



A program of the
Tennessee Department of Treasury
David H. Lillard, Jr., Treasurer

THE STATE OF TENNESSEE RETIREMENT PLAN

RetireReadyTN

TGFOA Presentation

Fall 2025

► What Is RetireReadyTN?

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(b) plans through services provided by Empower, and retirement readiness education. We strive to empower public employees to take actionable steps toward preparing for the future.

[Learn more](#)

RETIRE *READY*





 **Tennessee Consolidated Retirement System
(TCRS)**

▶ Tennessee Consolidated Retirement System (TCRS)

- TCRS is a defined benefit plan providing a lifetime retirement benefit, and survivor and disability benefits for members and 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 using set formulas
- Contributions cannot be withdrawn until termination of employment or retirement
- The State invests contributions made on your behalf



► TCRS by the Numbers

- Provides retirement, survivor and disability benefits to more than 220,000 active members and more than 149,000 retired members
- \$75 billion held in trust
- More than 92% of the \$3.28 billion in annual benefits paid by TCRS remain in Tennessee
- \$68.61 of every \$100 paid in retiree benefits comes from investment earnings



Data as of June 30, 2024



► What Determines Your TCRS Retirement Benefit?

Average Final Compensation (AFC)

- The average of your highest 60 consecutive months of salary

Years of Service

- Your total number of years and months of creditable service

Age at Retirement

- Determines early retirement reduction factors and benefits paid under the joint and survivor plan options

Accrual Factor

- Determined by Hybrid or Legacy member



▶ Local Government Participation

- Political Subdivisions (local government entities) may elect to participate in the following TCRS plans:

Plan	Common Features	Adopters
Legacy	1.5% accrual factor	607
Hybrid with Cost Controls	1% accrual factor, requires DC plan component, fixed contribution rate	27
Hybrid without Cost Controls	1% accrual factor, requires DC plan component, fixed contribution rate	34
Alternate Defined Benefit	1.4% accrual factor	8

- All local government entities are eligible to adopt the State of Tennessee 401(k) and 457(b) plans
- Political subdivisions may customize certain TCRS and DC plan provisions
- Each political subdivision is a separate liability pool within TCRS

▶ TCRS Disability Retirement Benefits

A member who is not eligible for service retirement, but who can no longer engage in any type of substantial gainful employment due to a total and permanent medically determinable disability, may be entitled to disability benefits.

- **Ordinary** - must have five years of service; disabled since date of separation from employment
- **Accidental** - no minimum service requirement; injury must be job related; must apply within one year of paid service or within two years of the injury
- **Inactive** - must have five years of service; not in service at the time of disability; for political subdivision employees, the provision must have been adopted to apply

Contact 800-922-7772 with questions



▶ TCRS Survivor Retirement Benefits

- In the event a member passes away prior to retirement, the designated beneficiary(ies) may be eligible for a survivor benefit
- Survivor benefits that may be paid are determined by who is designated as beneficiary(ies), the member and beneficiary's ages, and length of service
- Spousal death benefit available after 5 years of service



► Prior Service in TCRS

- A member may be entitled to establish prior service credit for:
 - Previously withdrawn service
 - Military service that interrupted the member's public employment
 - Educational leave of absence that interrupted the member's employment
- Some types of service may be established without charge, while others require payment of contributions and interest.
- For additional information, visit **RetireReadyTN.gov** or contact the Service Center at **800-922-7772**.



▶ TCRS Experience Study: July 1, 2020 – June 30, 2024

- Demographic Assumptions
 - Mortality, disability, turnover, withdrawal, retirement, etc.
- Economic Assumptions
 - Inflation, COLA, Investment Return, compensation increases, etc.
- Key Takeaways: Mortality Rates and Expected Rate of Return
 - Teacher Overall Average mortality rate – 10% more deaths than 2020 assumption; 0.6% after adjustment for COVID
 - General State/Political Subdivisions Average mortality rate – 8% more deaths than 2020 assumption; 0.6% after adjustment for COVID
- Investment Return assumption rate remains at 6.75%



▶ **Deferred Compensation Plans**
401(k) and 457(b)

► Deferred Compensation Plans – 401(k) and 457(b)

- Offered in partnership with Empower
- The amount available in retirement is based on contributions, plus any accumulated earnings
- Members are immediately vested in the 401(k) & 457(b)¹
- Members select their investment options based on their individual goals, risk tolerance, and timeline
- 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 distributions²
- 401(k) and 457(b) plans offer the same investment options



¹ State, Higher Education employees, and K-12 Public Teachers have immediate vesting in the 401(k) and 457(b). Local Government employees should call their plan specialist.

² Withdrawals from the 401(k) Plan may be subject to income tax and a 10% early withdrawal penalty if taken before age 59½. Withdrawals from the 457(b) plan may be subject to income tax.

▶ Participants* & Assets By Entity Type *as of 6/30/2025*

	401(k) Plan	Assets	457 Plan	Assets
State	67,277	\$3,377,804,240	7,695	\$294,680,207
University of Tennessee	24,705	\$1,284,734,931	2,550	\$293,931,797
Tennessee Board of Regents /Higher Education	28,249	\$1,244,523,918	1,518	\$103,828,580
K-12	86,162	\$1,689,564,850	760	\$8,406,480
Local Governments	20,031	\$457,510,150	5,866	\$232,009,203
Total	226,424	\$8,054,138,088	18,389	\$932,856,267

•employees with plan balances

▶ 401(k) and 457(b) Comparison

401(k)

- The 401(k) plan is a component of the Hybrid Plan
- All Employer contributions are made on a pre-tax basis; employee contributions may be made pre-tax or Roth
- Loans allowed

457(b)

- Additional savings opportunity
- For LEAs, the 457(b) must be adopted by the BOE
- No employer contributions; employee contribution may be made pre-tax or Roth
- Does not share a contribution limit with 401(k), including catch-up limit
- No loans

