

SECTION 13

RETIREMENT

A. Texas County & District Retirement System (TCDRS) (www.tcdrs.org) (800-823-7782)

All regular full-time employees and regular part-time employees shall become members of the Texas County and District Retirement System upon their date of employment. Seven percent of the gross earnings (including sick pay, vacation pay, as well as worker's compensation payments where the injured employee continues to receive partial payment from the County and elects to have retirement deducted) for each employee must be deducted each bi-weekly pay period and deposited in the employee's retirement account. This deduction is mandatory. The 7% is matched in an equal or greater amount by the County. An employee's contribution earns interest after the first year and thereafter while on deposit.

Upon completion of the years of service required by Statute, employees will have a vested interest in the retirement system and upon retirement become eligible for benefits based on the contributions made by the employee and the County.

There is also a "Service" and "Non-Service" related Disability Retirement available. For specific criteria, contact the Human Resources Department.

The Texas Administrative Code, regarding the Texas County and District Retirement System, specifically states that a retirement must be "bona fide." This means that at the time of retirement there cannot be any expectation, understanding, or agreement that the employee will be re-hired after retirement. 34 TEX. ADMIN. CODE § 107.4(g). See also Attachment A.

Distributions without a bona fide termination of employment is prohibited under the Texas County and District Retirement System, or TCDRS Act. TEX. GOV'T CODE § 842.110(a) and (b). A distribution of benefits to a member before there has been a bona fide termination of employment under Texas Government Code, §842.110(a) is an in-service distribution and an operational error which could lead to a plan disqualification under the Internal Revenue Code and results in the assessment of taxes, back taxes, interest and penalties against the subdivision and its participants. 37 TEX. ADMIN. CODE § 107.4(a).

In order to comply with Texas law and for the protection of Jefferson County's participation in the TCDRS, at the time a Jefferson County employee files for retirement benefits under the TCDRS, shall sign the form attached hereto as Attachment B and return to Human Resources. This form requires the affirmation that he/she has not made, directly or indirectly, a prior agreement or arrangement to be rehired by Jefferson County or by any department head or elected official of Jefferson County in any capacity and a break of 60 (sixty) consecutive days from the date of retirement is required before a person may apply for re-employment with Jefferson County.

B. Social Security

All employees are covered by the Federal Social Security Act. A required percentage of an employee's salary is deducted to pay the employee's portion of this protection, and the County matches the deduction dollar for dollar. This plan was designed for an employee's future security and that of their dependents by providing retirement, disability, death survivor and Medicare benefits.