

CERTIFIED PEACE OFFICERS/ CUSTODIAL OFFICERS (CPOS/COS) RETIREMENT AND INSURANCE OVERVIEW




ERS Retirement Groups

Your retirement eligibility and payment calculation rules are divided into three retirement groups depending on when you were first hired by the State of Texas.

- Group 1 is for state employees hired before September 1, 2009,
- Group 2 is for state employees hired between September 1, 2009 and August 31, 2013 and
- Group 3 is for state employees hired on or after September 1, 2013.

Withdrawing your retirement account removes you from your previous retirement group and may put you in a new group depending on when you return to state employment. Buying back your service credit helps your retirement eligibility, but does not return you to your former group.

For example, if you were in Group 1 and left state employment, withdrew your retirement account and then returned to state employment after September 1, 2009 but before August 31, 2013, you would be in Group 2.

	GROUP 1 	GROUP 2 	GROUP 3 
	Employees hired before September 1, 2009	Employees hired September 1, 2009 – August 31, 2013	Employees hired on or after September 1, 2013.
	The following applies to CPOs/COs regardless of years of service		
Final average salary months	Highest 36 months	Highest 48 months	Highest 60 months
Unused leave counts towards eligibility	Yes	No	No
Unused leave counts increase annuity	Yes	Yes	Yes*
Employee retirement contribution	9.5% state contribution plus additional .5% Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOSRF) contribution. ** (Additional contribution refunded if employee does not retire under LECOSRF)		

Less than 20 years of CPO/CO Service Credit – Does not qualify you for the LECOS higher multiplier			
Service multiplier	2.3%		
Minimum age and no GBP benefits	Age 60 with at least 5 years	Not available	
Minimum age with GBP benefits	Age 55 with at least 10 years		
Permanent annuity reduction	No reduction	5% for every year under age 60, 25% cap	5% for every year under age 62, no cap

20 or more years of CPO/CO Service Credit – Qualifies you for the LECOS higher multiplier			
Service multiplier	2.8%		
Minimum age to qualify for LECOS higher multiplier and GBP benefits	No minimum age requirement with 20 or more years of service		
Permanent annuity reduction	Actuarial reduction before age 50 (unless Rule of 80 is met)	5% reduction for every year under age 55, 25% cap	5% reduction for every year under age 57, no cap

*Unused annual leave can only increase the annuity if it's not taken as a lump sum upon employment separation.

**Contribution rates are based on current legislation and are subject to change.

Tiered Retiree Health Insurance

Grandfathering

You need 10 years of service credit with an agency that participates in the Texas Employees Group Benefits Program (GBP) to be eligible for GBP retiree insurance. The amount the state will contribute to your monthly premium depends on whether you had less than five years of eligible service at a GBP-participating agency or institution as of September 1, 2014. If you had five years by that date, you are “grandfathered” and the state will pay 100% of your health insurance premium (50% if you were a part-time employee in the last three months of your employment).

If you had less than five years of service as of September 1, 2014, the state’s insurance premium contribution will be based on the number of years you participated in the GBP:

- 100% contribution with 20 or more years,
- 75% contribution with 15 up to 19 years 11 months, and
- 50% contribution with 10 up to 14 years 11 months.

The first column in the chart below shows which years of service can be applied to meet the five-year requirement for retiree insurance “grandfathering.” Certain types of service and participation will count even if you waived or opted out of GBP health coverage.

If you’re not grandfathered, some service can put you into a higher insurance tier with a higher state contribution. The right column in the chart below indicates which types of service can put you in a higher tier. For example, if a non-grandfathered member had 12 years of service, he or she could buy three years of Additional Service Credit (ASC) to get 15 years and a 75% state contribution to the retiree health premium.

Type of participation/service	Years of service counted for grandfathering	Service counts toward higher tier
CPO/CO state employee	Yes	Yes
Waiting period	Yes (service doesn't have to be purchased)	Yes
Refunded service	Yes (service doesn't have to be purchased)	Yes
Additional Service Credit (ASC)	No (members already need 10 years to purchase ASC)	Yes
Military service	No (military service isn't creditable until a member has five years of service)	Yes
Proportionate Retirement Program (PRP)	No	No
Texas Governmental Entity (TGE)	No	No
Teacher Retirement System (TRS) service from a GBP-participating agency or institution	Yes	Yes
TRS service from a non-GBP-participating institution (example: independent school district (ISD))	No*	Yes (if transferring service to ERS at retirement)
Optional Retirement Program (ORP) service from a GBP-participating agency or institution	Yes	Yes
University of Texas or Texas A&M University systems	No*	Yes (if transferring service to ERS at retirement)
Texas Municipal Retirement System (TMRS)	No (unless employed by TMRS and participating in the GBP)	No (unless employed by TMRS and participating in the GBP)
Texas County and District Retirement System (TCDRS)	No (unless employed by TCDRS and participating in the GBP)	No (unless employed by TMRS and participating in the GBP)
Community Supervision and Corrections Department (CSCD)	Yes (if eligible to participate in the GBP)	Yes (if eligible to participate in the GBP)
Time spent covered under COBRA or as a dependent in the GBP	No	No
Time spent covered in the GBP as a Former Legislative Employee, Former Elected State Official, Former Board Member, Wrongfully Imprisoned Person, or Texas State Guard volunteer	No	No

*If transferring service to ERS at retirement, service will be used to determine state insurance contribution.