



— CITY OF AUSTIN —  
EMPLOYEES' RETIREMENT SYSTEM

# Member Handbook

Provisions in effect January 1, 2024

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This guide is a summary of the provisions of the City of Austin Employees' Retirement System (COAERS). As much as possible, this guide has been written without technical terms, avoiding the formal language of the retirement laws and rules. COAERS reserves the right to correct any errors contained herein to comply with federal or state statutes, rules and regulations that govern the Plan. Any information contained in this guide that refers to federal or state tax regulations is not intended to be advice. You are encouraged to consult a professional tax advisor before receiving any distribution from the plans mentioned in this booklet. If questions of interpretation arise as a result of the attempt to make a retirement provision easy to understand, federal and state law, rules and regulations remain the final authority. The information contained in this guide is made available as a public service. No information provided is intended to constitute legal or investment advice. While we have made every attempt to provide correct information, we do not guarantee the accuracy of the information, or the accuracy of other publications referenced herein. No one shall be entitled to claim detrimental reliance on any information herein. The information provided in this guide is based on the laws and rules in existence as of October 1, 2023, and is subject to change or modification based on changes in law, rule, or policy.

# Welcome to COAERS

The City of Austin offers many benefits to its employees, and the possibility of a secure retirement is one of them. In 1941, City ordinance established the City of Austin Employees' Retirement System (COAERS) to provide retirement, disability, and death benefits for City employees and their beneficiaries. Since 1991, COAERS has been governed by the laws of the State of Texas (Article 6243n of Vernon's Texas Civil Statutes). COAERS developed this handbook to help you understand your retirement benefits.

COAERS is a tax-qualified "defined benefit" plan under Section 401(a) of the Internal Revenue Code. COAERS is a type of pension plan in which an employer promises a monthly retirement benefit that is based on a predetermined formula. One of the best things about a defined benefit plan like COAERS is that the ups and downs of the market do not affect the promised benefit. Once retired, you'll receive a steady monthly payment for your lifetime. Another advantage of the plan is that member contributions are tax-deferred. While you are working, your yearly retirement contribution lowers your taxable income.

## Governing Board

COAERS is not a City of Austin department. COAERS is governed by an 11-member Board of Trustees (Board or Trustees) who provide oversight and set policy. Board elections are held every year for active and retired Trustee positions and are overseen by a volunteer committee called the Nominating and Election Committee. As an active employee, you have the opportunity to vote for peers running for active Board positions. When you retire, you can vote for the retired positions. You can also be a candidate for some of these positions.

## COAERS Staff

Our knowledgeable and helpful staff are available to you whenever you need help or have a question. Contact information for our office is located in Appendix A of this handbook.

## How Your Membership Works

As a regular City of Austin employee working 30 or more hours per week, you are by law automatically a member of COAERS. For 2024, you contribute 9% of your base pay, excluding overtime, not subject to any limit, and that contribution increases to 10% for 2025. Your retirement contribution is automatically deducted from your paycheck each pay period. Participation is mandatory, and you cannot change your individual contribution rate.

The City also contributes to COAERS each pay period. Each year Texas law requires the COAERS actuary to determine a City contribution as a percentage of base pay to ensure that COAERS is properly funded for the long term. In addition to the contribution as a percentage of base pay, the City also pays a legacy liability payment to COAERS to eliminate the System's unfunded actuarial accrued liability.

COAERS credits interest to your account once each year on December 31 for the balance you had on January 1 of that calendar year. The COAERS Board determines the annual interest rate.

COAERS provides you with a lifetime retirement benefit once you meet certain eligibility requirements. While you participate by contributing a percentage of your base pay, these contributions do not determine the amount of benefit that COAERS promises you. Your benefits are determined by a formula that includes your salary and your years of service credit. COAERS invests your contributions, under the direction of our Board of Trustees, to provide benefits to all present and future members.

## Common Questions About COAERS

Question	Answer
When I retire, will I get a monthly benefit for life?	Yes, your monthly benefit payment is guaranteed for your lifetime.
As a City employee, do I have to contribute to COAERS?	Yes, participation is mandatory if you are a regular employee working 30+ hours per week.
Do I choose how my contributions are invested?	No, the COAERS Board of Trustees oversees the Fund's investments.
Can I take out a loan from my COAERS account?	No, the plan does not allow loans.
If I terminate my membership and get my contributions refunded, will I also receive City contributions?	No, City contributions remain in the Fund for the benefit of all plan members.

### Confidentiality of Your COAERS Records

Your COAERS records are confidential and may not be disclosed in any identifiable form unless the information is disclosed pursuant to a specific statutory exception. Information may be disclosed if required by a subpoena, with the COAERS member being given a reasonable opportunity to contest the subpoena.

### MemberDirect

Members can obtain information about their COAERS benefits 24/7 online via MemberDirect. Through MemberDirect, active COAERS members can obtain benefit estimates, see options for survivor benefits, and view how deductions and insurance will affect retirement take-home pay. Retired COAERS members can easily access their 1099-R forms, review benefit payment details, and view payment history. Sign up today by visiting [www.coaers.org](http://www.coaers.org), click register, and follow the steps to enroll.

## Membership Basics

This section provides important information about your COAERS membership and describes many of the factors that can impact your retirement benefits.

### Am I eligible for membership?

Membership is mandatory if you are a regular, full-time City employee in a non-civil service position. Civil service positions such as uniformed police officers and firefighters are excluded from membership, as are elected positions such as the Mayor and City Council.

### Which retirement group am I in?

Your retirement benefits and eligibility date are determined in part by your retirement group, which is determined by your employment date. If your full-time, regular employment date is **before** January 1, 2012, you are in **Group A**. If your full-time regular employment date is **on or after** January 1, 2012, you are in **Group B**.

You can find more information about Group A and Group B in the *Retirement Benefits* section of this handbook. If you are not sure which group you are in, please contact us.

### What if I left City employment and then came back?

If you worked for the City before January 1, 2012, left City employment, and then subsequently were reemployed by the City in a full-time position, your group is determined as follows:

- If you were initially a contributing member before January 1, 2012, and you didn't withdraw your money in COAERS after you left the City, you would be a member of Group A upon being rehired by the City.
- If you were initially a contributing member before January 1, 2012, and you withdrew your money in COAERS after you left the City, you would be a member of Group B upon being rehired by the City. Upon reemployment with the City, you can reestablish your membership in Group A by reinstating all of your prior membership service credit through a service credit purchase. For more information, see the section on service credit purchase in the *Eligibility and Service Credit* section of this handbook.

