

Paragraph 2 Death Benefit
vs
Disability Retirement and “Filing For Protection”

Example- Teacher is 53 years old and has 22 years of service in TRS.
Her salary is \$120,000.

Paragraph 2 Death benefit is paid to her beneficiary upon her death while an active teacher PLUS a return of her contributions.

Paragraph 2 Death Benefit is 3 x her salary for a total of \$360,000

Total contributions after 22 years = \$40,000

Total compensation paid to her beneficiary is \$400,000

If the teacher is able to “File for Protection” under Disability, and she passes away, her beneficiary would receive half of her Paragraph 2 Death Benefit PLUS the Largest Non-Declining Lump Sum.

Paragraph 2 Death benefit is 3 x her salary for a total of \$360,000. Since she passed away in the first year of retirement, her beneficiary is entitled to half for a total of \$180,000.

The Largest Non- Declining Lump sum option would also pay \$390,000

Total compensation paid to her beneficiary is \$180,000 + \$390,000 = \$570,000