▶ Your 401(k) and 457(b) Investment Options

- 15 Core funds
- 11 Target Retirement funds
- The target date fund corresponding to the member's 65 birthday serves as the default

View Fund Overviews:

- Navigate to **RetireReadyTN.gov** > *Retirement* > *401(k)/457 Investing*
- Or log in to your account



► How much you can contribute

2025 Deferral Limits

	Deferral Limit (age 49 & under)	Regular Catch-Up Limit (age 50-59, 64+)	Enhanced Catch-Up Limit (age 60-63)
401(k)	\$23,500	\$7,500	\$11,250
457(b)	\$23,500	\$7,500	\$11,250

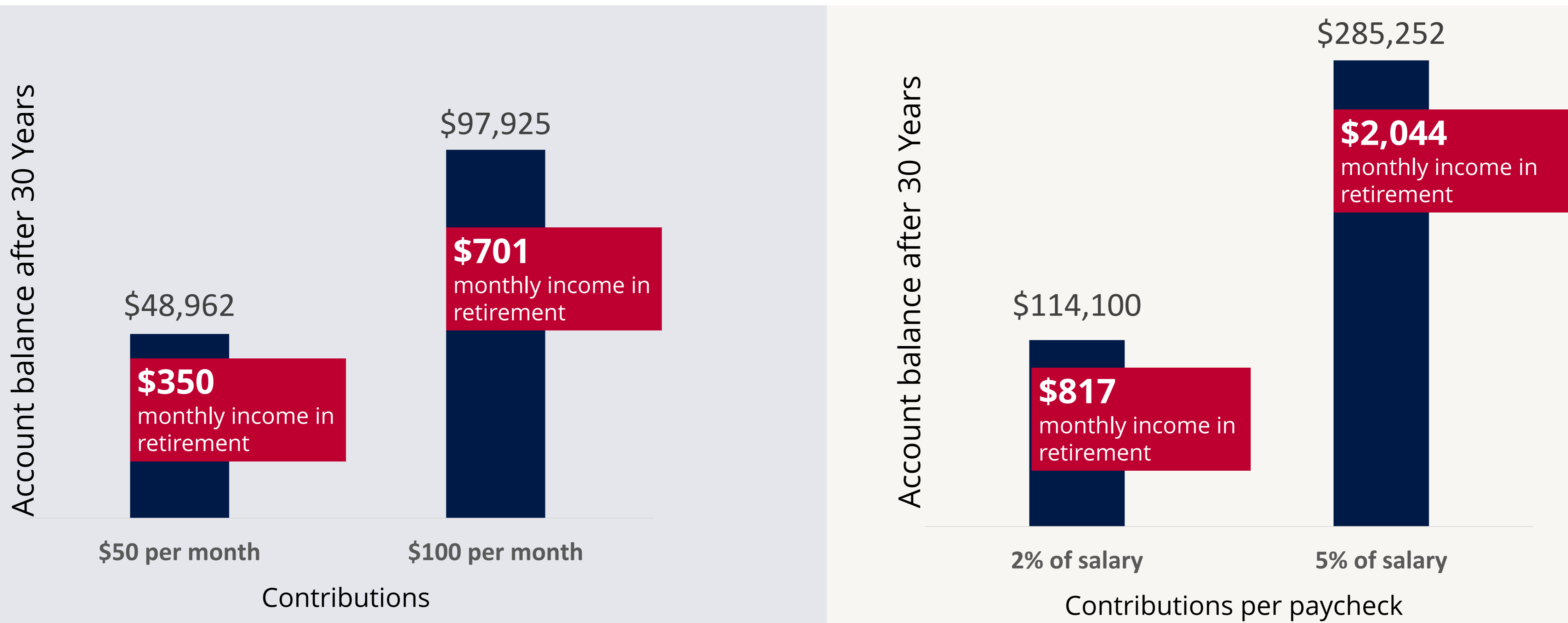
2025 Maximum Deferrals to 401(k) and 457(b)

Age turning in 2025	Maximum Deferral
49 and under	\$23,500
50-59, 64+	\$31,000
60-63	\$34,750



▶ A little more now could become a lot more for your future

It's true when people say a little bit can really add up over time.



FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration assumes a salary of \$50,000 with 3% raises annually, contributions of 2% of salary, 5% of salary, \$50/month, and \$100/month for 30 years at 6% annual rate of return and reinvestment of earnings with no withdrawals. This is followed by withdrawals of the above amounts monthly for 20 years at 6% annual rate of return during retirement. These rates of return are not guaranteed. Investing involves risk, including loss of principal. This illustration does not include any taxes due, fees, charges, or expenses. These deductions would reduce the tax-deferred amount shown in this illustration.

The background features a dark blue field with a large, lighter blue circular graphic on the right side. Inside this circle are several five-pointed stars of varying sizes and orientations, creating a starburst effect.

▶ **Legacy Plan Overview**

▶ Legacy Plan

- Members can be contributory or noncontributory to TCRS based upon the employer's election
- 5-year vesting
- Service Retirement at age 60 and vested, or with 30 years of service
- Early retirement available at age 55 or with 25+ years of service with a permanently reduced benefit
- Participation in the 401(k) plan is voluntary

▶ TCRS Legacy Plan Formula

Accrual Factor¹	X	Average Final Compensation	X	Years of Service	=	Annual Benefit
1.575%		Average of your highest 60 consecutive months of salary		Service established while in a position covered by the Legacy Plan		

- Calculation reflects the maximum benefit payable
- May choose a Single Life Annuity or Joint and Survivor Plan at retirement

¹ General State, Higher Education Employees, and K-12 Public School Teachers receive a 5% Benefits Improvement Percentage (BIP), which raises the Accrual Factor from 1.5% to 1.575%. The BIP does not apply to members of the General Assembly, State Judges, and any superseded plans.