### When am I vested?

Vesting is an important milestone toward a secure financial future. It means you have established enough service credit to receive a lifetime benefit once you reach eligibility. You are considered vested if you have at least five years of service credit and do not withdraw your accumulated contributions if you terminate City employment. If you have service credit with a retirement system that participates in the Proportionate Retirement Program, that service may count toward the five years of service credit needed for vesting. For more information, see the section on proportionate time in the *Eligibility and Service Credit* section.

If you are a vested COAERS member, maintaining your COAERS membership upon leaving City employment is important. In addition to receiving a lifetime monthly benefit payment upon eligibility for retirement, vested membership also offers other benefits. For example, if you were a member of Group A at the time you left City employment, you will retain that status if you return to City employment at a future date. In addition, vested members have access to health, dental, and vision insurance through the City upon retirement. Death benefits are also provided upon the death of a vested or retired member.

## **How do I name a beneficiary?**

You should always have a completed COAERS Beneficiary Designation Form on file with COAERS so that at the time of your death, any retirement benefits you may have are paid in accordance with your intent. You can download a Beneficiary Designation Form from your MemberDirect account or the COAERS website. Your form is considered valid when we receive the original notarized document.

The City of Austin beneficiary designation form does not designate beneficiaries for COAERS retirement benefits and cannot be used by COAERS to pay out your death benefits.

Here is the order in which we pay benefits:

- Surviving spouse
- Valid beneficiary(ies)
- Estate (if you do not have a surviving spouse or valid beneficiary designated on a COAERS Beneficiary Designation Form)

If your surviving spouse consents in writing to not being your sole primary beneficiary, we will pay your valid beneficiary(ies).

If your surviving spouse does not consent in writing to not being your sole primary beneficiary, we will pay your surviving spouse.

You can designate a minor as your beneficiary; however, COAERS benefits can't be paid to a minor, so a legal guardian of the minor must be appointed by a court. To avoid the complexities of obtaining a court-appointed guardian to receive COAERS benefits, Texas law allows you to appoint a custodian to receive COAERS funds for any beneficiary who is under age 21. To make such a designation, you will need to complete the Beneficiary Designation Form – Minor Beneficiary Supplement, which is also located on your MemberDirect account or our website.

## **What responsibilities do I have?**

You have certain responsibilities as a COAERS member. You are solely responsible for timely and properly applying for your retirement benefits. COAERS does not pay benefits retroactively back to the first date you were eligible to retire. You are also responsible for keeping your address, contact information, and beneficiaries current with COAERS. You can regularly log on to your MemberDirect account to review this information and use the available forms to make changes. You are also responsible for notifying COAERS of your proportionate time in another Texas retirement system that participates in the Proportionate Retirement Program and keeping that information current with COAERS. You can request to have proportionate time verified through your MemberDirect account.

## Eligibility and Service Credit

This section provides information on your retirement eligibility and service credit, including proportionate service, and service credit purchase options.

### When am I eligible for normal retirement?

Your eligibility for retirement depends on your group, which is determined by your membership date.

#### Group A

##### (Employees who became members before January 1, 2012)

If your full-time, regular employment date is before January 1, 2012, you are eligible for normal retirement and can receive a monthly benefit payment for life when you meet one of these requirements:

- You reach age **62\***
- You reach age **55** and have at least **20** years of service credit
- You obtain at least **23** years of service credit regardless of your age

\* To retire at age 62 you must be:

- An active contributing member when you turn age 62;
- A terminated vested member with at least 5 years of COAERS service credit; or
- A proportionate member with 5 years of combined service credit

#### Group B

##### (Employees who became members on or after January 1, 2012)

If your full-time, regular employment date is on or after January 1, 2012, you are eligible for normal retirement and can receive a monthly benefit payment for life when you meet one of these requirements:

- You reach age **65** and have at least **5** years of service credit
- You reach age **62** and have at least **30** years of service credit

### When am I eligible for early retirement?

Early retirement is not applicable to members in Group A. If you are a member of Group B and you have attained age **55** and have at least **10** years of service credit, you are eligible for early retirement benefits. Early retirement benefits are reduced because you will receive benefits before your normal retirement date. The reduction depends on your age in years and months at the time you retire. See Appendix C for a table of reduction amounts for early retirement.

While members who have five years of COAERS service credit may purchase up to five additional years of service credit, this supplementary service credit does not count toward normal or early retirement eligibility for Group B members. For more information, see the section below on options for purchasing service credit.

### How is proportionate service counted?

If you have participated in certain other public retirement systems in Texas, you may be able to combine your service credit from those retirement systems to help you meet retirement eligibility under the Proportionate Retirement Program. COAERS recognizes service credit in the following systems:

- Austin Police Retirement System
- El Paso Firemen and Policemen's Pension Fund
- City of El Paso Employees Retirement Trust
- Employees Retirement System of Texas (ERS)
- Judicial Retirement System of Texas I and II
- Teacher Retirement System of Texas (TRS)



- Texas County and District Retirement System (TCDRS)
- Texas Municipal Retirement System (TMRS)
- Other Texas retirement systems covering municipal employees who have elected to participate in the Proportionate Retirement Program

Combining service credit using the Proportionate Retirement Program may advance your retirement eligibility date but it does not increase the amount of your COAERS monthly benefit. For example, if you have 5 years of service credit with ERS and 18 years with COAERS, your combined service credit for retirement eligibility would be 23years. Your COAERS monthly benefit payment will be calculated using only your 18years of COAERS service credit.

Before relying on service credit from another system, contact that system to verify that your service credit is eligible to be combined with COAERS service credit under the Proportionate Retirement Program and discuss any benefit to which you may be entitled.

Notify COAERS of your proportionate service frequently. We do not automatically receive proportionate service information from other Texas retirement systems. We rely on members to keep their proportionate service up to date through regular communication with COAERS. If you believe your proportionate service combined with your COAERS creditable service makes you eligible for benefits and you wish to begin receiving benefits, make sure you contact COAERS to apply for benefits. COAERS does not pay retroactive benefits back to the date you were first eligible. So, know when you are eligible for benefits and contact COAERS before that time to properly apply for benefits.

Additional notes on proportionate service:

- A limited proportionate service arrangement is available for individuals who have membership in a retirement system with the Travis County Healthcare District (Central Health).
- If you purchased military service time under another retirement system, that time is counted only once when combining service credit under the Proportionate Retirement Program.

