



## RETIREMENT FREQUENTLY ASKED QUESTIONS

### Resignation

**1. How do I tender my resignation/retirement with Cy-Fair ISD?**

*Professional, paraprofessional and hourly employees should use the “Resign/Exit” link in the Employee Access Center – your last day of employment can be obtained from your current year pay statement.*

**2. TRS has told me to use May 31 as my day of retirement. My last contract day is June 4th. Which day is correct?**

*For Cy-Fair ISD purposes, you need to work until the end of your contract. When you resign with Cy-Fair ISD, you need to use the last day of your contract. It is appropriate to have different dates with each organization.*

**3. Do I need to send a letter to the Superintendent tendering my retirement?**

*No, a letter to the superintendent is no longer required in tendering your retirement.*

### Payroll Department

**1. What do I do with my TRS-7 form and when?**

*As soon as you receive your TRS-7 form, send it to the Payroll Manager, ISC-North.*

**2. When will I get my last paycheck?**

*If you work on a campus as a contract employee working the instructional school year, your last paycheck will be on 5/31. If your contract goes through 6/30, your last paycheck will be on 6/30. If you are an hourly employee, your last pay check will be on the pay date following your resignation date. Since your final paycheck will include payments for the remainder of your contract and federal withholding is based on your pay period earnings, federal withholding tax will be significantly higher than in your regular paycheck. However, your total annual federal tax liability should not increase. It is recommended that you seek professional tax advice for additional information.*

**3. When will my TRS-7 form be sent to Austin?**

*Within a week of your final paycheck (not your accumulated leave payment), your TRS-7 form will be sent to TRS.*

**4. What form do I need to submit if I am resigning, not retiring, and want to withdraw my TRS contributions?**

*You will need to complete a TRS-6 form "Application for Refund ", have it notarized and submit directly to TRS. However, you will NOT be eligible for your accumulated leave if you take this one-time distribution of your TRS funds. The TRS 6 form can be obtained from the TRS website at [http://www.trs.state.tx.us/reporting\\_entities/forms/TRS-6](http://www.trs.state.tx.us/reporting_entities/forms/TRS-6).*

**Accumulated Leave Payment**

**1. What does it take to be eligible for my Accumulated Leave?**

*You must be eligible to retire under the regulations of the Teacher Retirement System and submit your resignation on-line giving notice of your retirement. You must be eligible to receive a STANDARD annuity that is not reduced for early retirement under the Texas Teacher Retirement System. You must have been employed at least 5 years with Cy-Fair ISD. You must complete either: the semester as identified in the current school calendar or your annual work calendar year.*

**2. When do I get paid for my Accumulated Leave?**

*If you are eligible, approximately 4 weeks after the end of your contract, you will receive a letter and an Accumulated Leave Election Form via the U.S. mail which will need to be returned to, CFISD Business Services Department (see attachment A and B for samples of each). Be sure your address is kept current (via Employee Access Center) if you relocate after your retirement date. Once this form is received, your payment will be processed on the next available semi-monthly pay day.*

**3. How is my payment calculated?**

*Your total local, state sick, and state personal leave days will be added together. For hourly employees, your leave hours will be divided by 8 in order to calculate a full day. The rate is \$125.00 for employees who have been with the district for ten years or more prior to retirement, \$112.50 for 9 years, \$100.00 for 8 years, \$87.50 for 7 years, \$75.00 for 6 years and \$62.50 for employees that have been with the district for 5 years prior to retirement. The maximum number of days for which you can be paid is 150, for a total maximum payout of \$18,750.00.*

**4. How many days of Accumulated Leave do I have?**

*From the Employee Access Center, print off your most recent paycheck. At the bottom left corner, you will see your Leave Information. Add up the first 4 rows from the "End Balance" column, and you should have an estimate of how many days you may be eligible for. Keep in mind, these days may not reflect leave days taken recently.*

**5. I bought years of service from TRS in order to be eligible for full retirement benefits. Do I need to tell Cy-Fair ISD this information?**

*Absolutely. Cy-Fair ISD is not informed by TRS when you purchase years of service. You will need to provide a copy of your TRS-25(L) to the Payroll Manager so that your additional years of service can be reflected in calculating your eligibility for your accumulated leave.*

**6. If I retire and am rehired by Cy-Fair ISD, am I eligible to receive an additional payment for my accumulated leave earned once rehired?**

*No, you will only receive this payment upon your initial retirement.*

## 7. What are the payment options for my Accumulated Leave?

*Cash – 15% taxes are withheld – funds are automatically deposited into the same bank account where your final paycheck was deposited.*

*403b) – only available if you had an ACTIVE payroll deduction to your plan on your final paycheck – subject to IRS maximum annual contribution amounts.*

*457 – You may set up a new account with TCG Administrators, (the district's 457 plan administrator) for this one-time payment. If you would like to roll your funds into an IRA or other investment account, this is the only mechanism you can utilize to roll your funds to that account. Contributions to this account are also subject to IRS maximum annual contribution amounts. You can contact TCG at 1-800-943-9179.*

## 8. How do I roll my funds from my 457 plan to an IRA or other retirement account?

*Contact TCG at 1-800-943-9179.*

### Health Insurance (Retirees)

#### 1. When will my medical insurance and other benefits be terminated?

##### **Those retiring September – June:**

All employee benefits will be terminated on the last day of the month of your employment.