The background features a dark blue field with a large, lighter blue circular graphic on the right side. Inside this circle are several overlapping, five-pointed stars of varying shades of blue. On the left side, there is a red triangle pointing to the right, followed by the text 'Hybrid Plan Overview' in white.

► **Hybrid Plan Overview**

► Hybrid Plan Structure

	Your Employer contributes	You contribute	Total contributions
TCRS	4%	5%	9%
401(k)	5%	2% ¹	7%
TOTAL	9%	7%	16%

- Members make mandatory contributions to TCRS and are auto-enrolled to contribute 2% of compensation to the 401(k)
- 5-year vesting in TCRS, immediate vesting in 401(k)
- TCRS Service Retirement at age 65 or by meeting the rule of 90 (service years + age = 90)
- Early Retirement available at age 60 or rule of 80 (service years + age = 80) with permanently reduced benefit

¹ Members have 30 calendar days to opt out of the 2% member contribution before a contribution is made to the member's account; otherwise, contributions to the 401(k) of 2% will be deducted each pay period for the member. The member may modify, or opt out of, future contributions to the 401(k) plan at any time.

▶ TCRS Hybrid Plan Formula

Accrual Factor	X	Average Final Compensation	X	Years of Service	=	Annual Benefit
1%		Average of your highest 60 consecutive months of salary		Service established while in a position covered by the Hybrid Plan		

- Calculation reflects the maximum benefit payable
- May choose a Single Life Annuity or Joint and Survivor Plan at retirement

▶ 401(k) Benefit Calculation Example

- Average Salary: \$50,000/year
- Employee Contribution: 2% → \$1,000/year
- Employer Non-Match: 5% → \$2,500/year
- Total Annual Contribution: \$3,500

Time Horizon	Annual Return Assumption	Ending Balance
30 Years	6%	\$334,000

¹ Calculated based on assumed average earnings of \$30,000 per year over a 30-year period and 6% annual returns. This is presented for illustrative purposes only and does not constitute a guarantee of benefits. The dollar-for-dollar match for State and Higher Education employees has not been calculated in this illustration.



**Retirement Readiness Education &
Engagement**



▶ Retirement Education Resources

- [RetireReadyTN.gov](https://www.RetireReadyTN.gov)
- Call Center at **800-922-7772**
- Materials on [RetireReadyTN.gov](https://www.RetireReadyTN.gov) > *Forms and Guides*
- RetireReadyTN Plan Advisor Services



▶ RetireReadyTN.gov

The screenshot shows the homepage of RetireReadyTN.gov. At the top, there is a navigation bar with the Tennessee Department of Treasury logo and menu items: EXPLORE YOUR TN TREASURY, SERVICES, FINANCIAL EDUCATION, RETIREMENT (highlighted), UNCLAIMED PROPERTY, and INVESTMENTS. Below the navigation bar is a large banner image featuring a city skyline, a bridge, and a theater sign. The main heading reads "It's your vision, your retirement. Be ready!". Below this, there is a paragraph of text and three buttons: "Log in to 401(k)/457(b) Self-Service", "Log in to TCRS Self-Service", and "Meet with a Retirement Plan Advisor". A video player is embedded in the center, showing the "RETIRE READY" logo and "TENNESSEE'S RETIREMENT PROGRAM". At the bottom, a blue bar contains the text: "We strive to empower public employees to take actionable steps toward preparing for the future." A red circle highlights the login buttons and the video player.

This screenshot shows a section of the website titled "Let's get started: Discover your plan features!". Below the title, it says "Select your employment type below to view your customized plan information:". There are four buttons with corresponding images: "for Teachers" (Tennessee flag), "for Higher Ed Employees" (college building), "for Local Gov't Employees" (city hall), and "for State Employees" (state capitol building). A red circle highlights the "for State Employees" button.



Q1 2025 YOY Website Trends Comparison*

Web performance	Q1 2024	Q1 2025	Increase or decrease
Unique web users	102,404	99,533	-3%
Sessions	193,928	199,425	+3%
Pageviews	779,835	815,398	+5%
Average Engagement Time**	3 minutes, 22 seconds	3 minutes, 15 seconds	- 7 seconds
Sessions/Web User	1.9	2	+5%
App users	18,770 iOS; 6,129 Android; 24,899 total	25,818 iOS; 7,431 Android; 33,249 total	+34%

Unique web user: A single Device and Browser pair uniquely identified by a Google Analytics browser cookie. A Web User ID does not directly identify a single person if they utilize multiple devices (and are assigned multiple unique cookie values).

Pageview: A single view of a page, which most often involves a change to the URL. A Pageview is an instance of a page being loaded (or reloaded) in a browser. Pageviews is a metric defined as the total number of pages viewed.

*Due to new Google Analytics constraints, data is for 401(k) Plan only

**Google Analytics replaced average session duration with average engagement time in July 2024. Defined as the average amount of time (in seconds) a web user spent engaged with a website, with the website in the foreground, during a single Session. An engaged session is a session that lasts longer than 10 seconds or has at least 2 Page Views.

▶ Lifetime Income Score (LIS)

What is Lifetime Income Score?