### **What are the options for purchasing service credit?**

The primary way to obtain service credit is by working in a regular full-time position and making mandatory contributions to the system (this is called “membership service credit”). However, if you qualify, you can establish additional service credit by purchasing it. You can even pay for the purchase by rolling in money from certain types of other retirement plans including the City’s Deferred Compensation plan. There are several ways that you may be able to purchase service credit, as described in the following sections.

#### **Non-contributing Service**

You can purchase service credit representing certain employment periods with the City in which you would not have made COAERS contributions. Some examples include:

- You worked for the City in a temporary or part-time position
- You were on an approved leave of absence
- You were on Workers’ Compensation leave due to an on-the-job injury

In addition, up to six months of non-contributing service can be purchased for probationary period employment for those who were hired prior to October 1, 1995, but were not still employed by the City on October 1, 1995. If you were an active contributory member of COAERS on October 1, 1995, you were given credit for this period at no charge to you.

Non-contributory service can only be purchased at retirement. COAERS will provide you with the cost and options to make this purchase during the retirement process.

### **Prior Military Service**

You can purchase a minimum of 90 days and up to 48 months of service for full-time, active duty that you completed in the Armed Forces of the United States prior to working for the City. Prior military service can only be purchased at retirement. COAERS will provide you with the costs and options to make this purchase during the retirement process.

### **Military Service Leave of Absence (USERRA)**

You can purchase service credit if you had to leave your City job to perform military duty and chose not to continue making retirement contributions while you were deployed.

When you return, depending on your length of service prior to your military assignment, you generally have between 14 and 90 days to return to your City job. Once you are back, you must purchase your military service within five years of returning.

### **Sick Leave**

At retirement, you may convert unused sick leave hours to service credit. A sick leave purchase does not make you eligible to retire any sooner, but it will increase your monthly benefit payment. Unused sick leave hours eligible for cash payment may not be converted to service credit.

You should start the conversion process 30 to 60 days before your retirement date. You must convert your sick time in 80-hour pay period increments. Your cost to convert sick leave hours to service credit will be determined based upon your current contribution rate at the time of retirement.

### **Prior Service**

If you left the City and withdrew your money, you can reinstate your service credit through purchase of your prior service if you are reemployed with the City or currently working for a proportionate employer.

### **Supplementary Service Credit**

You can purchase up to 60 months of additional service credit at retirement. COAERS will provide you with the costs and options to make this purchase during the retirement process.

- **Group A** – Supplementary service credit will increase your monthly benefit payment and will also count toward your retirement eligibility.
- **Group B** – Supplementary service credit will increase your monthly benefit payment but will not count toward your retirement eligibility.

You may be required to purchase prior service before you can purchase supplementary service credit. Members who have less than 5 years of service can make a supplementary service purchase but only by rolling funds into COAERS from a 457 or 403(b) retirement plan.

### **How do I find more information about purchasing service credit?**

If you would like to inquire about purchasing service credit and rolling in money from another retirement account to pay for the purchase, log on to MemberDirect to estimate your purchase cost and contact Member Services about the next steps.

# Retirement Benefits

This section provides information on your retirement benefit options and explains how your benefits are calculated.

## How are my retirement benefits calculated?

Once you become eligible for retirement, your benefits are calculated based on your salary, years of COAERS service credit, and retirement group. At retirement, you may choose to receive a lifetime monthly benefit as an individual, known as a life annuity, or you may choose an option that provides benefits for yourself and a survivor.

The formulas in this section are used to calculate your lifetime annuity as an individual. If you choose a benefit payment option other than a life annuity, your monthly benefit will be reduced to reflect the additional cost of the payment option you choose.

### Group A – Normal Retirement Life Annuity Formula

$$\text{Final Average Monthly Pay} \times \text{Years and Months of COAERS Service Credit} \times 3\% = \text{Monthly Life Annuity}$$

See Appendix D for sample life annuity estimates based on this formula.

### Group B – Normal Retirement Life Annuity Formula

$$\text{Final Average Monthly Pay} \times \text{Years and Months of COAERS Service Credit} \times 2.5\% = \text{Monthly Life Annuity}$$

See Appendix E for sample life annuity estimates based on this formula.

### Group B – Early Retirement Life Annuity Formula

Early retirement benefits are reduced because you will be receiving benefits before your normal retirement date. The reduction is applied to the benefit you would otherwise receive at your normal retirement date. Here is the formula:

$$\text{Final Average Monthly Pay} \times \text{Years and Months of COAERS Service Credit} \times 2.5\% = \text{Normal Retirement Life Annuity} \times \% \text{ of Normal Benefit} = \text{Early Retirement Life Annuity}$$

The reduction for early retirement depends on your age in years and months at the time you retire. For example, if a Group B employee chooses early retirement at age 60, the percent of normal benefit is 62.07%. If the employee's final average monthly pay is \$4,000 and the employee has 15 years of COAERS service credit at retirement, the calculation of the member's early retirement monthly gross life annuity would be as follows:

$$\$4,000 \times 15 \times 0.025 = \$1,500 \times 0.6207 = \$931.05$$

See Appendix C for a table of reduction amounts for Group B early retirement. Early retirement is not applicable to Group A.

## How is my Final Average Pay determined?

The pay that COAERS uses to determine your retirement benefit is base pay. More specifically, your hourly rate for a normal 80-hour pay period is used. This means that your retirement benefit is not based upon overtime or other types of pay that you might receive. At retirement, your final average pay is determined by averaging the highest 36 months of base pay out of the last 120 months of base pay prior to your retirement date. Certain highly compensated members may be subject to limits placed upon their final average pay due to Internal Revenue Code requirements. The limits have been: \$290,000 for 2021; \$305,000 for 2022; and \$330,000 for 2023. COAERS staff can assist members who are in the process of retiring and find their benefit subject to these limits.

## What are my benefit payment options?

The retirement benefit formulas above establish the monthly benefit for your life annuity. However, you may choose another type of benefit payment option at retirement. If you choose a payment option other than a life annuity, your lifetime monthly benefit will be reduced to reflect the additional cost of the payment option you choose.

If you are married, your spouse must consent to the benefit payment option you choose at retirement. **You cannot change your payment option or your survivor after retirement.** Even if you and your spouse divorce after retirement, you cannot name another survivor.

The benefit payment options you can choose are listed on the next page.

