

2017

Member Benefit Guide



A guide to the City of Austin Police
Retirement System pension plan

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Introduction

APRS is pleased to offer this guide to APRS pension benefits. This guide has been prepared to help members better understand how the pension plan works in summary. APRS is governed by its pension statute, Article 6243n-1, Vernon’s Texas Civil Statutes.

While this guide sets forth most of the facts about the plan, it does not attempt to describe all provisions or limitations as they apply in individual situations. In case of any conflict between the guide and the statute, the statute will prevail. Please feel free to visit, phone, or e-mail us when we may be of assistance.

The System is established as a tax-qualified “defined benefit” plan under Section 401(a) of the Internal Revenue Code in order to provide retirement, death and disability benefits to its members. Group and individual counseling is provided to members by this office. Prior to retirement, the Benefit Services team will prepare a benefits calculation under each of the options and assist in preparations to retire.

How to Contact APRS



Office Address	•2520 S. IH-35, Suite 100, Austin, TX 78704
Phone	•(512) 416-7672
Fax	•(512) 416-7138
Website	• www.ausprs.org

Mission Statement

To serve the APRS membership and protect the retirement benefits for the past, present and future members of the System.

APRS Board of Trustees

Police Members

- Sgt. Jim Beck, Chair
- Sgt. Andrew Romero, Vice-Chair
- Ret. Cmdr. Mike Jung
- Cmdr. Todd Smith
- SPO. Tyler Link

Retiree Members

- Ret. Lt. Carl Zimmerman
- Ret. Sgt. Keith Harrison

City Designees

- Kathie Tovo, Mayor Pro Tem
- Elaine Hart, Interim City Manager
- Art Alfaro, City Treasurer

Citizen Member

- Chesley Wood

APRS Staff

Pattie Featherston, Executive Director

Stephanie Willie, Deputy Director

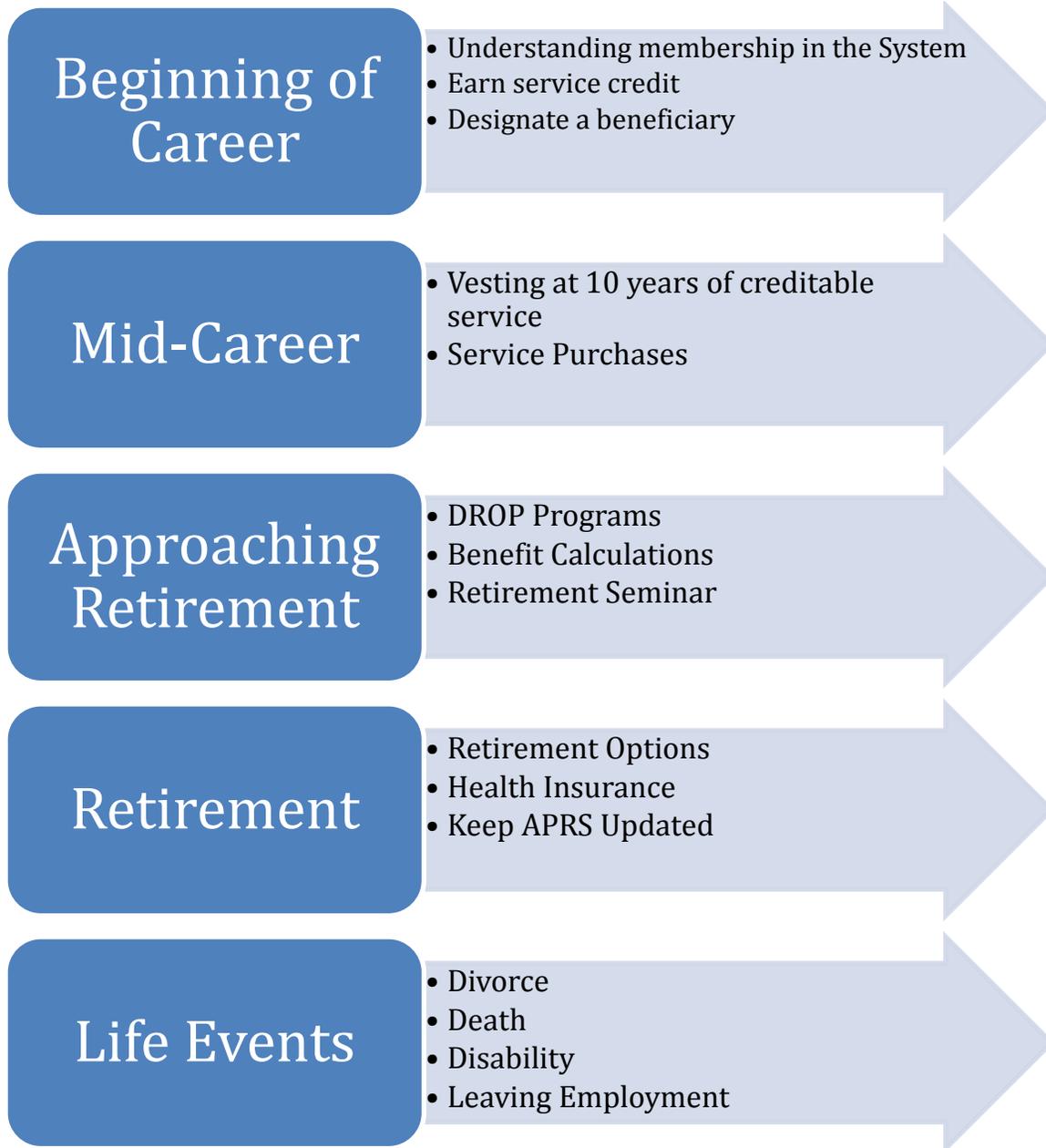
Michelle Ruland, Benefits Manager

John Poth, Finance Manager

Rose Frank, Operations Manager

Deborah Esparza, Administrative Assistant

APRS Milestones



Membership and Creditable Service

Membership

All cadets upon enrollment in the Austin Police Academy, and commissioned law enforcement officers employed by the City of Austin Police Department, as well as full time employees of the City of Austin Police Retirement System (after serving a 6-month probationary period); become members of the Police Retirement System at the date of employment.

