

Everything You Should Know About Retiring from May ISD

Teacher Retirement System (TRS) Eligibility

- ☐ Obtain a [MyTRS log on access](#), if you don't have access. You will need this access to run the calculators noted below.
- ☐ Visit the TRS website resources related to [Planning for Retirement](#).
- ☐ Review the [TRS calculators](#) to obtain information relation to:
 - Withholding Calculator
 - Retirement Estimate Calculator
 - Unreported Substitute Service and Calculator
 - State Sick/Personal Leave and Calculator
- ☐ Contact the Texas Teacher Retirement System to determine eligibility for a retirement annuity and to request a retirement packet. Retirement planning meetings are held throughout each school year – check the TRS website for more information. (www.trs.texas.gov)
 - The packet will include information related to the annuity options available to you, selection of your beneficiary(ies), and other important information.
- ☐ Review the current Annuity Payment Schedule to determine when your 1st annuity payment would be paid by TRS. [Note: You should consider when your last May ISD will be paid to you, too.] The [Annuity Payment Schedule](#) can be found on the TRS website. Annuity checks are generally issued on the last day of the month.
- ☐ Review the [TRS Withholding Calculator](#) on the TRS website to estimate your net payment after taxes.
- ☐ Review the [TRS Care Summary of Benefits](#) on the TRS website. Determine which plan(s) you may qualify for, the benefits provided and the current cost per month.
- ☐ Submit the TRS 7 form: Notice of Final Deposit (from your TRS Packet) to the Payroll Department

Social Security Eligibility

- ☐ As an employee in a school district covered by a Social Security 218 Agreement (requires mandatory Social Security and Medicare tax deductions for all employees), you may be eligible for Social Security benefits in addition to your TRS benefits.
- ☐ In some instances, the calculation of your Social Security benefits may be affected by the TRS benefits that you receive. While TRS is not able to provide information regarding possible reductions to your Social Security benefits, retirees should contact the Social Security Administration (SSA) at 1-800- 772-1213 for information on possible offsets or reductions to these benefits. You may also visit the [Social Security Administration](#) website for information on topics such as the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP). [Excerpt from the TRS website.]

Terminating Your Employment with May ISD

After gathering information from the TRS and Social Security about your retirement benefits, you should **determine the date of your retirement.**

- Before you select your date of retirement, you should:
 - Verify with the TRS what date is most advantageous to you. Note. If possible, you want to ensure that your last year of TRS wages consists of 12 months of compensation. The compensation for TRS purposes counts from September through August and may or may not match up with your work calendar and/or pay distribution.
 - Verify with the SSA that you have worked the required number of months (60) to minimize or eliminate the impact of the offset provisions (GPO and WEP).

The following are considerations as you prepare to terminate your employment with May ISD.

- Submit a letter of resignation to the Business Office and a copy to your immediate administrator. The letter of resignation must include the effective date of your retirement.
 - *NOTE. Your resignation from the district should be your last duty day of the work calendar even if the effective date of your retirement is before or after your last duty day.*
- Meet with the Payroll Department to discuss the following:
 - Leave balance, if any, will be evaluated to determine if the leave taken exceeds the leave earned as of the last employment date.
 - If excess leave, above the amount of leave earned, has been taken, the excess leave taken shall be deducted from the final paycheck.
 - If a leave balance exists in either state sick or state personal leave, the employee will lose the local leave days (refer to the Buy Back Program for possible exception) but will retain the state sick and/or personal leave, if any. This leave shall be recorded on the employee's Service Record. This leave stays with the employee, even after retirement, and may be transferred to another school district.
 - If at least 50 days of state leave exists, an additional year of TRS credit for retirement purposes could be purchased subject to TRS rules (contact TRS for an estimated cost).
 - Leave balance, if any, may be subject to the district's Buy Back of Leave at Retirement policy.
 - Refer to Board Policy [DEC](#) Local and the Payment for Accumulated Leave Upon Retirement section for details regarding the purchase of state and local leave, as appropriate.
 - The amount paid for leave under the Payment for Accumulated Leave Upon Retirement policy is not considered TRS wages for retirement purposes.
 - **Non-exempt staff only:** Compensatory time balance, if any, will be paid to you on your final paycheck at your last hourly rate of pay, or an average of the past 3 years, whichever is higher in accordance with the FLSA. Accumulated comp time from prior years will not be eligible as TRS wages.