<b>Retirement Benefit Payment Options</b>	
<b>Life Annuity</b>	<ul style="list-style-type: none"> <li>You will receive the full life annuity retirement benefit.</li> <li>No monthly survivor benefits will be paid to anyone after your death.</li> </ul>
<b>100% Joint and Survivor (Option I)</b>	<ul style="list-style-type: none"> <li>Your retirement benefit will be reduced to provide a lifetime survivor benefit.</li> <li>Your survivor will receive 100% of the benefit amount you are receiving at the time of your death.</li> </ul>
<b>50% Joint and Survivor (Option II)</b>	<ul style="list-style-type: none"> <li>Your retirement benefit will be reduced to provide a lifetime survivor benefit.</li> <li>Your survivor will receive 50% of the benefit amount you are receiving at the time of your death.</li> </ul>
<b>66 2/3% Joint and Survivor (Option III)</b>	<ul style="list-style-type: none"> <li>Your retirement benefit will be reduced to provide a lifetime survivor benefit.</li> <li>Your survivor will receive 66 2/3% of the benefit amount you are receiving at the time of your death.</li> </ul>
<b>Joint and 66 2/3% Last Survivor (Option IV)</b>	<ul style="list-style-type: none"> <li>Your retirement benefit will be reduced to provide a lifetime survivor benefit.</li> <li>After you <b>or</b> your survivor dies, the monthly benefit payment to whomever survives will be reduced to 66 2/3% of the monthly amount at the time of death.</li> </ul>
<b>15-Year Certain and Life Annuity (Option V)</b>	<ul style="list-style-type: none"> <li>Your retirement benefit will be reduced to guarantee your monthly benefit payments for at least 15 years (180 payments).</li> <li>You will receive a monthly benefit payment for life. After your death, your beneficiary will receive any payments remaining from the original 180 guaranteed payments. If you live beyond 15 years, your beneficiary will not receive any payments after your death.</li> </ul>
<b>Actuarial Equivalent of Life Annuity (Option VI)</b>	You can customize your own benefit payment plan with the assistance of our actuary, subject to certain limitations. A partial lump-sum payment is also possible but is limited to an amount equal to no more than 60 monthly payments under the life annuity option. These calculations and approvals take additional time, so you must submit a request for this option 60 to 90 days before your effective retirement date.

### **What happens if my survivor dies before I do?**

If you selected a joint and survivor option at retirement (Option I, II, III) but not a joint and last survivor option (Option IV), and your survivor dies before you, your monthly benefit payment will increase or “pop up” to your life annuity amount. The increase occurs only after we receive your beneficiary’s certified death certificate and is not retroactive to the date of death. Please call our office as soon as possible to report the death of your survivor.

### **Are there limits on my benefit?**

The Internal Revenue Code sets limits that may affect service purchases, final average pay, and annual benefits. These limits affect very few people. We will notify you if these limits affect you and provide assistance when you make a service purchase or retire.

- **Service Purchases:** The Internal Revenue Code places limits on certain purchases of service that may impact the amount of time you may purchase or may impact your future retirement benefit.
- **Final average pay:** The Internal Revenue Code may limit the pay used to determine your final average pay, which is a component of the formula used to determine your monthly retirement benefit. These limits only apply to highly compensated members. The limits have been: \$290,000 for 2021; \$305,000 for 2022; and \$330,000 for 2023. Contributions each pay period are required to be made on all base pay up to and above these limits.
- **Maximum Annual Benefit.** The maximum annual retirement benefit payable to a COAERS member is subject to limits. For example, the 2023 limit is \$265,000 but can vary depending upon the age of the member. Retirement benefits which exceed these limits can still be paid but are paid from a separate plan.

### **What is the Backward DROP program?**

The Backward Deferred Retirement Program (Back DROP) is available only to members who have worked at least one month past their normal retirement eligibility date. Under this program, you may have your retirement benefit calculated based on an earlier normal retirement date and receive a one-time, taxable, lump-sum payment. The lump-sum payment is based on the period between the earlier normal retirement date and your actual retirement date. This is called the “DROP period.”

The lump-sum payment is 90% of the life annuity monthly benefit multiplied by the number of months in the DROP period. The DROP period is limited to 60 months but can begin no earlier than the date you were first eligible for normal retirement (not counting proportionate system time) or the date of your last purchase of service (excluding sick leave conversion), whichever is later. No interest is credited for the DROP period.

If the lump-sum payment is not rolled over into a tax-deferred retirement plan, we will withhold 20% for federal income taxes from your payment.

If you are considering the Back DROP program, you may also want to consider the alternative partial lump-sum opportunity under Option VI, which is available to anyone eligible for retirement. The results may vary according to the facts of your individual situation.

### **Will my benefits increase through cost-of-living adjustments?**

It is the responsibility of the COAERS Board of Trustees and the City of Austin to maintain a strong retirement system that provides reliable lifetime retirement benefits for City of Austin employees. The retirement plan is not designed or funded to provide automatic cost-of-living adjustments (COLA) or extra one-time payments.

Contributions to the retirement system are structured to finance your lifetime benefit, without consideration of a future adjustment to your monthly benefit payment. A COLA can only be provided if the Texas Legislature amends the statutes governing COAERS and only after it is certified as financially sustainable by the retirement system’s actuary, approved by the COAERS Board, and approved by the City Council.

If you are a retiree, please know that your current monthly benefit payment is secure and, in fact, protected from reduction by the Texas Constitution; however, there is no guarantee that your benefit will increase in the future.

If you are an active employee contemplating retirement, you should remember that COLAs are not guaranteed or automatic, and you should factor this into your retirement decision. When making the

decision to retire, it is important that you consider all sources of retirement income, such as Social Security, personal savings, and the City of Austin's Deferred Compensation Plan.

## The Retirement Process

This section provides a step-by-step guide to the retirement process and offers important information about your retirement benefit payments. You are solely responsible for timely and properly applying for retirement benefits.

### How do I prepare for the retirement process?

Preparing for retirement is one of the most important things you will do. Here are some steps we think would be helpful in preparation for your retirement:

- **Approximately two years before retirement, register to attend a pre-retirement seminar.** These seminars are held virtually each month. Please log on to your MemberDirect account to register for a seminar. Once you have registered, we will send you an email with important information about attending the seminar.

At the seminar, a COAERS Member Services Specialist will discuss your retirement benefit payment options and the steps you'll need to take to make your retirement as easy as possible. A City Benefits representative will discuss the insurance benefit options available to retirees, and a City of Austin Deferred Compensation Plan specialist will talk about the options you have with that program.