Contributions

Each member of the system contributes 13% of base pay bi-weekly and annual longevity pay through payroll deduction. Overtime or special pay is not included. Contributions continue unless a member is on leave of absence, or withdraws by terminating and/or retiring.

The City of Austin contributes 21.313% of every member's base pay bi-weekly and 21.313% of member's longevity pay annually.

- Once it becomes a part of the retirement fund, the City's contribution is invested for the benefit of all active employees and made available to pay benefits at retirement.
- Most retirees receive benefits equal to all their own contributions and interest, through their monthly annuity payments, within two or three years after retirement. Because of the contributions made by the City and the interest earned on the Fund's investments, money is available to continue paying each retiree monthly benefits according to their selected option as long as they live, long after their own contributions have been received. Contributions and investments earnings also help pay lifetime benefits to the surviving beneficiaries of deceased retirees according to their selected option, and help pay periodic (Ad-Hoc) cost of living adjustments (COLA's).
- Member deposits are deducted from pay before taxes, so they are not taxed until they are received APRS as a benefit payment.
- By law, members cannot borrow from their member account; nor can they use it as collateral for a loan. When a member leaves police employment before becoming eligible for retirement, all member contributions and interest are returned, however no City contributions, or interest earned, will be paid.
- Members receive an 'Annual Statement' from the Austin Police Retirement System in January each year which provides information on total accumulated deposits and interest along with total creditable service. With the final paycheck, one final

contribution will be made to the retirement fund. After that check is issued, the exact amount of refundable contributions can be determined.

- The Board of Trustees annually determines the amount of interest paid on vested members' accumulated deposits, taking into consideration the performance of the fund's investments and the actuary's recommendations. The actuary considers what funds are necessary to pay all the benefits that retirees and their surviving beneficiaries are entitled to, as well as the expected liability for future retirees.
- Retirement interest is paid on December 31st, based on the amount each member has in the Police Retirement System on January 1st of the same calendar year.

Creditable Service

Creditable service is service that is used in computing retirement benefits. There are seven types of creditable service:

Membership Service

- Eligible service during employment period where a member makes payroll contributions to the fund.

Probationary Service

- Eligible service purchased from commission date to retirement system start date in the event it has not been credited.

Military Service

- Eligible service purchased for up to two years for previous active federal duty military service, prior to employment. A member is not eligible to use this type of military service credit when it has been used as creditable service in another federal or statutory public retirement system in Texas. Members employed after February 1, 2016 will be eligible to purchase benefits by paying the full actuarial cost at the time of retirement.

Uniformed Leave of Absence Service

- Eligible service for military leave of absence granted from City employment and purchased within five years of reemployment with the City.

Reinstated Forfeited Service

- Eligible service for prior Austin Police Retirement System membership service that was forfeited by withdrawal of accumulated deposits, and repurchased after 24 consecutive months of membership service after police reemployment. An interest charge of 8% per year is made to the System to reinstate the forfeited service credit.

Cadet Service

- Eligible service purchased from the date of cadet class enrollment to commission date in the event it has not been credited. Since 1998 Cadets have been contributing to the System during their Cadet service so this purchase is not necessary.

Permissive Service Credit

- Eligible service that can be purchased at the full actuarial cost by members with at least 20 years of creditable service, excluding pre-membership military service, for up to 60 months with immediate retirement. *Cannot be used in conjunction with the Deferred Retirement Option Plans.

Deferred Retirement Permissive Service Credit

- Eligible service of up to 60 months at 20 years of service credit or more with a delayed monthly annuity, excluding pre-membership military service, at full actuarial present value cost. *Cannot be used in Deferred Retirement Option Plans.

Proportionate Retirement Program

Participating systems include:

Austin Police Retirement System

City of Austin Employees' Retirement System (COAERS)

The El Paso City Employees' Pension Fund

El Paso Firemen and Policemen's Pension Fund

Employees Retirement System of Texas (ERS)

Judicial Retirement System of Texas I & II

Teacher Retirement System of Texas (TRS)

Texas Municipal Retirement System (TMRS)

Texas County and District Retirement System (TCDRS)

Other Texas retirement systems covering municipal employees who have qualified plans and have elected to participate in the Proportionate Retirement Program

Participating systems recognize service from other participating systems. A member with service credit in more than one participating retirement system may be eligible to combine that service in order to satisfy the length of service requirements used to determine eligibility for service retirement. Please note that proportionate service counts for eligibility purposes only and does not add to additional service credit years for pension calculation purposes.

- Retirement benefits will be paid separately from each system, based only on the service performed in that system.
- Military service purchases may only be used once in determining the amount of the member's combined service credit.
- A member of a participating retirement system who forfeited membership service by withdrawing their deposits may re-establish credit for service earned in another participating proportionate retirement system.