##### **Exception:**

##### **Those retiring on or after the last day of their contract year:**

**Medical Insurance** – Because of Texas Legislature H.B. 973 medical insurance will automatically be extended through the end of the District's plan year, August 31. The additional premiums needed to provide the added coverage will be deducted from the retiring employee's final paycheck. *If you do not want medical insurance coverage extended through August 31, you need to send an Early Cancellation Notice (see the District's Insurance Department web page, Retirement/Resignation) to the Insurance Department at ISC-North, Suite 332, no later than May 10<sup>th</sup>.*

**Optional Benefits** (dental, vision, cancer insurance, etc.) – Will terminate based on end of employee's contract and Pay Group. Pay Group is available from Employee Access Center on your current year Pay Statement.

- **Pay Group 7 / Ancillary Employees:** Optional plans will be terminated August 31<sup>st</sup>, except Disability coverage which will terminate the last day of month worked.
- **Pay Group 8:** Employees whose final paycheck would ordinarily be issued July 31<sup>st</sup> - coverage will be terminated August 31<sup>st</sup>, except Disability coverage which will terminate the last day of month worked.
- **Pay Group 9:** Employees whose final paycheck would ordinarily be issued August 31<sup>st</sup> - coverage will be terminated August 31<sup>st</sup>, except Disability coverage which will terminate the last day of month worked.

**COBRA Information:** COBRA extension information, to extend your benefits beyond their termination dates, and your **HIPAA Certificate of Creditable Coverage**, evidencing your history of coverage, will automatically be mailed from the following third party administrators within 15 days of your termination of coverage date. Please note that the notices and certificates cannot be sent prior to your termination of coverage date.

- TRS-ActiveCare – COBRA administrator: Wells Systems (1-844-752-5146)
- TRS-ActiveCare – HIPAA Certificate of Coverage – Aetna (1-800-222-9205)
- COBRA administrator, optional plans: Station & Ayers Insurance Services (281-333-9792)

### **Retirement Checklist for CFISD (not TRS)**

- Follow retirement checklist in the CFISD handbook
- Review Retirement Frequently Asked Questions (FAQs) ([cfisd.net / Staff / HR / Retirement/Retirement FAQs](http://cfisd.net/Staff/HR/Retirement/RetirementFAQs))
- Notify your supervisor of your intent to retire
- Submit your resignation on-line
- If retiring due to medical reasons, contact the Insurance Department for assistance in coordinating your benefits
- Send TRS-7 form to Payroll Manager
- Send copy of TRS-25 or 25L, if years of service were purchased, to Payroll Manager
- Send Early Cancellation Notice if not extending Health Insurance through 8/31 to Insurance Department by May 11<sup>th</sup>
- TRS-7 will be processed and mailed to TRS within one week after final paycheck
- Watch for mailing from Business Services approximately one month after the end of your contract if you are eligible for payment of Accumulated Leave
- Return Accumulated Leave Election Form to Business Services if eligible for payment

### **Who to Contact?**

*Resignation – Professional Personnel – [Shirley.Brom@cfisd.net](mailto:Shirley.Brom@cfisd.net)*

*Resignation – Paraprofessional – [Janet.Grayson@cfisd.net](mailto:Janet.Grayson@cfisd.net)*

*Resignation – Food Service – [Carie.Hunter@cfisd.net](mailto:Carie.Hunter@cfisd.net)*

*Resignation – Maintenance – 281-807-8655*

*Resignation – Operations – [Sorayda.moyedayoung@cfisd.net](mailto:Sorayda.moyedayoung@cfisd.net)*

*Resignation – Transportation – [Fernando.Zambrano@cfisd.net](mailto:Fernando.Zambrano@cfisd.net)*

*Resignation – Community Programs Club Rewind – 281-807-8681*

*TRS-7, calculation of final check – Payroll Manager – [Kala.Holler@cfisd.net](mailto:Kala.Holler@cfisd.net)*

*Accumulated Leave Payments – Business Services – [Patrice.Lange@cfisd.net](mailto:Patrice.Lange@cfisd.net)*

*Insurance – Insurance Department – [Angela.Green@cfisd.net](mailto:Angela.Green@cfisd.net)*

# Sample



## Cypress-Fairbanks Independent School District

Business Office - Instructional Support Center/North  
10300 Jones Rd. Houston, Texas 77065-4208

March 4, 2016

Jane Doe  
1234 Home Street  
Anytown, TX 77000

Dear Ms. Doe,

I hope your retirement from Cypress-Fairbanks ISD (CFISD) has been enjoyable thus far. When you retired from CFISD, you had accumulated sick and personal leave days for which you were eligible for payment. This letter is being sent along with an Accumulated Leave Election Form so that you can choose the method of distribution of your payment.