- **Seek the help of a professional if you need legal, financial, or tax advice.**
- **Prepare for changes to your income and expenses.** Retiring is an exciting time in your life, but it is also a big change. The daily routine you've had for years is suddenly different. You may also have less income than you did while working. Some retirement experts suggest you spend a year "pretending" to be retired and live only on the income you will be receiving at that time.
- **Be aware of your eligibility for benefits.** COAERS does not pay retroactive benefits, so it is important to know when you will become eligible for benefits, to contact COAERS in advance of your eligibility date, and to follow the steps to properly apply for benefits. This is very important if you left City employment and are working for an employer that participates in the Proportionate Retirement Program. We do not automatically receive proportionate service information from other Texas retirement systems. We rely on members to keep their proportionate service up to date through regular communication with COAERS. Log on to your MemberDirect account or contact COAERS regularly to notify us of your proportionate service. Once we verify your proportionate service, you can create an online estimate to determine your eligibility for benefits based upon that updated information.
- **Contact representatives from other retirement plans you may have.** You may have funds in other retirement plans or systems. Make sure you contact them to understand how to apply for and receive benefits. Many of our members also participate in the City of Austin's Deferred Compensation Plan. Contact information for the Deferred Compensation Plan is listed in the Appendix.
- **Contact the Benefits Department at the City of Austin.** Contact the City's Benefits team for information about applying for and receiving insurance benefits as a retiree. Contact information for the City of Austin is listed in the Appendix.

## How do I apply for retirement?

Once you've attended a pre-retirement seminar and selected your retirement date, it's time to start the retirement process.

Follow these steps to apply for retirement:

1. Log on to your MemberDirect account or contact COAERS to apply for benefits as early as 90 days prior to your retirement date. All retirement dates are the last day of the month. So, if you are retiring in March, your retirement date would be March 31.
2. You can now apply for retirement online through your MemberDirect account. MemberDirect makes it easy for you to submit your completed retirement application and the required documents to COAERS through the secure online portal. If you don't have a MemberDirect account, register for one at [www.coaers.org](http://www.coaers.org).
3. You can also request to make an appointment to meet with a Member Services Specialist virtually or in-person by visiting the COAERS website. If you are married, your spouse should accompany you to the appointment, because your spouse must consent to your choices and sign your retirement documents.

Your Specialist will send you a checklist that includes the documentation you must bring to your appointment. You will need to bring the following:

- Birth Date Documentation (either a Birth Certificate, Passport, or Naturalization record)
  - Survivor's Birth Date Documentation (either a Birth Certificate, Passport, or Naturalization record)
  - Proof of Your Identity (either a Driver's License, DPS Photo ID, Passport, or Military ID,)
  - Proof of Survivor's Identity (either a Driver's License, DPS Photo ID, Passport, or Military ID)
  - Tax Identification (Social Security Card, or SSN Verification Form)
  - Survivor's Tax Identification (Social Security Card, or SSN Verification Form)
  - Voided Check, Deposit Slip, or Letter from your Bank for the Direct Deposit of Your Annuity
4. Complete a W-4P Withholding Certificate for Pension or Annuity Payments form indicating your income tax withholding preferences when you apply for retirement. You can change your tax withholding at any time by completing a new W-4P.
  5. Complete the Notice of Intent to Retire form and submit it to our office so that it is received **no later than 30 calendar days before your retirement date**.
  6. Plan for your first benefit payment. Your first monthly benefit payment is deposited on the last business day of the month **after** your retirement date. For example, if you retire on March 31, your first monthly benefit payment will be deposited to your account on April 30. If the last business day falls on a weekend, your benefit will be paid the Friday before that date.

## How are my benefit payments made?

Your monthly benefit will be automatically deposited into a checking or savings account you designate at the time you retire. Any direct deposit change requests must be made in writing. You can obtain an Authorization Agreement for Direct Deposit form from your MemberDirect account or the COAERS website. The COAERS office must receive the form before the 12th day of the month for the change to go into effect that month.

Please note that COAERS withholds premiums for optional City of Austin retiree insurance products from your monthly retirement benefit payment. At retirement and again each fall, you will select your



retiree insurance coverage options with the City's Benefits Division. They tell us what amounts to deduct from your retirement check for these types of benefits.

### **Are my benefit payments taxed?**

We withhold federal income tax from your monthly benefit payment as specified on your W-4P Withholding Certificate for Pension or Annuity Payments form. If you do not fill out a form, we are required to withhold as if you were married and claim three exemptions. Although you may change your withholding preferences at any time by completing a new W-4P, COAERS must receive your form by the 12th day of the month for the change to go into effect that month. You are responsible for any taxes and penalties due if you do not withhold enough tax from your monthly benefit check.

Each year you will receive a 1099-R form that will include your taxable and non-taxable benefits as reported to the Internal Revenue Service (IRS). You can access and download your form through MemberDirect. We will also mail a copy of your 1099-R form to the address on file with COAERS so be sure to keep your address current with our office. For comprehensive tax assistance, please consult a tax professional or contact the IRS at 1-800-829-1040.

### **What happens if I return to work for the City?**

If you are under age 55 at retirement, you must wait 90 days after your termination date to return to work, and you cannot have a pre-authorized rehire agreement to return to work for the City. Otherwise, your benefit payment will be suspended for the duration of your reemployment.

If you are rehired with a status other than regular full-time employee, you can work up to 1,508 hours in any rolling 12-month period while continuing to receive your retirement benefit. If the hours you work exceed 1,508 hours in any rolling 12-month period, your benefit payment will be suspended.

If you choose to return to work full-time and your monthly benefit payment is suspended, it will be recalculated when you retire again based on your combined service before and after your first retirement date. Then our actuarial factors in the value of the payments you have already received. The benefit payment option and beneficiary you selected at your first retirement will remain the same and cannot be changed.

### **How do I update my address?**

It is important that you keep your address current to receive important communications from COAERS. Failure to maintain your address or other contact information will prevent you from having access to information about your account or eligibility for benefits.

- **Active members** who are still employed with the City should update their address through the City. We receive address updates electronically from the City each payday. We cannot change your address ourselves – it must be updated through City payroll.
- **Retirees and terminated (vested and nonvested) members** who are not currently working for the City must submit address changes in writing. You can update your information online via MemberDirect, or you can complete and submit a Change of Address form to our office. For security reasons, we do not accept address changes over the phone.