- A member must contact the system in which they previously had membership in order to determine eligibility requirements to re- establish service credit and/or membership. A member should determine their proportionate retirement eligibility before withdrawing member deposits in any of these systems.

To declare service in another proportionate retirement system:

- To obtain a proportionate service credit application, go online to www.ausprs.org > Member Resources > Forms > Active Forms, and download the Active Member Proportionate Service Credit Application. Fill out the form and mail or e-mail it to the System. If the service was with TCDRS, please also send a Statement of Retirement Service Credits from that system.

Vesting

When a member reaches ten (10) years of creditable service which may include approved Proportionate Service Credit if applicable, they become a vested member of the retirement system.

This means that the member has a right to receive a monthly annuity upon retirement eligibility. Even if the member leaves the employment before reaching eligibility, if they are vested, they can decide to leave their contributions in the system and begin drawing an annuity upon reaching age 62, or when they meet other age and service requirements for retirement eligibility.

It is important to note retirement contributions for vested inactive members draw interest. The inactive member's multiplier can increase during the years between the member's termination and retirement, but no cost of living increases are applied to the member's benefit. The Board of Trustees annually determines the amount of interest paid on vested members' accumulated deposits, taking into consideration the performance of the fund's investments and the actuary's recommendations. The actuary considers what funds are necessary to pay all the benefits that retirees and their surviving beneficiaries are entitled to, as well as the expected liability for future retirees.

Retirement interest is paid on December 31st, based on the amount each member has in the Police Retirement System on January 1st of the same calendar year.

Beneficiary

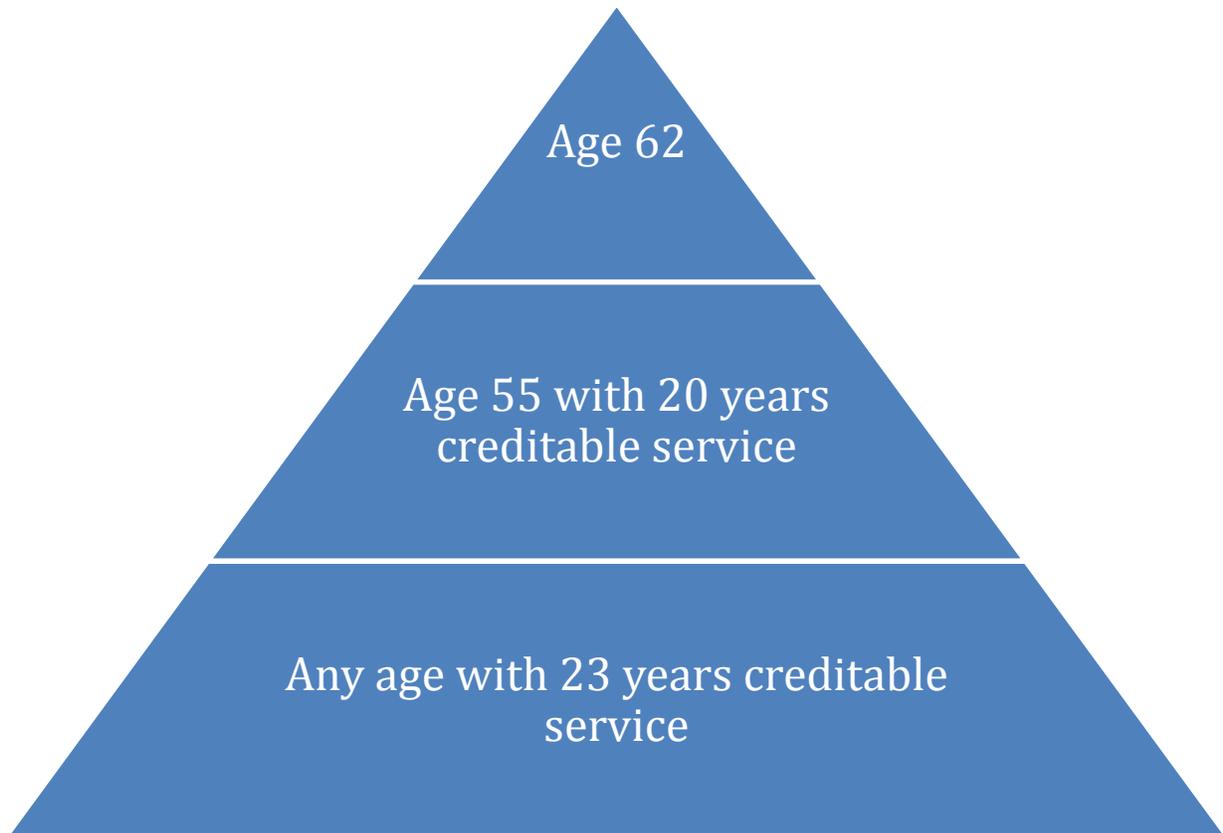
A beneficiary is the person(s) the member chooses to receive payments from the System account if the member dies. This is not to be confused with the survivor for pension benefits, which is chosen at the time of retirement. Although members choose a beneficiary when they are hired, reviewing and updating the beneficiary designation is extremely important to do if any changes occur. The City of Austin beneficiary designation form does not designate beneficiaries for APRS retirement benefits and cannot be used by APRS to pay out death benefits.