There are 3 possible methods of payment for these funds:

1. **Cash Election**- 15% taxes will be taken out of this and the remainder will be paid as taxable income and deposited into the same bank account your final paycheck was deposited into.
2. **457(b) Election** -this is the District-sponsored retirement plan administered by JEM Resource Partners (also known as TCG Consultants). If you did not contribute to this plan on your final paycheck, you can set up this plan at this time for your one-time leave payment. Follow the account set up instructions found on the district's website under Staff/HR/Retirement/New 457(b) Plan Information/Enrollment instructions including the link to RAMS. Once your account has been activated your funds will be sent. If you have any questions about the 457(b) plan, please contact JEM (TEG) customer service at 800-943-9179.
3. **403(b) Election**- If you had an active contribution to a 403(b) plan on your final paycheck, you can have your leave payment made to this same account.

*You are also eligible to split the money amongst any of the options available to you.*

The maximum number of days for which you are eligible for payment is 150. The maximum amount due to you for accumulated leave is \$18,750.00. Please complete the top and Payment Election section located at the bottom of the Accumulated Leave Election Form. Fill in the amount you want paid in the shaded area of each of your options. If you want your entire amount paid to one option, fill in the entire amount in the shaded area of your election choice.

Place a check mark on any of the options you have chosen. Once your forms have been received in the Business Services office, your payment will be made on the next semi-monthly pay date available.

Mail the forms back to: Cypress-Fairbanks ISD  
PO Box 692003  
Houston, TX 77269  
Attn: Patrice Lange – Business Services

Thank you for your years of service to CFISD and for the difference you made in the lives of the children of this District. Please don't hesitate to call me at (281)897-3843 if you have any questions about this process.

Sincerely,

Patrice Lange  
Accountant IV  
Business Services Department  
Cypress-Fairbanks ISD

**CYPRESS-FAIRBANKS I.S.D.  
Accumulated Leave Election Form**

**Sample**

Name (Please print): \_\_\_\_\_

Employee #: \_\_\_\_\_

As a retiring employee of Cypress-Fairbanks I.S.D., you are eligible to receive an Accumulated Leave benefit from the District. This benefit will be distributed to you through one or more of the following options:

**PAYMENT OPTIONS**

**OPTION 1 - Cash:**

If you elect to have your Accumulated Leave paid to you as cash, you would be paid in one lump sum, payable as *taxable income* with all applicable taxes deducted from the check at the time of the distribution.

**OPTION 2 - 457(b) Pre-Tax Contribution:**

The 457(b) Retirement Savings Plan is a voluntary savings plan set up under Section 457(b) of the Internal Revenue Code and is sponsored by the District. The 457(b) plan has similar features as a 403(b) or 401(k) plans. **Please note that any Accumulated Leave funds that exceed the federal limits listed below may be paid to you as taxable income at the time of the distribution. The limit will include any amounts that you have already contributed to a 457(b) plan within the same tax year.** Listed below are additional advantages and features of the 457(b) plan:

**Contribution Limits:**

- Allowable contribution amount for 2016 is \$18,000;
- Individuals over age 50 can contribute an additional \$ 6,000 in 2016;
- Additional "Catch Up" limits are available;
- Contribution limits are independent of other plan limits such as 403(b) contribution amounts. This means you can contribute the maximum to both a 403(b) plan and a 457(b) plan.

**Distributions:** Distributions are available upon termination of employment, death, disability, retirement or certain types of hardships. Distributions can be:

- Rolled to an IRA, 403(b) or 401(k) plan; or
- Funds can be used to buy TRS service.

**Investments:** The plan will offer a choice of high quality investments. You will be able to access your account anytime on-line.

**Penalties:** There is no 10% penalty on distributions – not true of 403(b), IRA or 401(k) plans.

**Taxation:** Distributions are taxed as income at the time the funds are received as cash.

**OPTION 3 - 403(b) Pre-Tax Contribution: (only available to employees with an active payroll deduction at time of retirement)**

Your Accumulated Leave may only be directed to the currently active 403(b) vendor reflected on your payroll record. Annual contribution limit for 2016 is \$18,000. Individuals over age 50 can contribute an additional \$ 6,000 in 2016;

**PAYMENT ELECTION**

As an eligible employee of Cypress-Fairbanks I.S.D., I am authorizing the District to direct payment for my Accumulated Leave benefit to the following: (Please indicate the dollar amount for option(s) chosen)

- Cash Election** – Payment for Accumulated Leave, in the amount of \$ \_\_\_\_\_, is to be paid to me as *taxable income*.
- 457(b) Election** – Payment for Accumulated Leave, in the amount of \$ \_\_\_\_\_, is to be directed to the District's 457(b) Voluntary Retirement Plan on my behalf. I understand that any amount that is over the 457(b) Contribution Limit (including amounts I have already contributed to a 457(b) in the same tax year) may be paid to me as *taxable income*.
- 403(b) Election** – Payment for Accumulated Leave, in the amount of \$ \_\_\_\_\_, is to be directed to my 403(b) on my behalf. I understand that any amount that is over the 403(b) Contribution Limit (including amounts I have already contributed to a 403(b) in the same tax year) may be paid to me as *taxable income*.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date