### **Who can help me with insurance questions?**

When you need help with your insurance benefits, contact the City of Austin Benefits Division, part of the Human Resources Department. COAERS deducts your insurance premiums as requested by the City and sends your payment to them. We can only change your benefit deductions when notified by the City.

## Will my payment be affected by Social Security?

Generally, no. However, if you retired years ago under the “Level Income” option, your monthly benefit payment will be reduced when you turn 62. You will receive notification from us several months before the adjustment takes place.

Questions about Social Security can be directed to the Social Security Administration at 1-800-772-1213 or by visiting [www.ssa.gov](http://www.ssa.gov).

## Life Events and Your Benefits

This section describes the significant life events that can impact your retirement benefits. If you have any questions about how these or other life events affect your benefits, please contact our office.

### What happens if I leave my job at the City?

If you leave your City job, you have several choices when it comes to your COAERS membership, as outlined below.

#### Option 1: Discontinue your membership and refund your contributions

Complete the Refund Application and submit it to our office. This form is available in your MemberDirect account or on our website. Once we receive and approve your completed form instructing us to discontinue your membership, the City confirms they have issued your final paycheck, and we receive your final contribution, we will terminate your membership and refund your contributions. This process can take up to 60 days.

You have two options for refunding your contributions:

- **Receive a lump-sum payment.** You can choose to receive your refund as a lump-sum payment. This payment reflects the contributions you have made to the plan and any interest credited but does not reflect contributions made by the City. Since your contributions were tax deferred, this lump-sum payment is taxable. We withhold a mandatory 20% for federal income taxes from your payment; however, you may owe additional taxes as well as an early withdrawal penalty to the IRS.
- **Roll over all or a portion of your account.** You can choose to roll the funds without penalty into a tax-deferred retirement plan such as your 457 Deferred Compensation Plan, an IRA, or 401(k) plan.

If you terminate your COAERS membership and refund your contributions, you will receive a 1099-R form at the beginning of the following year that will include your taxable and non-taxable benefits as reported to the IRS. Be sure to keep your address current with our office so you will receive your 1099-R. You can access a change of address form in your MemberDirect account or on our website.

**Note:** If you refund your contributions, you may have to meet different eligibility requirements for retirement if you become a COAERS member again. You may also be unable to use your COAERS time toward eligibility with proportionate retirement systems. Refunding ends your right to future COAERS benefits.

#### Option 2: Keep your membership

You can retain your COAERS membership, service credit and, if you were a COAERS member prior to January 1, 2012, your Group A status and corresponding eligibility requirements. Your contributions are credited with interest annually upon approval by the Board. Upon re-employment with the City, your previously earned service will be used in determining your retirement eligibility and benefits.

If you will be working for another system participating in the Proportionate Retirement Program, you can retain your COAERS membership and use the service time you earn at that job toward retirement

eligibility with us. Leaving your money in the COAERS system also qualifies you for death benefits, described later in this section.

You do have certain responsibilities if you keep your COAERS membership after the termination of your employment. You are solely responsible for applying for benefits. COAERS does not pay benefits retroactively back to the date you were first eligible for benefits. You are responsible for notifying COAERS of your proportionate time in another Texas retirement system that participates in the Proportionate Retirement Program and keeping that information current. You are also responsible for keeping your address, contact information, and beneficiaries current with COAERS.

### **What happens if I get a divorce?**

Texas is a community property state, so any COAERS benefits you earn during marriage may be divided by a court in a divorce proceeding. If, during divorce proceedings, it is determined that you will keep 100% of your COAERS benefit, we do not need any paperwork from you. However, if it is determined that you and your spouse will be dividing your COAERS benefit, you will need to submit a Qualified Domestic Relations Order (QDRO). A QDRO is a special legal order which is signed by the judge who has jurisdiction over your divorce. It tells us what portion of your retirement contributions or monthly retirement benefit to pay to your spouse and the form of payment (lump sum or annuity) after your divorce is final.

For COAERS to pay benefits to a former spouse (also called an alternate payee), the QDRO must meet specific requirements. QDROs that do not meet COAERS requirements will not be honored, which could result in delays and additional legal costs. A model QDRO form is available on our website for attorneys to use to draft the QDRO correctly. It is strongly recommended that you or your attorney present the QDRO to us prior to the finalization of your divorce. Our Member Services Specialists are also available to discuss the effects a QDRO can have on your contributions or monthly retirement benefit. You can schedule an appointment to speak with a Staff member on the COAERS website.

### **Will a child support order affect my benefit?**

If you are a retiree receiving a monthly benefit payment and we receive a court order for child support signed by a judge that qualifies as a QDRO, we will deduct child support payments from your monthly benefit payment. COAERS will not deduct child support payments under a court order that does not meet the requirements to be a QDRO. You can find a sample court order on our website. If you are not retired and we receive a child support order, we will keep it in your file. When you retire or refund your account, we will determine if we need to act on the order.

### **What happens if I marry after I retire?**

Once you are retired, you cannot change your survivor under any option. In other words, your new spouse cannot receive a monthly benefit payment after your death.

However, your new spouse is automatically the primary beneficiary for a one-time, taxable death benefit of \$10,000. If your spouse consents, you can designate a different beneficiary or additional beneficiaries for this benefit using the beneficiary form available on your MemberDirect account or on our website.

### **What happens after I die as a retiree?**

After your death as a retiree, your designated beneficiary(ies) will receive a one-time, taxable death benefit of \$10,000. Your beneficiary may also receive additional benefits, depending on your choice of survivor benefit payment options.

- **Retired with a basic life annuity.** If you selected the life annuity option at retirement, your monthly benefit payment stops the month following your death. If you die before your contributions and interest have been paid out, your beneficiary or your estate will receive the remaining balance.

- **Retired with an option to provide a monthly benefit payment to a survivor.** If you selected a joint and survivor option at retirement (Option I, II, III or IV), your survivor will receive a monthly benefit payment for their lifetime starting the month after your death. If your survivor predeceases you, no further monthly benefits are paid.
- **Retired with guaranteed payments for 15 years.** If you selected the 15-year certain and life option (Option V) at retirement and die before you have been retired for 15 years, your designated beneficiary or estate will receive a monthly benefit payment until the end of the 15-year term. If you die after 15 years of retirement, monthly benefit payments end at your death.