Members can designate a minor as a beneficiary; however, APRS does not pay benefits to minors, therefore a legal guardian of the minor must be appointed by a court. To avoid the complexities of obtaining a court-appointed guardian to receive APRS benefits, Texas law allows members to appoint a custodian to receive APRS funds for any beneficiary who is under 21 years old.

Retirement

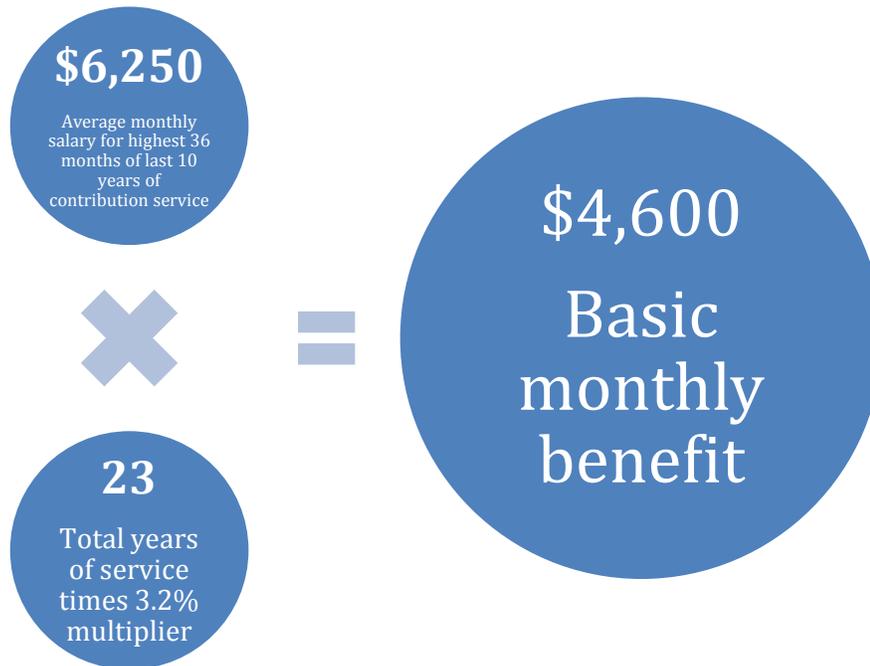
Retiring

Members are eligible for normal, unreduced retirement when they meet one of the following age and service requirements, excluding pre-membership military service:



Retirement Benefit Life Annuity Calculation

The basic retirement benefit Life Annuity is calculated by using the following formula. The monthly annuity benefit payment begins the month following the member's retirement from the System. The formula is 3.2% times the years of creditable service times the average monthly salary for the highest 36 months of the last ten years of contributing service. Example:



Although the separation date from the Police Department may be any day throughout the month, pension benefits are paid on the last day of every month.

Retirement Calculations

- To run a retirement calculation, go online to www.ausprs.org > Member Resources > Calculator.
- Alternatively, to fill out a Benefit Calculation Request Form, go online to www.ausprs.org > Member Resources > Forms > Active Forms, and download the Benefit Calculation Request Form. Once completed, you may mail or e-mail it to the System.

Retirement estimates from APRS will be gross figures. From that, APRS will deduct Federal Income Tax and health insurance premiums if the retiree elects to obtain insurance from the City of Austin.

Retirement Benefit Options

The Police Retirement System provides several options under which monthly benefits may be paid. The options below require verifiable information to be submitted to the System for calculation. **Please note: A member may not change their chosen option or survivor after they have already retired.**

Life Annuity

- Retirement annuity payable monthly only to the member for life with no survivor benefits.

100% Joint and Survivor Annuity

- Retirement annuity payable monthly as long as the member lives. Upon the member's death, the designated survivor will receive the same annuity amount.

50% Joint and Survivor Annuity

- Retirement annuity payable monthly as long as the member lives. Upon the member's death, the designated survivor will receive one-half the annuity amount.

66-2/3% Joint and Survivor Annuity

- Retirement annuity payable monthly as long the member lives. Upon the member's death, the designated survivor will receive two-thirds the annuity amount.

Joint and 66-2/3% Last Survivor Annuity

- Retirement annuity payable monthly as long the member lives. At either the member's death or the death of their survivor, the last survivor of the two will receive two-thirds of the annuity amount.

Fifteen Year Certain and Life Annuity

- Retirement annuity payable monthly as long as the member lives. If their death occurs before they have received 180 payments, their designated survivor or estate will receive the remaining monthly payments. If the member is still living after receiving the 180 payments, payments will continue until their death.

The options that include benefits to a survivor are figured according to the ages of both member and survivor included in the plan.

A member's benefit is permanently reduced if an option is chosen that provides survivor benefits. This reduction is applied to the member's basic benefit relative to the option the member chooses.

The reduction of member benefits is necessary to pay for the continued benefits the survivor is expected to receive.

If a member selects the Life Annuity, the monthly benefit stops at the death of the member. At that time an amount equal to the excess, if any, of the member's accumulated deposits over the amount of payments made to the member will be paid in a lump sum to the member's designated beneficiaries or estate.

If the member chooses an option providing benefits to a survivor, then at the member's death the benefit specified in the option will be paid to the designated survivor for life. If the designee does not survive the member, monthly benefits cease upon the death of the member. The amount equal to the excess, if any, of the member's accumulated deposits over the amount of payments which have been made to both the member and the survivor combined will be paid in a lump sum to other designated beneficiaries, or to the estate of the deceased member.

