

How Does the Retirement Process Work?

HMEPS will begin the calculation process and submit your benefit information to the Board of Trustees. After your retirement is approved, we will send you a letter notifying you of the amount of your first and regular checks. If you selected direct deposit, your benefit will be deposited into your bank account on the last business day of every month (allow 60 days to confirm direct deposit with your financial institution). Otherwise, your check will be mailed to your address of record to arrive on the last business day of every month.

Other important information:

- Your first post-retirement annuity increase will begin in February if you are on the retiree payroll in January of that year.
- **You must notify HMEPS immediately if you are reemployed by the City in a HMEPS-covered position. Your pension benefit will be suspended during the period in which you are reemployed.**
- Contact HMEPS if you need to sign a power of attorney to appoint another person to handle your affairs. HMEPS will accept only a power of attorney that meets certain statutory requirements.

Please note that many pension processes have a specific deadline for completion, and that you must initiate your request sufficiently in advance of the deadline in order to ensure that all necessary documents, information and/or payments are completed by the deadline.

A Note About This Checklist...

This checklist can be very helpful, but it is not a complete statement of what you need to do to prepare for retirement. 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.*



HMEPS Contact Information

Address:

Houston Municipal Employees Pension System
1111 Bagby Street, Suite 2450
Houston, Texas 77002-2555

Phone Numbers:

Phone: 713-595-0100
Toll Free: 800-858-1450
Fax: 713-650-1961

Website:

www.hmeps.org

How to Prepare for Retirement



An easy-to-follow checklist of what you should be doing and when you should be doing it!



Throughout Your Career

- Review your HMEPS annual statements for accuracy (Note: much of the information in the statements is obtained from City of Houston records, which are unaudited and unverified. Your actual credited service and other information will be verified at retirement).
- Decide whether to purchase credited service that you are eligible to buy. For example, if you received a refund or a lump sum payment for previous HMEPS-covered employment, you may be eligible to purchase the forfeited service. Contact HMEPS for other types of available service that may be purchased. A service purchase cannot take longer than five years to complete, so you may want to start the process early.
- Evaluate your personal finances regularly including assets, liabilities, insurance, and investments.
- Remain informed. Read and periodically review your HMEPS Benefits Handbook. The handbook is revised, so make sure you have the latest edition. Also, read the HMEPS newsletters and other information that HMEPS sends to you. These documents are also available by writing to HMEPS or by visiting our website at www.hmeps.org.

Consider DROP Options Now

- If you are eligible and would like to participate in the Deferred Retirement Option Plan (DROP), you must submit a request for an application to participate in the DROP. (You should notify HMEPS that you intend to make a DROP Election no earlier than sixty (60) calendar days prior to the date you are eligible to participate in DROP). The request must be submitted on a DROP Request Form (Form DR34). A request may be faxed, mailed or delivered to the HMEPS office. The request is not

a commitment to participate in the DROP, and therefore is not binding on you or HMEPS.

- If you have elected DROP, consult with a tax specialist about the tax consequences of various DROP distribution options.

Three Years Before Retirement

- Project your estimated pension benefit. You can project your benefit by entering requested information on our web site. The benefit calculator program allows you to enter different dates for retirement and participation in the DROP, salaries and credited service totals.
- Locate proof of your birth date. No benefits can be paid without proof of your birth date. The most common documents HMEPS accepts are: birth certificate (or delayed birth certificate); passport; naturalization papers; and census report more than 30 years old.

Contact HMEPS if you do not have any of the above documents. Also, if you have changed your name since birth, HMEPS must have official records establishing the name change(s).

One to Two Years Before Retirement

- Evaluate other income sources. The Social Security Administration now provides annual statements to workers three months before their birthday. These statements estimate Social Security retirement and disability benefits. For more information, you can contact them at 1-800-772-1213 or online at www.socialsecurity.gov.
- Contact your financial planner to discuss other retirement income.

Two Months Before Retirement

- Prepare your retirement application package (including a W4-P, proof of name and birth date, an optional direct deposit form completed by you and your financial institution, and other requested documents).

All forms should be submitted to HMEPS 45 days prior to your planned retirement date.

- Provide HMEPS with a qualified domestic relations order (QDRO) if you're divorced and you agreed or were ordered to have a portion of your HMEPS pension benefit paid to your ex-spouse. A QDRO is not valid until it has been qualified by HMEPS pursuant to state law requirements. For more information on QDROs, please consult with your attorney.
- If age 62 or older, formally notify Social Security of your retirement plans.

During Your Last Pay Period

- Contact your City departmental payroll representative to finalize insurance arrangements, if any.

Before Effective Retirement Date

- Make sure your employer notifies HMEPS of your termination from employment. Your retirement cannot be finalized and may be delayed if we do not receive this notification.

Additional items needed for retirement (unless indicated, send photocopies of documents)

- Birth Certificate and Social Security card, and driver's license or state-issued identification card.
- Electronic Funds Transfer (Direct Deposit) Enrollment Application – Form (completed by you and your financial institution) required to have your benefit deposited directly in your account at a financial institution.
- Divorce Decree or Domestic Relations Order – If you were divorced (or are divorcing) while an active HMEPS member and you agreed or were ordered to pay a portion of your HMEPS benefit to your ex-spouse.
- Other documents that are requested by HMEPS, as applicable.