- **Non-exempt 226-day staff only:** Earned scheduled days off, if any, will be paid to you on your final paycheck at your last hourly rate of pay. Accumulated scheduled days off from prior years will not be eligible as TRS wages.
- Payroll deductions for insurance, annuities, organizations, and other voluntary deductions for retirements **at the end** of the contract and/or work calendar as noted below.
 - The district-paid group health plan (TRS ActiveCare) may terminate at the end of the employee's contract, or work calendar **if the employee worked the entire work calendar**. For example, if a teacher completes his/her work calendar and retires in June, his/her group health insurance may extend through the end of August. An employee may choose to terminate the insurance sooner if other insurance will be purchased either through TRS CARE or other carrier.
 - The district-paid dental and group term life insurance plans will terminate at the end of the month of separation.
 - Employee-paid voluntary insurance plans will terminate at the end of the month of separation.
 - Disability plans are valid only while the employee is actively at work; hence, disability plans will terminate on the last day an employee is actively working.
 - Employee and/or district-paid Flexible Spending accounts will terminate on the last day of the termination month if a deposit was made for that month, otherwise the account may terminate during the month of the final deposit.
 - An employee may choose to terminate other voluntary deductions such as annuities, additional tax withholding, etc. at any time.
- Payroll deductions for insurance, annuities, organizations, and other voluntary deductions for retirements **during** the contract or work calendar.
 - The district-paid medical, dental and group term life insurance plans may terminate at the end of the last working month. For example, if a teacher retires in December, his/her insurances may extend through the end of December.
 - Employee-paid voluntary insurance plans may also terminate at the end of the last working month, including a disability plan.
 - Disability plans are valid only while the employee is actively at work; hence, disability plans will terminate on the last day an employee is actively working.
 - Employee and/or district-paid Flexible Spending accounts will terminate on the last day of the termination month if a deposit was made for that month, otherwise the account may terminate during the month of the final deposit.
 - An employee may choose to terminate other voluntary deductions such as annuities, additional tax withholding, etc. at any time.
- Final paycheck disbursement at retirement depends on the retirement date.
 - If employee retires **at the end** of his/her work calendar:
 - 10 – Month employee's final check in August 10th if retiring with TRS in May. (Exception would be made if your work schedule extends into June, not more than 6 workdays or the end of your 10 month work

calendar, whichever comes first. If this exception applies, then a final check could be paid in June). Contact Business Office to discuss options;

- 11 – Month employee's final check July 10th (term completed by July 30th);
- 12 – Month employee's final check June 10th if you are retiring with TRS in June (term completed by June 30th);
- If employee retires **during** his/her work calendar:
 - The final paycheck for all employees retiring during their work calendar will be paid the month following their retirement date in accordance with the payroll cycle periods, as appropriate.
- Complete the exit process at your campus or department to include the following:
 - Submit district keys, equipment, etc., as appropriate
 - Submit all files, such as student records, accounting records, activity funds, etc.
 - Submit a forwarding address, as appropriate for future communications
- Watch for correspondence as noted below regarding your potential COBRA eligibility. Group health, dental and vision insurance plans are covered under the federal COBRA provisions.
 - TRS is responsible for sending COBRA information to you if you were enrolled in any one of the ActiveCare plans
 - Higginbotham/Financial Benefit Services is responsible for sending COBRA information to you if you were enrolled in either a dental or vision plan.
 - Remember that your dependents, if any, may be eligible for COBRA benefits, too.
 - Additional information regarding COBRA is available at: www.dol.gov

After You Retire through TRS

- Review [Your Responsibilities as a Retiree](#) on the TRS website. Important reminders include: Keeping your mailing address current, making name changes on a timely basis and keeping your beneficiary information up-to-date.
- Review the [Employment After Retirement](#) brochure to ensure that you are familiar with potential loss of annuity and/or surcharges if you return to work.