- Measure of income you are on-track to replace in retirement
- Includes Social Security estimate and a projection of TCRS benefit for vested members
- Available in the 401(k)/457(b) Self Service at RetireReadyTN.gov

How to increase your score

- Increase contributions
- Adjust retirement age
- Add outside accounts
- Diversify investments

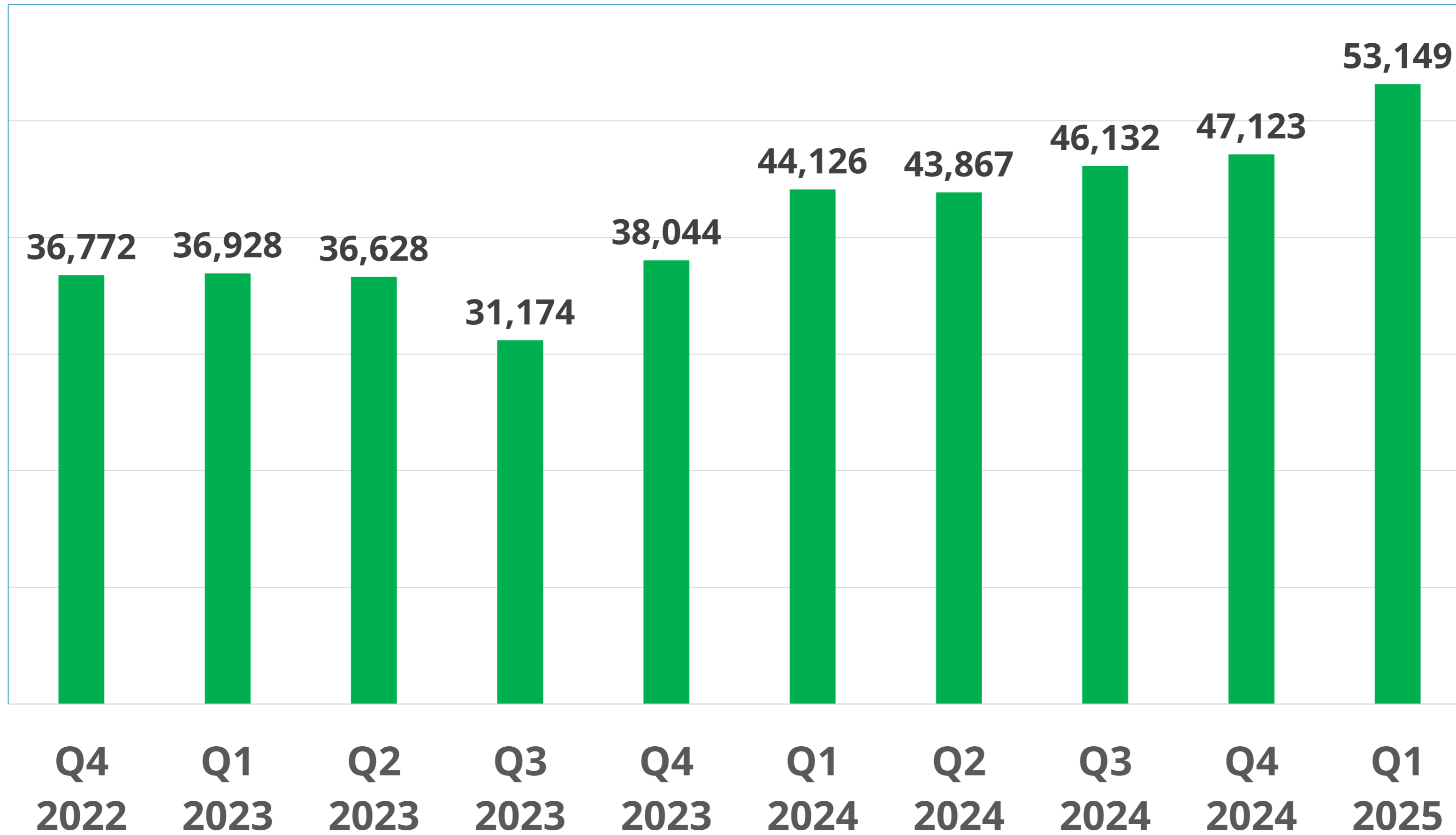
The screenshot displays the RetireReadyTN.gov dashboard. At the top, there are navigation tabs for Overview, Account, Investing, and Planning. The user's name 'TS' and a 'Log out' button are visible in the top right corner. The main dashboard is divided into several sections:

- NET WORTH:** Shows a total net worth of \$25,482, broken down into Assets (\$25,482) and Liabilities (\$0).
- ACCOUNT BALANCE:** For the State of Tennessee 401(k) Plan, the balance is \$10,192.80. It also shows a rate of return of 7.89% (2/14/2022 - 2/14/2025), 1 primary beneficiary, and YTD contributions of \$3,406.00.
- Empower accounts:** Lists various accounts including State of Tennessee 401(k) Plan (\$10,192.80), State of Tennessee 457 Plan (\$15,289.20), and TCRS (\$216.00).
- In retirement starting 2050:** A central section showing an estimated monthly income of \$2,601. A circular progress indicator shows that the user is 76% of the way to their goal.
- Income Breakdown:** A bar chart showing components of retirement income: My savings (\$1,199), Employer contributions (\$361), Social Security (\$1,042), Other assets (\$0), and Income gap (\$805).
- Next Step:** A recommendation to 'Consider increasing your contribution rate to 6% to receive the full plan match'.
- Professional account management:** A notification that professional account management is turned off, with an 'Activate today' button.
- INSIGHTS:** A section titled 'Add or update your beneficiary' with a note about the importance of having a current beneficiary.

The charts, graphs, and screen prints shown are for ILLUSTRATIVE PURPOSES ONLY.

