

A GROUP D MEMBER IS ANYONE WHO WAS HIRED WITH THE CITY FOR THE FIRST TIME ON OR AFTER JANUARY 1ST, 2008.

A Group D member who has at least 5 years of credited service, and is within 60 days of normal retirement, is eligible to make an election to purchase up to 5 years of credited service by a direct transfer from a qualifying Section 457(b) plan.

Any eligible Group D member who would like to elect a benefit enhancement can contact an HMEPS Benefits Counselor to obtain the purchase amount for the desired years of credited service.

**CALL THE HMEPS OFFICE FOR
FREE FINANCIAL COUNSELING:
(713) 595-0100**

AS A GROUP D MEMBER YOU CAN:

SPECIFY A DOLLAR AMOUNT that is available for transfer from a qualifying 457(b) plan ("How much service can I purchase with \$18,000?")

SPECIFY A MONTHLY DOLLAR amount that the member wants to purchase ("How much will it cost to purchase an additional \$150 monthly benefit amount?")

SPECIFY A CERTAIN NUMBER OF YEARS of credited service that the member wants to purchase ("How much will it cost to purchase 3 years of credited service?")

This overview of Group D Section 457 (b) Transfers can be very helpful, but it is not a complete statement of what you need to know. If you have questions that are not addressed in the HMEPS Benefits Handbook or on our website, please contact HMEPS directly. *Nothing contained herein may be construed to convey any right or privilege not otherwise provided by the pension law. In the event of any conflict, the pension law takes precedence.*

JOINING TOGETHER FOR
A BETTER FUTURE



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GROUP D ENHANCED BENEFITS



WHO IS ELIGIBLE?

HOW MUCH DOES IT COST?

WHO SHOULD DO IT?



HMEPS
HOUSTON MUNICIPAL EMPLOYEES PENSION SYSTEM

IS PURCHASING AN ENHANCED BENEFIT RIGHT FOR ME?

There are a several questions you need to ask yourself before making the decision to enhance your benefit, and of course financial counseling is strongly recommended prior to making a decision.

1) HOW MUCH DO I HAVE IN SAVINGS?

Make sure that you will still have enough in savings after paying for the enhancement. You will want to have savings as a financial cushion for emergencies and other uses after you retire.

2) WHAT IS MY DEBT SITUATION?

Take a look at your bills. Are you still paying off credit cards, cars, houses, medical bills? If you have high interest credit cards or other debt, paying those off might be a higher priority than increasing your monthly income.

3) HOW LONG WILL I LIVE?

Since the enhancement basically involves taking a fixed amount of your savings (the cost of the enhancement) and exchanging it for a larger lifetime income, then longevity matters. Nobody knows how long they will live. But family and medical history might be pertinent to your decision.

IMPORTANT THINGS TO KNOW BEFORE YOU MAKE AN ELECTION:

HMEPS will calculate the purchase amount as the actuarially-determined present value of the purchased service, based on a formula and calculation provided by HMEPS' retained actuary.

The purchase provides a fixed monthly enhanced benefit amount. This amount is not subject to change other than if the member chooses an optional joint and survivor annuity, in which case, the fixed monthly enhanced benefit amount shall be reduced as provided for the selected option. (Any optional annuity election is not factored into actuarial calculation.) At retirement, the fixed amount is added to the normal pension benefit amount.

The Group D member must complete the service purchase documents prior to termination and immediate retirement, with payment due in a lump sum no later than 60 calendar days after HMEPS receives the transfer election.

Payment must be made as a direct trustee-to-trustee transfer from a 457(b) plan, as approved by HMEPS.

The service purchase for benefit enhancement is only for a normal (immediate) retirement benefit, not deferred, early or disability retirement.

The service purchase is a one-time election, so if a member does not timely complete an election or timely complete payment, the member may not be eligible to make another election.



If you are eligible to retire and are interested in purchasing an enhanced Group D benefit, please contact your HMEPS Benefits Counselor.