

**510 – RETIREMENT**

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**Section 510.01  
Retirement System**

Fort Bend County participates in the Texas County and District Retirement System (TCDRS). The retirement plan is managed by TCDRS, and the County funds the retirement plan at an amount approved annually by Commissioners Court. Human Resources administers plan enrollment, withdrawal and retirement for the County.

**Section 510.02  
Eligibility**

All part-time<sup>1</sup> and full-time employees of the County become members of the retirement system after making their first deposit into their account at TCDRS. Once an employee becomes a member of TCDRS, membership continues until an employee withdraws their funds. Participation in TCDRS is mandatory. All eligible employees must participate in the retirement program

**Section 510.03  
Contributions and Interest**

Seven percent (7%) of each eligible employee's salary is deducted from their pre-tax income and deposited in their TCDRS account beginning with their first pay check. Seven percent (7%) annual interest is credited each December 31 on the balance from the beginning of the year (or pro-rated if retirement or withdrawal takes place before December). TCDRS is a qualified retirement plan with the IRS; therefore deposits and interest earned are tax deferred as long as the funds remain in the TCDRS account.

Employees shall receive no credited service time towards vesting or retirement eligibility for any calendar month in which no contribution is made to their TCDRS account. This may include periods of unpaid leave under the Family and Medical Leave Act (FMLA) and Worker's Compensation leave if the employee is not receiving a County paycheck.

**Section 510.04  
Vesting**

Employees shall receive credited service for each month in which a contribution is made to TCDRS, and shall be vested after contributing to TCDRS for a total of eight (8) years<sup>2</sup> (96 months). Once vested, an employee is eligible to receive the County match (currently two-to-one) on all contributions made as a County employee and the applicable earned interest when they achieve retirement eligibility as defined in Section 510.06. If a vested employee withdraws their funds from TCDRS before they reach retirement eligibility, no matching funds will be provided.

An employee may receive credited service toward vesting and retirement eligibility for previous or future participation in other qualifying retirement plans in Texas. Examples of other qualifying service may include Texas Municipal Retirement System (TMRS), Teacher Retirement System of Texas (TRS), Employees Retirement System of Texas (ERS), and service with other counties and districts who are members of TCDRS. Employees with service time in other qualifying plans should contact TCDRS to inform them of the additional service time.

**Section 510.05  
Withdrawals**

Withdrawals from a retirement account may only be made when an employee retires or upon separation of employment with the County. If an employee's employment with Fort Bend County ends for any reason before reaching retirement eligibility, the following options are available:

1. Employees who are vested may leave the funds in the TCDRS account and receive the retirement when they qualify. (See Section 510.06)
2. Employees who are not vested may leave the funds in the TCDRS account and continue to earn annual interest, and no match will be provided.
3. The funds may be rolled over into a qualified retirement plan of the employee's choice, and no match will be provided.
4. The funds may be withdrawn in one lump sum after taxes and penalty due to the IRS have been deducted, and no match will be provided.

**Section 510.06  
Retirement  
Qualification**

A vested individual is eligible for retirement with Fort Bend County if one of the following qualifications is met:

1. Eight (8) years (96 months) of credited service and at least sixty (60) years of age;
2. Thirty (30) years of credited service at any age; or
3. Rule of seventy-five (75) – Age plus years of credited service equal seventy-five (75).

For purposes of this policy, an employee will be **eligible** to retire after working at least one work day in the month in which they first meet one of the qualifications listed above, or at any time thereafter. Retirement will be **effective** on the last business day of the month in which the employee chooses to retire, and the first retirement payment will be received on the last business day of the month following the effective date.

An employee who qualifies for retirement with Fort Bend County may be eligible to continue medical benefits coverage at a subsidized rate if they meet the conditions detailed in Section 511. Employees must meet with Risk Management to elect coverage on or before their retirement date to ensure they have no break in medical coverage. A break in coverage will result in the employee being ineligible for medical benefits at retirement.

The life insurance benefits and long-term disability benefits paid by Fort Bend County will be discontinued at retirement.

Employees of the Community Supervision and Corrections Department (CSCD) participate in Fort Bend County's TCRDS plan; however, CSCD employees are not County employees. CSCD employees participate in the State of Texas employee medical benefits plan. Continuation of benefits upon retirement is subject to the rules and regulations of the State plan.

**Section 510.07  
Rehire after  
Retirement**

An employee who retires, or an employee who ends employment and withdraws their funds from their retirement account, and is rehired after any length of time, is considered a new employee with no restoration of previous benefits. Such employees are subject to the waiting period for enrollment in health and medical benefits if there

was a break in coverage, or continuation of retiree health benefits may be permitted as explained in Section 511. Contact the Risk Management department for health benefit enrollment/reenrollment information.

**Section 510.08  
Inservice Distributions  
and Bona Fide  
Retirement**

As stated in Section 406.05 of this manual, IRS regulations prohibit “in-service distributions” from qualified retirement plans. This means that an employee may not for any reason withdraw funds from their Texas County and District Retirement System (TCDRS) account while employed with Fort Bend County. Any attempt to circumvent this provision by terminating employment for the purpose of receiving monthly annuity payments or withdrawing funds from the TCDRS account, and then returning to employment, is strictly prohibited.

**Violations of the IRS in-service distribution provision could result in serious tax consequences for the individual, the County, and all County retirees and employees.** Therefore, in accordance with Section 842.110(a) of the Texas Government Code a former Fort Bend County employee shall not be rehired for at least one full calendar month from the original separation date if they have 1) retired or 2) otherwise withdrawn funds from their TCDRS account. In addition and of utmost importance, the retirement or termination must have been a “bona-fide” separation, **meaning that the employee retired or ended employment with no agreement or expectation of any future employment with Fort Bend County.**

If a former employee is rehired and found to be in violation of the bona fide separation requirement of Section 842.110(a), Section 842.110(b) requires that the person’s TCDRS membership be restored, the service retirement annuity will be canceled, and the person must return any amounts distributed and payments received. Further, the employee will be subject to immediate termination of employment. Termination of employment may result in termination of eligibility for retiree medical benefits.

Elected officials, department heads, supervisors and managers must guard against giving employees any express or implied expectation of rehire to any position if the employee retires or ends employment and withdraws the funds from their TCDRS account. Commissioners Court approval will be required to rehire any such person. Elected Officials and Department Heads who choose to rehire a retiree or former employee after any length of time should complete Form 406A and submit the form to the Human Resources department. Human Resources will seek Commissioner Court approval for the rehire if the initial separation or retirement meets the criteria of a bona-fide separation or retirement as explained above.

**Section 510.09  
Retirement  
Information**

Additional information regarding retirement is available from the TCDRS Member Information Guide, at the TCDRS website, [www.tcdrs.org](http://www.tcdrs.org), or by contacting TCDRS at:

Texas County and District Retirement System  
P. O. Box 2034  
Austin, Texas 78768-2034  
(800) 823-7782

Retirement seminars, attended by representatives from TCDRS, Human Resources, Risk Management, and Section 457 Plan

vendors, are held throughout the year. Employees should attend one session early in their Fort Bend County career, and again when they near retirement eligibility so they can plan adequately for their retirement. Those employees nearing retirement eligibility should also contact Human Resources for a retirement consultation meeting.

Policy Approved and Adopted By:  
Fort Bend County Commissioners Court  
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<sup>1</sup> Effective January 1, 2007, all non-temporary part-time employees of the County must be enrolled in TCDRS.

<sup>2</sup> Employees who were members of TCDRS before January 1, 2000 may be vested with 4 years of service.