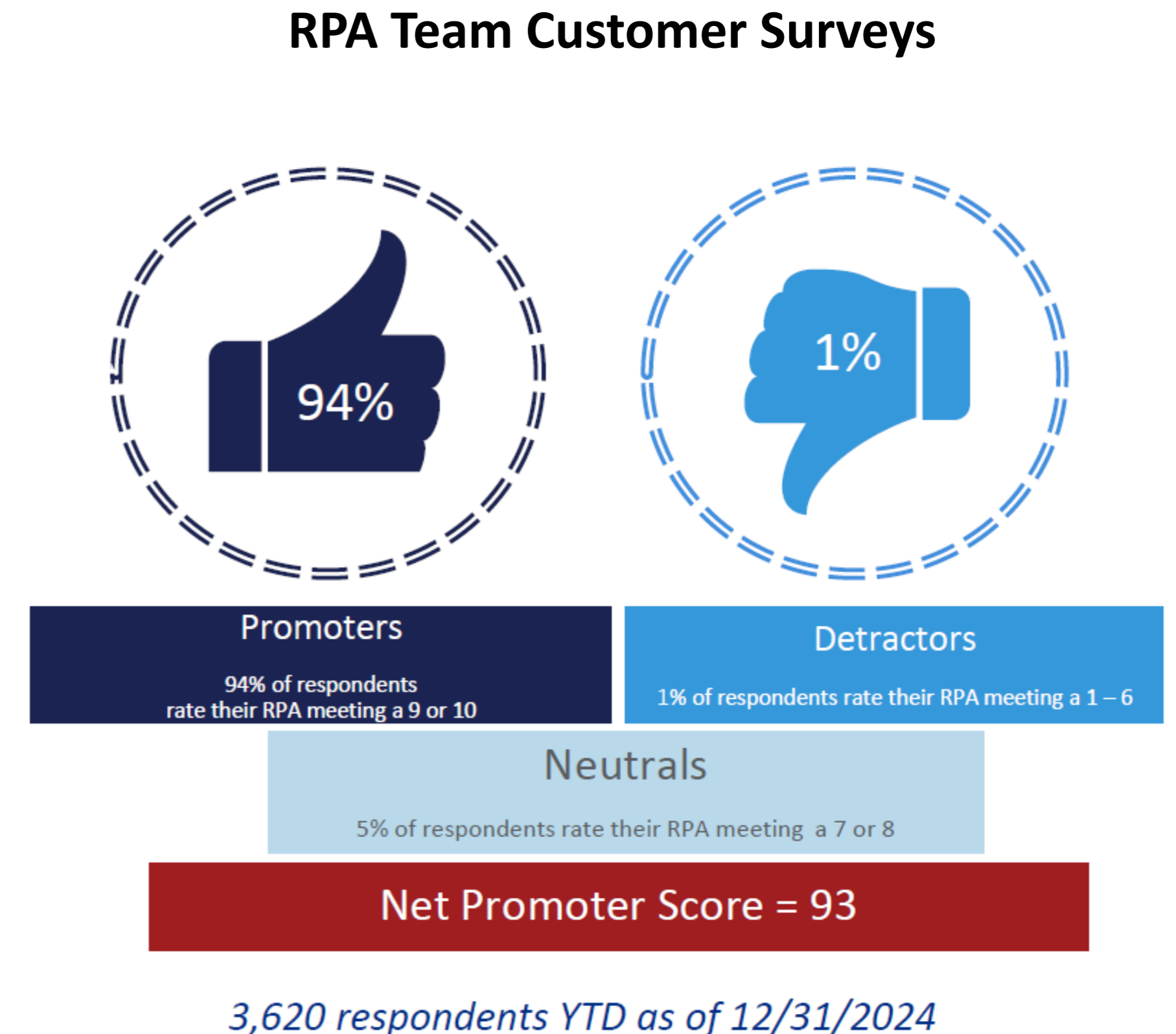
▶ Lifetime Income Score

Total Plan
Participants on Track for 100% Income Replacement



▶ RetireReadyTN Plan Advisor Services

- Retirement Readiness Reviews and Retirement Counseling appointments are offered at no additional cost to all members of TCRS and/or the State of Tennessee 401(k) and 457(b) Plans
- Services are provided through a partnership with Empower Retirement
- All RetireReadyTN Plan Advisors:
 - are licensed to provide investment advice
 - must adhere to the “Best Interest” standard of conduct
 - do not receive commissions for decisions made
- RetireReadyTN Plan Advisors are the only representatives with authorized access to TCRS and State of TN 401(k) and 457(b) account information