Retroactive Deferred Retirement Option (Retro DROP)

The retroactive deferred retirement option plan, referred to as Retro DROP, is a one-time benefit paid at retirement to a member with a subsequent associated reduced monthly annuity. To be eligible a member must qualify with a normal service retirement of 23 years at any age, excluding pre-membership military or permissive service credit. The maximum amount of service to be used in computation of the Retro DROP after normal service retirement of 23 years is 36 months.

On the election of Retro DROP, and the selection of the Retro DROP benefit computation date, the member's monthly retirement option is computed as if the member had retired on the chosen Retro DROP benefit computation date. The Retro DROP benefit balance will include the accumulated monthly benefits after 23 years with retiree COLA'S, multiplier increases, member contributions and a 5% simple interest calculation on December 31st for balances on deposit as of January 1st of the same calendar year.

A member who elects Retro DROP receives a one-time benefit with a reduced monthly retirement benefit at retirement date. Permissive Service Credit is not allowed for the DROP program.

- Effective April 1, 2015, the Retro DROP program will only apply to members with 23 years of credible service as of that date.

Certain selections of options and beneficiary designations other than a surviving spouse may have adverse consequences under the Internal Revenue Code of 1986, which may cause a reduction in the amount of benefit payable. Members are urged to consult their attorney or tax advisor prior to a final selection of an option.

Forward Deferred Retirement Option (Forward DROP)

The Forward DROP allows active police officers to freeze their retirement benefit calculation, but continue working and drawing a paycheck from APD, while their retirement annuity is deferred into a DROP account on their behalf at the retirement system. To be eligible a member must qualify with a normal service retirement of 23 years at any age, as of the date of his or her election to participate in the Forward DROP.

Membership with 23 years of creditable service as of February 17, 2016:

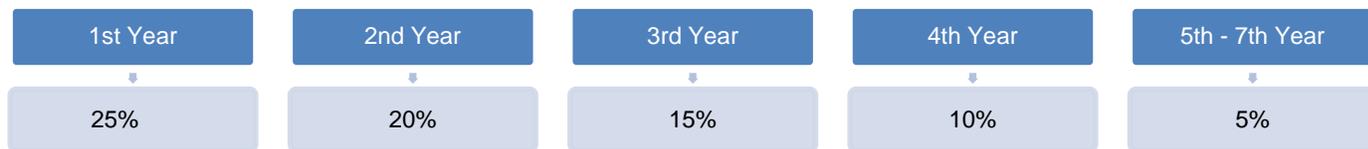
A member's election to participate in the Forward DROP is irrevocable. The maximum amount of service to be used in computation of the Forward DROP after normal service retirement of 23 years, excluding pre- membership service credit and permissive service credit, is sixty (60) months. The minimum participation period is 90 days. During the period that a member participates in Forward DROP, retirement contributions shall be

made to the member's Forward DROP account. The Forward DROP benefit balance will include the accumulated monthly benefits during Forward DROP participation, member contributions and a 5% simple interest calculation on December 31st for balances on deposit as of January 1st of the same calendar year. Effective July 1, 2015, the interest rate for new DROP member's interest will be the same as PROP.

Membership with 23 years of creditable service after February 17, 2016:

A member's election to participate in the Forward DROP is irrevocable. The maximum amount of service to be used in computation of the Forward DROP after normal service retirement of 23 years, excluding pre-membership service credit and permissive service credit, is eighty-four (84) months. The minimum participation period is 90 days. During the period that a member participates in Forward DROP, employee contributions will be collected but not credited to the member's Forward DROP account. There will be no interest applied to the member's Forward DROP account. In addition, a fee is applied to the participant's monthly Forward DROP amount.

Graduated fee structure:



If a member electing to participate in Forward DROP decides to continue employment covered by the Act governing the System after he or she has participated in Forward DROP for the maximum number of months allowed, no further annuity deferrals or member contributions shall be deposited to the members Forward DROP account after that period. In that event, the member shall continue making all contributions required under the Act governing the System, however, these contributions will not be used in the pension benefit calculation and the member will not receive any further service credit for time worked.

Certain selections of options and beneficiary designations other than a surviving spouse may have adverse consequences under the Internal Revenue Code of 1986, which may cause a reduction in the amount of benefit payable. Members are urged to consult their attorney or tax advisor prior to a final selection of an option.

Applying for Retirement or Enrollment in DROP

To apply for APRS retirement or to enroll in one of the DROP programs, the member will need to make an appointment with the APRS Benefits Manager no less than 15 days and no more than 90 days prior to retirement.

Remember that retiring from APRS and notifying the department of intent to retire are separate processes. Please check with APD HR for their requirements.

The APRS effective retirement date will always be the last day of the month, the retirement date is with the department is the members actual last day of employment. The first pension payment will be made at the end of the month following the retirement month.

Retirement Checklist

The following forms will need to be provided to APRS at the retirement appointment. If a survivor option is chosen, APRS will need these documents for the survivor as well:

-  Birth Certificate
-  Texas drivers' license
-  Marriage License
(if applicable)
-  Social Security Card
-  Direct deposit slip or voided check
-  QDRO (if applicable)

Post Retirement Option Plan (PROP)

Instead of receiving a single lump-sum payment, a member may elect to receive partial payments from the member's RETRO or Forward DROP account by transferring the funds into a PROP, in an amount elected by the member.