### **What happens if I die before I am eligible for retirement?**

If you die as an active member but are not eligible to retire, your beneficiary is entitled to a lump-sum payment of your contributions and interest plus a death benefit equal to the amount of your contributions and interest. If you purchased service credit, the amount of your purchase will be paid to your beneficiary in addition to your contributions, interest, and the death benefit.

Example 1: A member dies who has an account balance of \$20,000 in contributions and interest. Their designated beneficiary will receive a payment of \$40,000 (\$20,000 of their contributions and interest, and an equivalent \$20,000 death benefit).

Example 2: A member dies who has an account balance of \$20,000 in contributions and interest and \$55,000 from a supplementary purchase plus interest, for a total of \$75,000. Their designated beneficiary will receive a payment of \$95,000, which is made up of \$20,000 in contributions and interest, plus an equivalent \$20,000 death benefit, plus the \$55,000 supplementary purchase plus interest.

If you made a purchase of prior service, the cost of this purchase is considered part of your contributions and will be reflected in the death benefit.

Please note that distributions from COAERS may be subject to income tax. A distribution made to your beneficiary is taxable, and they will receive a 1099-R at the beginning of the following year that will include your taxable and non-taxable benefits as reported to the IRS. Be sure to keep your address current to receive the 1099-R.

The City also offers life insurance options to protect your loved ones financially in the event of your death. Contact the City's Benefits Division for more information.

### **What happens if I'm eligible to retire, but I die before I retire?**

If you die after you become eligible to retire but before retiring, your surviving spouse has a choice of options:

- The active member lump-sum death benefit described above for members who die before being eligible for retirement
- Monthly survivor benefit payments in the form of Options I, II, III, or IV
- Fifteen years of payments in the form of Option V (the 15-year certain and life option)

You can direct which benefit your spouse receives upon your death by predesignating a retirement option. For more information, please contact our office.

A sole non-spouse beneficiary is eligible only to receive fifteen years of monthly benefit payments in the form of Option V. If multiple beneficiaries are named, these beneficiaries are eligible only to receive the active member lump-sum death benefit described in the section above.

Whether a spouse or a non-spouse, the beneficiary receiving monthly benefit payments will also receive the one-time, taxable \$10,000 death benefit. This death benefit is not paid to the beneficiaries who receive an active member lump-sum benefit.

Please note that distributions from COAERS may be subject to income tax. A distribution made to your beneficiary is taxable and they will receive a 1099-R at the beginning of the following year that will include your taxable and non-taxable benefits as reported to the IRS. Be sure to keep your address current to receive the 1099-R.

### **What happens if my survivor dies before I do?**

If you selected a joint and survivor option at retirement (Option I, II, III) but not a joint and last survivor option (Option IV), and your survivor dies before you, your monthly benefit payment will increase or “pop up” to your life annuity amount. The increase occurs only after we receive your beneficiary’s certified death certificate and is not retroactive to the date of death. Please call our office as soon as possible to report the death of your survivor.

### **What happens if I become disabled before I can retire?**

If you become disabled in a manner that is likely to be permanent and prevent you from performing any type of employment duties, you may be eligible for a COAERS disability retirement benefit. This benefit will allow you to retire immediately and receive a monthly benefit payment for life based on your years of service.

#### **Eligibility**

- If you have less than five years of City service, your disability **must be job related** for you to qualify for the disability retirement benefit.
- If you have more than five years of City service, your disability does not have to be job related.
- If you are eligible for normal retirement, you cannot apply for disability retirement; however, you can apply for normal retirement.

#### **Disability Retirement Options**

If you are approved for disability retirement, you can select a life annuity benefit or joint and survivor option (Options I, II, III, or IV). Lump sum options are not available.

#### **Applying for Disability Retirement**

If you are still employed with the City but your injury or illness prevents you from performing the duties of your job, you can apply for disability retirement. If you are terminated from City employment for inability to perform your employment duties, you must apply for disability retirement benefits within 90 days of your termination date or you will lose your opportunity to apply.

Disability retirement application packets are available for download on our website, or our office can provide one to you. Complete all the forms and submit them to the COAERS office. It is important that you carefully read all the materials in the packet and thoroughly complete all of the paperwork.

Your personal and medical information will be held in the strictest confidence. Your completed application will be sent to our medical consultant for review. Our consultant will make a professional recommendation to our Board of Trustees, who will make the final decision on your application. You will be notified when the hearing will take place. You are welcome to attend, but your attendance is not required.

#### **Continuing Proof of Your Disability**

Disability retirees are periodically required to provide proof of continued disability by submitting income documentation to our Board of Trustees. Disability retirees will receive a letter about what we need and when it needs to be submitted. If the required documentation is not submitted in a timely manner, your monthly benefit payment could be suspended.

## Staying Involved and Informed

There are a variety of ways to get information about COAERS and to stay involved:

- Our website, [www.coaers.org](http://www.coaers.org), contains information about benefits, retiree pay dates, links to our forms and publications, information about board meetings, and investments.
- Newsletters are sent periodically to active, retired, and terminated vested members.
- Annual statements are available at the beginning of the year in your MemberDirect account.
- The COAERS Annual Comprehensive Financial Report (ACFR) can be found on our website.
- Our annual Member Meeting is a great way to meet our Board of Trustees and the COAERS staff, as well as to learn more about COAERS through presentations. See our website for meeting dates.

Another way to get involved is to be a volunteer on the Nominating and Election Committee, or to run as a candidate for active or retired positions on the Board of Trustees. Annual election information is published in our newsletters and on our website and social media platforms.

## Member Responsibilities

COAERS members have certain responsibilities. We have compiled a few below for you to remember.

- Keep your address current.
- Notify us of your proportionate service frequently. We do not automatically receive proportionate service information from other Texas retirement systems. We rely on members to keep their proportionate service up to date with COAERS through regular communication with COAERS.
- Timely apply for benefits. COAERS does not pay retroactive benefits back to the date you first became eligible to retire. Know when you are eligible for benefits and contact COAERS before that time to properly apply for benefits.
- If you are thinking about returning to work with the City of Austin (or COAERS) after retirement, know and understand the restrictions on the receipt of your retirement benefit. You can read about the rules in this handbook or on our website. You can also contact us prior to returning to work for the City of Austin.
- If you are getting divorced, contact COAERS to understand the options regarding your COAERS benefits. If you obtain a Qualified Domestic Relations Order, check the division of benefits to ensure it is correct before a judge signs it.
- Keep your beneficiary designations current.