▶ RPA Meeting Analysis

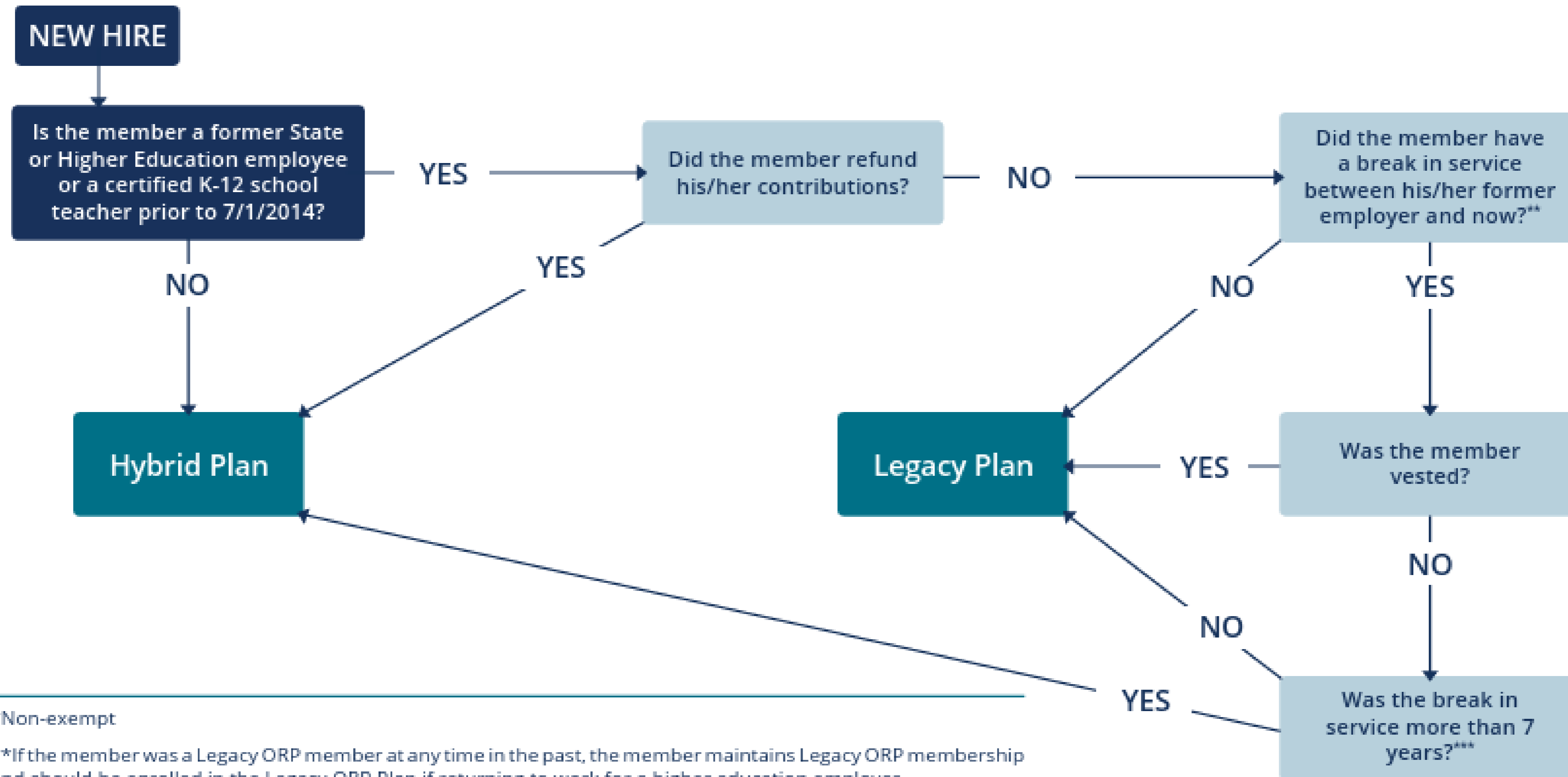
- **Participants with higher salaries meet with RPA's more often than participants with lower salaries**
 - Participants with a salary of \$75,000+ make up 21% of the plan population, while 36% of RPA meetings are with this group
- **Older participants are more likely to meet with an RPA than younger participants**
 - Participants under the age of 40 make up 43% of the plan population, while only 17% of RPA meetings are with this group
- **Teachers are underrepresented in RPA meetings**
 - Local Education Agency employees make up nearly 40% of the plan population, while accounting for 22% of RPA meetings
- **Participants that meet with an RPA tend to have higher deferral rates**

	RPA Meeting	No RPA Meeting
All Participants	5.5%	1.5%
Hybrid	5.7%	2.8%
Legacy	4.6%	1.2%

▶ **Onboarding**



► Enrollment Decision Guide



*Non-exempt

**If the member was a Legacy ORP member at any time in the past, the member maintains Legacy ORP membership and should be enrolled in the Legacy ORP Plan if returning to work for a higher education employer.

***If the member worked as a State or Higher Education employee or a certified K-12 school teacher prior to 7/1/2014 but maintained membership by working for a local government agency, he/she should be enrolled in the Legacy plan when returning to State, Higher Education, or K-12 teaching.

▶ Part-time Employees – Optional Membership

- Employees who have previously participated in TCRS are required to be reenrolled
- Part-time employees who have never participated in TCRS, shall be enrolled unless they elect not to participate (opt-out) by submitting a written, irrevocable election no later than 30 calendar days after their first day of employment
- Opt-out Certification for available on the Forms & Guides page at [RetireReadyTN.gov](https://www.RetireReadyTN.gov)
- Opting-out is irrevocable and forfeits all rights to benefits and contributions under the retirement program

► Designate beneficiaries

- Update your TCRS, 401(k), & 457(b) beneficiary(ies) via Self-Service at **RetireReadyTN.gov**
- You may select multiple primary beneficiaries
- You must elect beneficiaries for your TCRS, 401(k), and 457(b) plans separately, even if designating the same beneficiary for all plans
- Remember, your beneficiary(s) will not automatically be changed in the event of a birth, marriage, divorce, or death, or other change in circumstance



▶ Onboarding Resources



Onboarding Resources for New Employees

Start Here!

Hybrid Teachers

Hybrid State and Higher Education

Local Government (non-hybrid)

Videos and materials for State and Higher Education Employees
Share helpful videos and print these documents to give to new employees during onboarding



Get Retire Ready
Document

RetireReadyTN can help prepare your employees for retirement and other financial goals they may have...

[View the document](#)



Hybrid Retirement Plan
Information
Document

Combining the strengths of the TCRS defined benefit plan, a 401(k) plan through Empower...

[View the document](#)



401(k) and 457(b) Plan
Comparison
Document

Help employees compare the deferred compensation plans offered through RetireReadyTN...

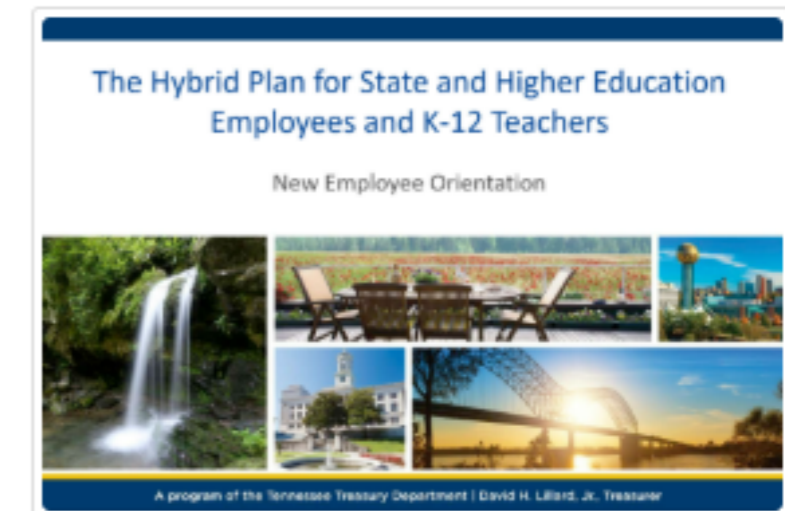
[View the document](#)



What is RetireReadyTN?
Video

Components of retirement program, covered in less than two minutes, including TCRS, 401(k)/457...