- The board may establish procedures concerning partial payments, including limitations on timing and frequency of those payments. A member who elects partial payments may, at any time, elect to receive the member's entire remaining RETRO or Forward DROP account balance in a single lump-sum payment, with the payment to be made under rules adopted by the board.
- Partial payments are limited to two (2) distributions per calendar year. If a third distribution is requested, the full PROP balance must be paid and the account must be closed.
- If a member elects partial payments, the member's RETRO or Forward DROP funds in the PROP account shall be credited with earnings or losses of the system while they remain in the account. These earnings or losses will be determined at an annual rate established under a rule adopted by the board, which can be amended by board rule.
- Retirees who are in the PROP and wish to take a distribution from the account should contact the System.

Post Retirement Option Plan (PROP) Monthly Annuity Deferral Program

The PROP Monthly Annuity Deferral plan allows retired members to defer receipt of a minimum of \$250 of their monthly annuity in order to defer the taxation of the deferred payments and to have the monthly benefits accumulate for later disbursement and later taxation in a Post Retirement Option Plan account.

- Special rules provide for a one-time period of deferral that would cease at the earliest of: (1) the date payment on the monthly benefit is requested, or (2) age 70½ is attained, at which time IRS requires distribution.
- Making an election to defer a member's monthly annuity into PROP or revoking that election can have adverse tax consequences in some situations, especially if the member terminated active service before the year in which he or she attained age 50. Therefore, the election should not be made until the member has discussed the matter with a professional financial planner or tax advisor who is knowledgeable about the tax treatment of distributions from qualified tax plans.
- Retirees wishing to enroll in this program or change their deferral amounts should contact the System.
- Participants are allowed to change their deferral amount twice per calendar year.

Retiree Information

Retiree Health Insurance

Basic medical and dental insurance coverage is available through the City of Austin Human Resources Benefits Division.

Retirees have several choices of insurance carriers and coverage options. Any questions about carriers and plan coverage choices should be directed to the City of Austin Benefits Office at <http://www.austintexas.gov/retirees> or One Texas Center, 505 Barton Springs Rd., Suite 600, Austin, Texas 78704, or by phone at (512) 974-3284.

HELPS Provision for Retired Public Safety Officers

The federal Pension Protection Act of 2006 allows eligible retired public safety officers to exclude up to \$3,000 of their retiree health insurance premiums from their gross taxable income each year, as long as the premiums are deducted from their retirement benefit. The premiums can be for coverage of the retiree, their spouse, or dependents. The amount used to pay these premiums will remain taxable until the retiree makes the election to exclude these premiums on the personal income tax returns. Retirees can check their annual IRS Form 1099 for the amount they have paid for health insurance premiums. The IRS Form 1040 will contain special codes for the retiree to indicate that they are electing to exclude the health insurance premiums from their taxable income. Retirees should consult with their tax advisor or the IRS to determine if they can use this provision when they file their federal income tax returns.

Post Retirement Information Changes

Many retirees relocate or change their information after retirement. It is important to keep APRS updated with any changes.

Address Changes

- Go online to www.ausprs.org > Member Resources > Forms > Retiree Forms, and download the Address Change Form. Once the form is completed, mail it to the System.

Bank Account Changes

- Go online to www.ausprs.org > Member Resources > Forms > Retiree Forms, and download the Bank Account Change Form. Fill out the form and mail it to the System. Be sure to include a voided check or deposit slip for verification.

Tax Withholding Updates

- Go online to www.ausprs.org > Member Resources > Forms > Retiree Forms, and download the Retiree Tax Withholding Form. Fill out the form and mail it to the System.

Legal Name Changes

- Go online to www.ausprs.org > Member Resources > Forms > Retiree Forms, and download the Legal Name Change Form. Fill out the form and mail it to the System. Be sure to include the necessary proof of this change that is listed on the form.

Beneficiary Updates

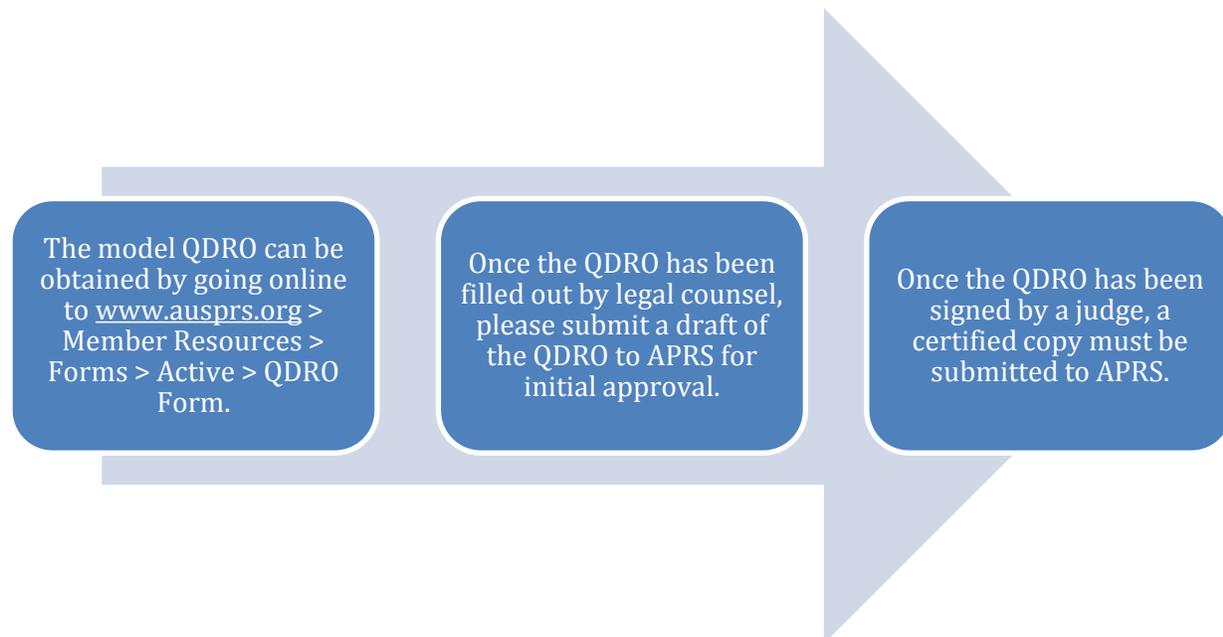
- Go online to www.ausprs.org > Member Resources > Forms > Retiree Forms, and download the Beneficiary Designation Form for Death Benefits. Once the form is completed, mail it to the System.
- The Beneficiary Designation Form can also be updated electronically and submitted online. Go online to www.ausprs.org > Member Resources > Beneficiary Designation Form for Death Benefits, complete the corresponding fields and hit submit.