## Have Questions or In Doubt?

We are here to help you, so if you have questions or are unsure about the benefits we administer, don't hesitate to contact us. When you do, take the time to describe all the facts of your situation. The more information we have, the better we can serve you.

## Online Resources

The following resources are available online through the COAERS website at [www.coaers.org](http://www.coaers.org):

- Contact information for the COAERS office
- A calendar of events
- Board meeting agendas and minutes, and a list of current board members
- Registration for MemberDirect to access your benefit information.
- Important forms, including beneficiary forms, forms to request estimates, change of address forms, and tax forms

# Appendix

## A: COAERS Contact Information

Website: [www.coaers.org](http://www.coaers.org)  
Phone: (512) 458-2551  
E-mail: [member.services@coaers.org](mailto:member.services@coaers.org)  
Fax: (512) 458-5650  
Office: 6836 Austin Center Blvd Suite 190, Austin, TX 78731  
Appointments: [www.coaers.org/contact](http://www.coaers.org/contact) (book an appointment online)

## B: Helpful City of Austin Contact Information

City of Austin Employee Benefits Division	(512) 974-3284	<a href="http://www.austintexas.gov/department/benefits-division">www.austintexas.gov/department/benefits-division</a>
Deferred Compensation Plan – Empower	(866) 613-6189	<a href="http://www.dcaustin.empower-retirement.com">www.dcaustin.empower-retirement.com</a>



**C: Early Retirement Reduction Table: Group B**

Please note that “% of Normal Benefit” is a percentage of a life annuity.

Age at Retirement		% of Normal Benefit
Years	Months	
65	0	100.00%
64	11	99.29%
64	10	98.58%
64	9	97.87%
64	8	97.16%
64	7	96.45%
64	6	95.74%
64	5	95.03%
64	4	94.32%
64	3	93.61%
64	2	92.90%
64	1	92.19%
64	0	91.48%
63	11	90.84%
63	10	90.20%
63	9	89.56%
63	8	88.92%
63	7	88.28%
63	6	87.65%
63	5	87.01%
63	4	86.37%
63	3	85.73%
63	2	85.09%
63	1	84.45%
63	0	83.81%
62	11	83.23%
62	10	82.66%
62	9	82.08%
62	8	81.50%
62	7	80.93%
62	6	80.35%
62	5	79.77%
62	4	79.20%
62	3	78.62%
62	2	78.04%
62	1	77.47%
62	0	76.89%
61	11	76.37%
61	10	75.85%
61	9	75.33%
61	8	74.81%

Age at Retirement		% of Normal Benefit
Years	Months	
61	7	74.29%
61	6	73.77%
61	5	73.24%
61	4	72.72%
61	3	72.20%
61	2	71.68%
61	1	71.16%
61	0	70.64%
60	11	70.17%
60	10	69.70%
60	9	69.22%
60	8	68.75%
60	7	68.28%
60	6	67.81%
60	5	67.33%
60	4	66.86%
60	3	66.39%
60	2	65.92%
60	1	65.44%
60	0	64.97%
59	11	64.54%
59	10	64.11%
59	9	63.69%
59	8	63.26%
59	7	62.83%
59	6	62.40%
59	5	61.97%
59	4	61.54%
59	3	61.12%
59	2	60.69%
59	1	60.26%
59	0	59.83%
58	11	59.44%
58	10	59.05%
58	9	58.66%
58	8	58.27%
58	7	57.88%
58	6	57.50%
58	5	57.11%
58	4	56.72%

Age at Retirement		% of Normal Benefit
Years	Months	
58	3	56.33%
58	2	55.94%
58	1	55.55%
58	0	55.16%
57	11	54.80%
57	10	54.45%
57	9	54.09%
57	8	53.74%
57	7	53.38%
57	6	53.03%
57	5	52.67%
57	4	52.31%
57	3	51.96%
57	2	51.60%
57	1	51.25%
57	0	50.89%
56	11	50.57%
56	10	50.24%
56	9	49.92%
56	8	49.59%
56	7	49.27%
56	6	48.95%
56	5	48.62%
56	4	48.30%
56	3	47.97%
56	2	47.65%
56	1	47.32%
56	0	47.00%
55	11	46.70%
55	10	46.41%
55	9	46.11%
55	8	45.82%
55	7	45.52%
55	6	45.23%
55	5	44.93%
55	4	44.63%
55	3	44.34%
55	2	44.04%
55	1	43.75%
55	0	43.45%

**D: Normal Retirement Life Annuity Estimates: Group A**

This chart estimates gross monthly life annuity amounts. **This chart does not reflect reductions** for survivor options, QDROs, DROPs, partial lump sums, insurance, or taxes.

Monthly Final Ave. Pay	COAERS Service Credit					
	5	10	15	20	25	30
<b>\$2,000</b>	\$300	\$600	\$900	\$1,200	\$1,500	\$1,800
<b>\$3,000</b>	\$450	\$900	\$1,350	\$1,800	\$2,250	\$2,700
<b>\$4,000</b>	\$600	\$1,200	\$1,800	\$2,400	\$3,000	\$3,600
<b>\$5,000</b>	\$750	\$1,500	\$2,250	\$3,000	\$3,750	\$4,500
<b>\$6,000</b>	\$900	\$1,800	\$2,700	\$3,600	\$4,500	\$5,400
<b>\$7,000</b>	\$1,050	\$2,100	\$3,150	\$4,200	\$5,250	\$6,300
<b>\$8,000</b>	\$1,200	\$2,400	\$3,600	\$4,800	\$6,000	\$7,200

**E: Normal Retirement Life Annuity Estimates: Group B**

This chart estimates gross monthly life annuity amounts for normal retirement (ages 62 or 65). **This chart does not reflect reductions** for early retirement, survivor options, QDROs, DROPs, partial lump sums, insurance, or taxes.

Monthly Final Ave. Pay	COAERS Service Credit					
	5	10	15	20	25	30
<b>\$2,000</b>	\$250	\$500	\$750	\$1,000	\$1,250	\$1,500
<b>\$3,000</b>	\$375	\$750	\$1,125	\$1,500	\$1,875	\$2,250
<b>\$4,000</b>	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$3,000
<b>\$5,000</b>	\$625	\$1,250	\$1,875	\$2,500	\$3,125	\$3,750
<b>\$6,000</b>	\$750	\$1,500	\$2,250	\$3,000	\$3,750	\$4,500
<b>\$7,000</b>	\$875	\$1,750	\$2,625	\$3,500	\$4,375	\$5,250
<b>\$8,000</b>	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000