[View the video](#)



New Employee Orientation Video
Video

New teachers will learn about the TCRS and 401(k) components of their retirement plan...

[View the video](#)

▶ **Offboarding**



► Retirement Offboarding

- Separation from service procedures should be communicated to employees so that proper agency notifications are made before a retirement application is submitted to TCRS
- Employers should have a structured offboarding process in place to ensure clear communication and alignment between all parties. This process should include discussions with the departing employee to confirm their planned retirement date and verify any outstanding employment details
- By establishing a clear offboarding procedure, employers can:
 - Prevent discrepancies between the employee’s expected retirement date and what is certified by the employer
 - Avoid delays or changes that could impact the employee’s retirement benefits



▶ TCRS Separation from Service Prior to Retirement

- **Retirement Benefit Eligibility:** Members with at least 5 years of creditable TCRS service will be eligible for a benefit upon reaching service retirement age
- **Refund Considerations:**
 - TCRS covers most public employers in the State of TN. Members should carefully consider future employment before requesting a refund of contributions
 - Contributory (hybrid) Members will continue to accrue interest on contributions for 5 years following separation
- **Timely Retirement Filing:** TCRS can only pay benefits up to 150 days prior to the receipt of the application. If you separated from service, it is important to apply for retirement as soon as you become eligible to avoid missing payments.

▶ Deferred Compensation Separation from Service

- Deferred Compensation funds are 100% vested upon membership
- Funds may remain with the state's deferred compensation plans (contributions will cease)
 - Required minimum distributions must be taken annually once the member reaches age 72
 - Under the 401(k) plans, a tax penalty will be applied to withdrawals prior to age 59 ½ unless special circumstances apply
 - Under the 457 plan, there is not tax penalty for early withdrawal
- Funds may be rolled over to another qualified retirement plan

The background features a dark blue field with a large, lighter blue circular graphic on the right side. Inside this circle are several overlapping, five-pointed stars of varying shades of blue. On the left side, there is a red triangle pointing right, followed by the text 'Nearing Retirement' in white.

▶ **Nearing Retirement**

▶ Within 3 Years of Retirement

- Schedule a counseling appointment with a RetireReadyTN Plan Advisor and request a benefit estimate by calling **800-922-7772**. During a counseling session you will:
 - Review your TCRS benefit estimate, benefit payment options, and employment history
 - Review your 401(k)/457(b) account balances, investment choices, and retirement income options
 - Discuss Social Security options
 - Discuss how to execute your retirement plan
 - Create a monthly retirement budget
 - Consider your eligibility for 401(k)/457(b) Catch-Up Contributions

The Retirement Readiness Review is provided by an Empower representative registered with Empower Advisory Group, LLC and may provide investment counseling and/or recommendations at no additional cost to you. There is no guarantee provided by any party that use of the review will result in a profit.

▶ TCRS Online Retirement Application

- To apply for retirement, members must complete and submit an online application through TCRS Self Service at RetireReadyTN.gov
- Members unable to apply for retirement online for any reason should contact RetireReadyTN at 800-922-7772 to request a paper application which includes a waiver
- Access the “Preparing to Complete an Online Retirement Application” Guide on the Forms and Guides Page at RetireReadyTN.gov for step-by-step instructions for completing a retirement application



▶ TCRS Online Retirement and Retirement Date Selection

- There are five options for Retirement Date Section available to retiring members:
 - First Eligible (see below; generally most appropriate for inactive members)
 - 55th Birthday (early retirement age for vested members covered by the Legacy Plan)
 - 60th Birthday (service retirement age for vested members covered by the Legacy Plan)
 - 65th Birthday (service retirement age for vested members covered by the Hybrid Plan)
 - "Other" (allows members to enter a specific date; generally a date after the member has met the service requirements for early or service retirement)

Understanding the First Eligible option:

- When a member submits a retirement application, the "First Eligible" date represents the earliest possible date they can retire based on the current date and their retirement eligibility. For members that have satisfied early or service requirements, this will generally default to the first day of the following month
- Once the employer completes the online certification, the system will generate an official retirement date, which will likely differ from the default date initially shown. This finalized retirement date will only be communicated to the member through their official Notice of Retirement letter.

Online Retirement Application

Confirm Information

Retirement Information

EFT and Tax Information

Confirmation

Please complete the Retirement Information section below with your date of retirement and benefit option select

If you have not done so, consider scheduling a retirement counseling appointment and requesting a benefit estimate and determine which selection best fits your financial needs. To schedule an appointment or request a benefit estimate

Retirement Information

Note: Retirement Date must be within 150 days before or after the date the application is submitted to TCRS.

Retirement Date: *Select one from the list below.

