



Legacy Retirement Plan Information for Teachers hired before July 1, 2014

RetireReadyTN is the state's retirement program, combining the strengths of a defined benefit plan provided by the Tennessee Consolidated Retirement System (TCRS), the State of Tennessee 401(k) plan through services provided by Empower Retirement, and retirement readiness education. We strive to empower public employees to take actionable steps toward preparing for the future.

Full-time teachers hired prior to July 1, 2014 are members of the Legacy Plan for Teachers ("Legacy Plan") as a condition of employment.



About Tennessee Consolidated Retirement System (TCRS)

- TCRS provides a lifetime monthly benefit at retirement once eligibility has been met.
- Teachers become vested in TCRS upon completing at least 5 years of creditable service with a TCRS-covered employer.
- Vested members are eligible for an unreduced monthly retirement benefit at age 60 or with 30 years of creditable service.
- Benefits are calculated based on the member's years of creditable service, average final compensation (AFC), age, and the benefit accrual factor. AFC is the average of the highest five consecutive years of compensation.
- Teachers make a contribution of 5% of their salary to TCRS.

Accrual Factor ¹		1.575%
Average Final Compensation ²	x	\$30,000
Years of Creditable Service	x	30
Annual Benefit	=	\$14,175
	÷	12
Regular Monthly Benefit	=	\$1,181.25

This hypothetical example assumes a teacher, and an eligible member in the Legacy Plan, is retiring at age 60.



About the 401(k)

- Teachers participate in the State 401(k) plan on a voluntary basis.
- The amount a member has available in retirement is based on contributions, plus accumulated earnings (if any), to the member's account.

¹All legacy teachers receive a 5% Benefits Improvement Percentage (BIP), which raises the Accrual Factor from 1.5% to 1.575%.

²The IRS limits the maximum amount of compensation that may be recognized for retirement purposes. Annual limits are published at irs.gov.



About the 401(k) *continued*

- Members are immediately vested in the 401(k). Upon terminating employment or retiring, an employee may leave the account balance in the plan, roll it over to another qualified plan, or begin taking distributions.³
- Members select their investment options based on their individual goals, risk tolerance, and timeline.



Retirement Readiness Education

In addition to retirement plans, RetireReadyTN offers retirement readiness education and retirement counseling to all members. Members can meet with a local RetireReadyTN plan advisor for assistance with retirement planning or to discuss other financial planning needs. These services are provided to members at no additional fee.

To find your local representative and schedule a one-on-one or group meeting, please visit the "Resources" tab at RetireReadyTN.gov.



Designate a Beneficiary

One of the most important decisions a member can make is to designate a beneficiary(s). Designations for your TCRS benefit and the 401(k) account are made separately. In the event of a member's death, survivor benefits may be available to designated beneficiaries. Situations such as marriage, divorce, remarriage, or death do not automatically change a designated beneficiary(s).

For more information, refer to our *Selecting a Beneficiary* guide on RetireReadyTN.gov.

Contact Us

Call (800) 922-7772 Monday through Friday 8:00 a.m. to 7:00 p.m. CT

Visit www.RetireReadyTN.gov   @RetireReadyTN

For more plan information, please refer to the Teacher Legacy Member Guide.

The information in this document is general in nature and may be subject to change without notice. In the event of a conflict between this guide and plan documents, the plan documents will take precedence. Additionally, the value of a 401(k) account will fluctuate and it is possible for the value to be less than what was contributed. The risks associated with investing are numerous, and as with any investment, it is possible to lose money. The state of Tennessee and its employees are not authorized to provide legal, financial or tax advice. For legal and tax advice concerning your situation you should consult your personal legal, tax or other advisers.



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³If the member withdraws money from the 401(k) account balance prior to age 59 ½, they may be subject to an early distribution tax under the Internal Revenue Code.