Life Events

Divorce

A Qualified Domestic Relations Order (“QDRO”) means an order which creates or recognizes the existence of an alternate payee’s right or assigns to an alternate payee the right to receive all or a portion of the benefits payable with respect to a member or retiree under the Austin Police Retirement System. It directs the System to disburse benefits to the alternate payee. Texas is a community property state, so any APRS benefits earned during a marriage may be divided by a court in a divorce proceeding. If, during a divorce proceeding, it is determined that the member will keep 100% of their retirement benefit, APRS does not need any paperwork from the member. However, if it is determined that the member and their spouse will be dividing the APRS benefit, a QDRO must be submitted. An “Alternate payee” means a spouse, former spouse, child, or other dependent of a member or retiree who is recognized by the domestic relations order as having a right to receive all or a portion of the benefits payable by a public retirement system. The System will establish an account for the alternate payee to receive payment(s) as ordered by the Court.

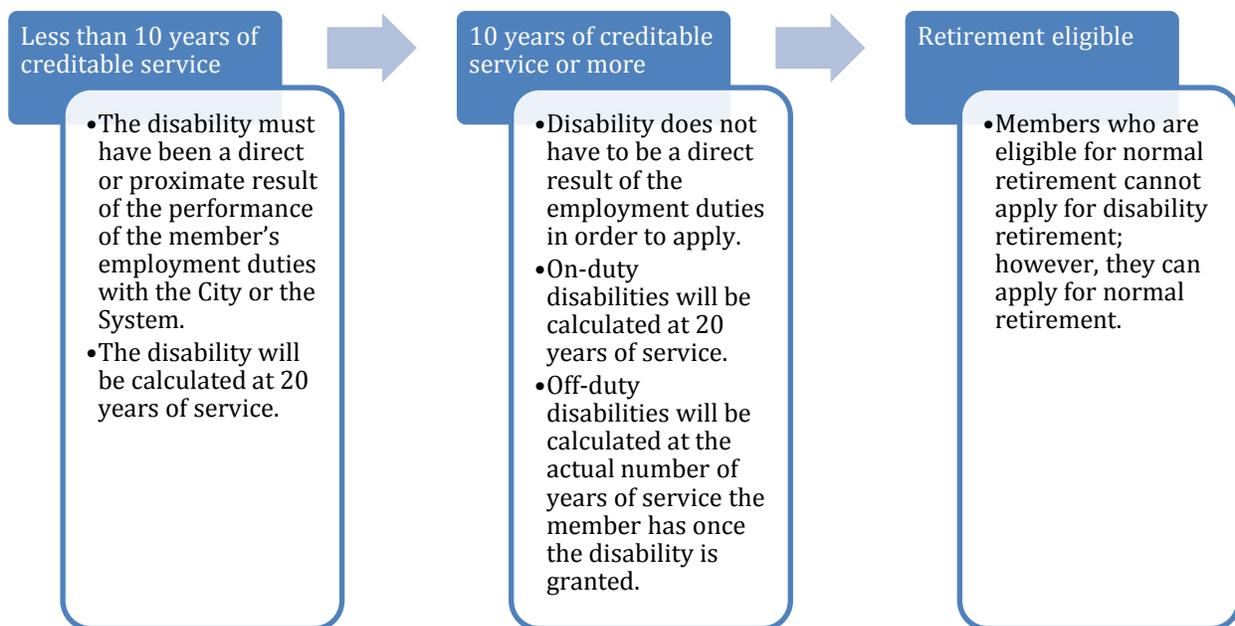
For APRS to pay benefits to the alternate payee, the QDRO must meet specific requirements. If it does not meet those requirements, it will not be honored, which could result in delays and additional legal costs. It is recommended that the APRS model QDRO is used.