To review the definitions for each selection, Click on the **i** button

Retirement Date Selection

First Eligible Date

55th Birthday

60th Birthday

65th Birthday

Other

* **Title of Position with Last Employer:**

* **Please select a Retirement Option:**

► TCRS Benefit Payment Option Selection

Single Life Annuities		Description: Benefit ceases upon the member's death	
Member Only	Maximum benefit based on benefit formula		
Social Security Leveling	Higher monthly benefit before age 62, offset by a permanent reduction at age 62, equal to estimated SS benefit. Benefit ceases upon member's death		
Joint and Survivor Plans		Description: Reduces the member's benefit to provide a percentage (shown below) to the beneficiary upon the member's death. Under the pop-up options, if the beneficiary dies first, the member's benefit will increase to the Member Only benefit amount	
		All options available if designating spouse as sole beneficiary. Non-spouse eligibility depends on the adjusted age difference limits shown below	
Option 1	100%	Less than 11 years	
Option 2	50%	N/A	
Option 3	100% with pop-up	Less than 11 years	
Option 4	50% with pop-up	N/A	
Option 5 (New)	70%	Less than 23 years	
Option 6 (New)	70% with pop-up	Less than 23 years	

A TCRS Benefit Estimate will provide a full breakdown of the benefit available under each option based on the member's plan eligibility and service and salary history. Joint and Survivor Plan benefit amounts are based on a calculation using the member and beneficiary's birthdates. If multiple beneficiaries are selected the youngest beneficiary's birthdate will be used.



Return to Work





► Public Chapter 159 (SB251/HB313) Reemployment for TCRS Members

- **Streamlined Return to Work Programs:** Consolidated 5 Return to Work programs into two over a one-year period, including the introduction of a new **70% Return to Work for Hard-to-Fill Positions**.
- **Eliminated Waiver:** Removed the ability to **waive the 60-day waiting period** for 120-day temporary employment.
- **Clarified Definition of “Bona Fide Separation of Service”** to align with IRS requirements and ensure consistent application.
- **Established Temporary In-Service Distribution**
Rule: Established a **limited exception** allowing in-service distributions under specific, narrowly defined circumstances.



► Understanding TCRS Return to Work

 What it is	 What it isn't
<ul style="list-style-type: none"> • A tool to fill critical vacancies with experienced, qualified retirees 	<ul style="list-style-type: none"> • A guaranteed right for all retirees
<ul style="list-style-type: none"> • A structured program with specific eligibility and compliance rules 	<ul style="list-style-type: none"> • An automatic or unrestricted option
<ul style="list-style-type: none"> • Allowed only under limited exceptions without suspension of TCRS benefits 	<ul style="list-style-type: none"> • Freely permitted while receiving TCRS benefits
<ul style="list-style-type: none"> • Designed to support workforce needs without jeopardizing TCRS's tax qualified status 	<ul style="list-style-type: none"> • A way to continue employment while beginning to draw a retirement benefit

▶ Return to Work Programs

	120 Day Temporary Employment	NEW 70% Benefit – Hard-to-fill positions
Salary Limit	Yes – 60% of salary + 5% added annually	N/A
Retirement Benefit Limit	N/A	Yes – 30% reduction during reemployment
Employment Limit	120 days during 12-month period	1 year per appointment
Training & Certification Requirements	N/A	Yes – requisite experience & training
Waiting Period	60 days	60 days
Certification of no other qualified candidate	N/A	Yes
Annual Form Required	Yes	Yes
Repeal Date	N/A	N/A

A hard-to-fill position is defined in State Law as a position where one or more of the following conditions are met:

- A. The employer is experiencing difficulty in recruiting and retaining qualified employees for the position;
- B. The position requires specialized certification, credentials, or education;
- C. The demand for the position exceeds the supply
- D. The position is in high demand in the marketplace;
- E. The position is filled by key personnel;
- F. The position requires specific skills and experience; or
- G. The position has other unique recruitment or retention issues identified and documented by the employer

▶ Bona Fide Separation from Service

- Retired TCRS member **must** have a “bona fide separation of service” before reemployment in a return-to-work capacity with a TCRS-covered employer.
- A **bona fide separation from service** occurs when both of the following conditions are met:
 1. **No prearrangement of reemployment:** Prior to the member’s effective date of retirement, there must be no prearranged agreement—either verbal or written—between the retiring member and any participating employer for the member to return to work after retirement.
 2. **Mandatory 60-day break in service:** The member experiences a complete break in service from all TCRS-covered positions for at least 60 calendar days, starting from the member's effective retirement date to their first day of re-employment as a retiree.
- This requirement has long applied to retirees seeking temporary reemployment in TCRS-covered positions. In 2025, state law was clarified to align with federal standards.

▶ Guidance for Reemploying TCRS Retirees

1. Discourage Retirement as a Short-Term Strategy

Encourage employees to view retirement as a long-term decision. Reemployment should not be used as a planned short-term break from service.

2. Ensure a Bona Fide Separation from Service

Before hiring a retiree, confirm that they have met the **bona fide separation** requirements. This includes a clear break in service with no prearranged agreement to return to work. Violations can jeopardize retirement benefits.

3. Require TCRS Approval Before Reemployment

Prior to reemploying a retiree, ensure the individual submits the appropriate **Return to Work Program** form to TCRS and receives approval. Do not allow the retiree to begin work until this process is complete.

4. Monitor Service and Salary Limits

During reemployment, strictly enforce the applicable **service time and salary limitations** as outlined by TCRS. Exceeding these limits can result in suspension of retirement benefits or repayment obligations.

5. Be Cautious of Offers That Seem Too Good to Be True

Avoid any arrangements that appear to circumvent TCRS or IRS rules. If a proposal seems questionable, consult with TCRS or legal counsel. Non-compliance can lead to significant financial penalties for both the retiree and the employer.

▶ Reengage existing employees

GET *READY!*

Register your online accounts 

Elect 401(k) contributions and investments

Ask a plan advisor for advice 

Designate beneficiaries 

You're on the right track! 

► Stay Connected to Your Retirement Plans



RetireReadyTN.gov



800-922-7772

Monday - Friday from
8 a.m. - 7 p.m. Central time

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