



## Retirement Plan Information for Employees of Local Government Entities Electing to Participate

RetireReadyTN is the state's retirement program, combining the strengths of a defined benefit plan provided by the Tennessee Consolidated Retirement System (TCRS), 401(k) and 457 plans 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.

A local government entity, also referred to as a political subdivision, may elect to offer a variety of retirement plans to eligible employees through a resolution approved by its governing body. This document provides general information about the state retirement plans. The specific plan or plans offered and their provisions will differ depending on the election of your governing body and any existing retirement plans you may have. For more information on the retirement benefits available through your employer, speak to your Benefits Coordinator or contact RetireReadyTN.



### About Tennessee Consolidated Retirement System (TCRS)

- TCRS is a defined benefit plan providing lifetime retirement, survivor and disability benefits for members and their beneficiaries.
- After meeting vesting requirements, a member becomes eligible to receive a monthly retirement benefit upon reaching the age and/or service requirement.
- 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.<sup>1</sup>
- Member Annual Statements are available by logging into Self-Service at MyTCRS.com.



### About the 401(k) and 457 Plans

- The amount available in retirement is based on contributions, plus accumulated earnings (if any) to the member's account.
- 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.<sup>2</sup>
- Members select their investment options based on their individual goals, risk tolerance, and timeline.
- Members may access and make changes to their 401(k) or 457 account by logging in to RetireReadyTN.gov or calling 800-922-7772.

<sup>1</sup>The IRS limits the maximum amount of compensation that may be recognized for retirement purposes. Annual limits are published at [irs.gov](https://www.irs.gov).

<sup>2</sup>If the member withdraws money from the 401(k) account balance prior to age 59 ½, they may be subject to an early distribution tax.



## 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 [RetireReadyTN.gov](http://RetireReadyTN.gov).



## Designate a Beneficiary

One of the most important decisions a member can make is to designate a beneficiary(s). Designations for TCRS benefits and the 401(k)/457 accounts 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](http://RetireReadyTN.gov).

### Want to learn more about your retirement benefits?

Retirement plan provisions for political subdivisions vary. For more information about the retirement benefits offered by your employer including vesting requirements, contribution amounts and retirement eligibility, speak with your Benefits Coordinator or schedule a one-on-one meeting with your local RetireReadyTN Plan Advisor.

## Contact RetireReadyTN

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

Visit [www.RetireReadyTN.gov](http://www.RetireReadyTN.gov)



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*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.*