefit to a Beneficiary

Option 2 offers a reduced monthly lifetime benefit based on your age and the age of your beneficiary(ies). This option guarantees that at your death, your named beneficiary(ies), if living, will receive a lifetime benefit equal to the amount you were receiving at the date of your death.

You may designate multiple beneficiaries to receive lifetime monthly benefits and specify the percentage to be paid to each beneficiary. If 2 or more beneficiaries are designated, and one predeceases you, the percentage of available benefits you selected for the remaining beneficiary(ies) will not be adjusted. Should your beneficiary(ies) predecease you, your monthly benefit will remain under Option 2 unless you are eligible to change your plan of retirement and/or beneficiary(ies) as provided by law (see the Changes in Plan of Retirement and Beneficiary Designation section).

### PLAN B: OPTION 2 POP-UP

#### Monthly Benefit to a Beneficiary

The Option 2 Pop-Up offers a reduced monthly lifetime benefit based on your age and the age of your beneficiary. If you predecease your beneficiary, your beneficiary will receive a lifetime benefit equal to the amount you were receiving at the date of your death. If your beneficiary predeceases you, your monthly benefit will increase to the original Maximum Plan amount, plus all increases awarded to you during retirement. Under this option, you may only designate one beneficiary.

### PLAN B: OPTION 3

#### Monthly Benefit to a Beneficiary

Option 3 offers a reduced monthly lifetime benefit based on your age and the age of your beneficiary(ies). This benefit guarantees that at your death, your named beneficiary(ies), if living, will receive a lifetime benefit equal to ½ of the amount you were receiving at the date of your death.

You may designate multiple beneficiaries to receive lifetime monthly benefits and specify the percentage to be paid to each beneficiary. If 2 or more beneficiaries are designated, and one predeceases you, the percentage of available benefits you selected for the remaining beneficiary(ies) will not be adjusted. Should your beneficiary(ies) predecease you, your monthly benefit will remain under Option 3 unless you are eligible to change your plan of retirement and/or beneficiary(ies) as outlined in the section Changes in Plan of Retirement and Beneficiary Designation).

### PLAN B: OPTION 3 POP-UP

#### Monthly Benefit to a Beneficiary

The Option 3 Pop-Up offers a reduced monthly lifetime benefit based on your age and the age of your beneficiary. If you predecease your beneficiary, your beneficiary will receive a lifetime benefit equal to 50% of the amount you were receiving at the date of your death. If your beneficiary predeceases you, your monthly benefit will increase to the original Maximum Plan amount, plus all increases awarded to you during retirement. Under this option, you may only designate one beneficiary.

### PLAN B: OPTION 4

#### Monthly Benefit to a Beneficiary

Option 4 offers a reduced monthly lifetime benefit in exchange for the flexibility to designate a specific dollar amount or a specific percentage of your monthly benefit to be paid to your beneficiary(ies) after your death. The beneficiary benefits you specify under this plan cannot cause your monthly benefit to be reduced below 50% of the maximum benefit available to you. If multiple beneficiaries are designated and 1 or more beneficiaries predecease you, the dollar amounts or the percentages are not adjusted. Beneficiaries also receive a prorated share of any cost-of-living increases you received up to the date of death.

Monthly benefits under Option 4 are also calculated actuarially using an amount of survivor's benefit specified by the member. TRS will calculate your benefits under Option 4 and provide an estimate of your monthly benefit upon request.



## PARTIAL LUMP-SUM OPTION PLAN

At retirement, in addition to selecting Plan A (maximum plan) or Plan B (survivorship plan), you may also elect to receive a one-time lump-sum distribution (cash payment) in addition to your monthly retirement benefit.

In exchange for a reduced lifetime monthly benefit, you can elect to receive a Partial Lump-Sum Option Plan (PLOP). Your age and plan of retirement are used to determine the reduction in your benefit.

A PLOP distribution will be made as a single payment at the time your first monthly benefit is paid. Based on the amount of the PLOP, your monthly retirement benefit is then reduced to be the actuarial equivalent of the retirement benefit without a lump-sum distribution. You cannot elect a PLOP that will reduce your monthly benefit by fifty percent or more of the benefit you are eligible to receive under Plan A.

If you are interested in electing a PLOP, TRS encourages you to seek assistance from a financial advisor and/or a tax professional. A PLOP used to enhance retirement income or savings may merit consideration. A PLOP used to purchase depreciable assets or used for leisure should be given careful consideration as these purchases may compromise long-term retirement income.