Disability

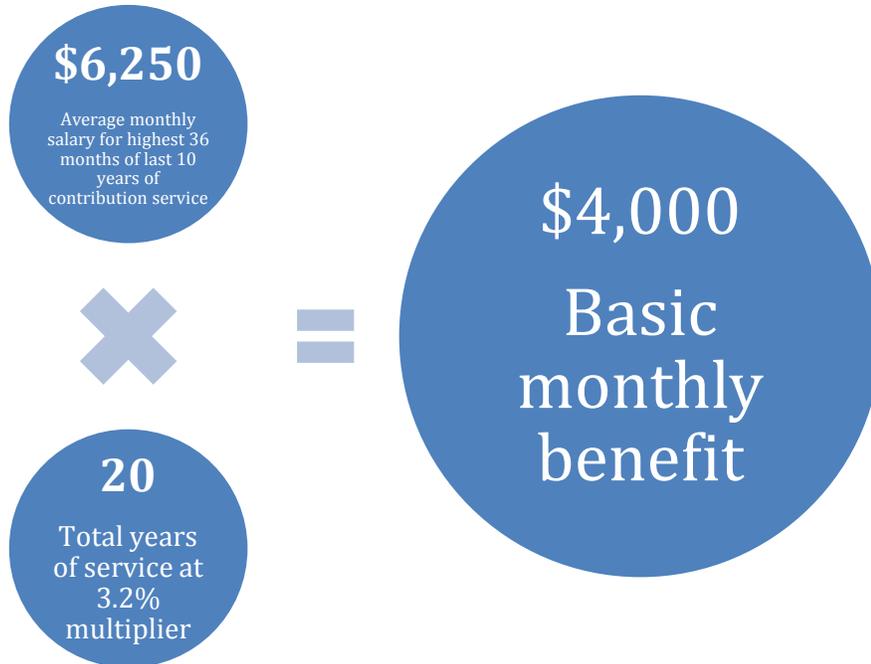
Disability Retirement Benefits

To be eligible for disability retirement, the applicant must be unable to perform employment duties due to medical or emotional restriction's and/or diagnosis. The disability must be considered a permanent job performance disability. The disability must also be subsequent to the member's effective date of membership AND,



- Application made by or on behalf of a member must show that the incapacity is likely to result in the member's inability to perform the duties of a position offered in the police department, or any other department in the City, that pays as much or more than the current pay of the position the member was holding on the date of the member's disability.
- Disability applications are presented to the Disability Committee of the System's Board of Trustees, whose recommendations are reported to the Board. The Board has the final authority in granting disability retirement benefits.

Disability retirement benefits are calculated using the following formula: 3.2% times years of creditable service times average monthly salary for the highest 36 months of the last ten years of contributions by payroll deduction. Example:



Disability retirees are required annually to provide proof of continued disability to the Board of Trustees.

Death and Survivor Benefits

Death and Survivor Benefits

Active or vested member death

- Designated beneficiary(ies) are entitled to a lump sum payment of twice the members accumulated contributions.
- Minimum \$10,000.

Active or vested member eligible to retire

- The designated survivor will be entitled to receive monthly payments under a retirement option in lieu of a lump sum death benefit.
- In the event a member who is eligible for service retirement dies without making a written option selection, and the member leaves a surviving spouse, the surviving spouse may select a retirement option in the same manner as the member would have made or may select a lump sum payment equal to twice the members accumulated deposits.
- If there is no surviving spouse, the deceased member's designated beneficiary may elect to receive payment under Option V, a Fifteen Year Certain and Life Annuity, which will pay monthly benefits for a period of fifteen years, or a lump sum payment equal to twice the member's accumulated deposits.
- When monthly benefits are payable in lieu of a lump sum, a \$10,000 taxable death benefit will be paid to the beneficiary(ies).

Death of a retiree

- A tax-free death benefit of \$10,000 (or a proportionate amount if the member retired under the Proportionate Retirement Program) is paid to the designated beneficiary(ies) or estate.
- If the member has a PROP or DROP account at the time of their death, those funds are paid to the designated beneficiary(ies) for those programs.
- If a survivor option was chosen, the elected survivor begins to receive the elected portion of the annuity. If the Life Annuity was chosen, the monthly benefits cease.

Leaving the System

Termination of Employment / Refunds

When a member leaves the City as a cadet or a commissioned officer, they will be required to fill out a Designation of Retirement Deposits form electing an option to receive retirement contributions and where to send them. The form can be obtained by going online to www.ausprs.org > Member Resources > Forms > Active Forms, and download the Designation of Retirement Deposits Form. Fill out the form and mail it to the System.

Refund choices are as follows:

Take a direct refund of the contributions

- A retirement contribution refund check can be issued approximately two weeks after the final employment check is issued. It will be mailed to the address on the refund form.
- Federal Income Tax will be withheld on all untaxed contributions and interest at 20% of the total taxable amount.

Rollover the contributions

- Member contributions can be transferred to an I.R.S. qualified retirement plan through a direct rollover by submitting a letter of transfer to the System.
- Federal Income Tax will not be withheld but the funds will be moved to the qualified retirement plan on the member's behalf.

Declare vested status

- A member can choose to take advantage of their vested right to an annuity when they reach retirement eligibility.
- If the member indicates that they want to vest their benefits, member contributions will remain in the retirement system until the member reaches retirement eligibility and requests receipt of the monthly annuity.
- Member contributions may continue to earn interest until their monthly annuity begins or the member refunds their contributions.

Declare proportionate retirement program status

- Member contributions may be left in the System if the member is eligible to do so under the rules of the proportionate retirement program.

APRS Office Location

Office Address	•2520 S. IH-35, Suite 100, Austin, TX 78704
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Fax	•(512) 416-7138
Website	• www.ausprs.org

