

TCRS: Maximizing your Benefit

As you are setting your retirement date, please consider the following factors that affect your retirement benefit. Please contact the Employee Benefits Office at 678-3573 or benefits@memphis.edu for assistance or clarification of any of the factors.

- If you retire in the middle of the year, it is usually advantageous to make your date of retirement on or before July 1. This will allow your cost of living adjustment (COLA) to begin on the first available date – July 1 of the year following retirement. The TCRS COLA is between 1% and 3%. It was 2.5% for July 1, 2007.
- Faculty members: If you teach summer school or work an extended contract on Career Ladder and the extended work will give you earnings in July, consider a date of retirement at the end of the regular school year versus the date in July. You may find that receiving a benefit from TCRS for the month of June, plus starting the first COLA payment one year sooner, will be more advantageous than the earnings for the extended contract. If you have earnings on July 1 or after, your first COLA will not start until two years following your date of retirement.
- The Social Security Integration Level (SSIL) is a factor in the TCRS benefits formula and is increased on January 1 of every year. If you retire at the end of the year, make your last day of work December 30 or before. Due to the SSIL factor, if you retire on January 1, your benefits may actually be less than if you retire on December 31. If you work into January, work the full month. Working through January will offset the loss due to the increase in the SSIL.
- If your longevity date is after June 30, consider a date of retirement on or before June 30. You will have to forfeit the longevity payment due after June 30, but you will start your COLA one year sooner. This is good for some, but may not work for others. Have your benefit estimated using June 30 and an estimate with date of retirement after you receive your longevity payment. If you elect to take the longevity payment, you will forfeit the first COLA for life. Your age, health, longevity payment, benefit amount, and the COLA amounts are all factors you will want to consider in deciding which is best for you.
- Annual leave can be taken by lump sum or you may quit work and extend the annual leave on a day by day basis until exhausted. If you take the lump sum payment, your TCRS benefit will begin the next day after you quit work. If you use the annual leave, the benefit will not begin until the day after you use the last day of leave. Depending on your circumstances, extending the leave may not be to your advantage unless you need the time to qualify for retirement, insurance, or the longevity payment.