

Level Income or Regular Retirement?

◆ What is the Level Income Option?

The Level Income Option allows a retiree to receive a higher retirement benefit from TFFR until the retiree is eligible for Social Security benefits. It provides supplemental income in addition to the regular TFFR retirement benefit, based on the monthly Social Security benefit that will be available to you at age 62 or normal retirement (level income age).

At the level income age (which you select at the time of retirement), your monthly TFFR retirement benefit will be reduced for life by the full amount of the Social Security benefit you have **estimated at retirement** regardless of the **actual amount** you receive from Social Security.

◆ How can I receive a Level Income benefit estimate?

To receive a Level Income benefit estimate, you must provide TFFR with a written Social Security benefit estimate. A Social Security estimate can be obtained online at www.ssa.gov/estimator. This estimate needs to assume you stop work at the time of retirement from TFFR and no future earnings to age 62.

If you plan to wait to start benefits at your full retirement age with Social Security, you will need to contact your local Social Security office to get the full retirement age estimate. This estimate also needs to assume you stop work at the time of retirement from TFFR and have no future earnings. In either case, you will need to sign and date the estimate and include your social security number.

If you have worked for an employer that did not contribute to Social Security, there may be an adjustment to the benefits you receive from Social Security. Therefore, the Level Income Option may not be available to you.

◆ Will this supplemental benefit be taxable income?

Yes. Retirement benefits are primarily taxable income. Please refer to the tax information handout for more information regarding the taxation of your monthly benefit. Consequently, you may wish to have more tax withholding deducted from your supplemental benefit and reduce the tax withholding after the reduction in benefits.

◆ Can I still retire under the 100% Joint and Survivor Option when retiring with the Level Income Option?

Yes. With Level Income, all the retirement options are available.

◆ If I retire with the Level Income Option under the 100% Joint and Survivor Option and I die, what will my beneficiary receive?

Your beneficiary will be paid 100% of the benefit **you** were eligible to receive. For example, if you die before the level income age, your beneficiary will receive 100% of the supplemental amount until you would have reached the level income age. The benefit would then be reduced to 100% of the reduced amount. If you die after the level income age, your beneficiary will receive 100% of the reduced amount.

◆ If I retire under the Level Income Option then return to TFFR covered employment, how will my Level Income monthly benefit be affected?

A Level Income monthly benefit will be treated much the same as a member who retires under a regular retirement option. If you stay within the limitations outlined in the Working After Retirement brochure, you would continue to

receive your benefit. However, if you choose to exceed the limitations on returning to covered employment, your entire monthly payment would be suspended and you would not be entitled to recover any of the level income supplement that would have been paid.

- ◆ **When I die, will my beneficiary be eligible to receive the full Social Security benefit used in the TFFR Level Income Option calculation?**

TFFR Benefits Counselors are unable to answer Social Security questions. Please contact the [Social Security Administration](#) for verification of survivor benefits available to your beneficiary.

If you have further questions, contact the Administrative office.

[ND Retirement and Investment Office](#)

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