

HORIZONS

A NEWSLETTER ESPECIALLY FOR TCDRS MEMBERS

SUMMER 2014

Ride (or hike) across Northeast Texas

Paris is the center of the longest rails-to-trails project in Texas and Lamar County Assistant Attorney Jill Drake is helping it become a reality. See page 2.

Can you take it with you?

With TCDRS, you have options when you leave your job. See more on page 4.

Rent vs. buy

Discover if it's more cost effective to rent or buy a home on page 6.





Member Services 800-823-7782
Austin Area (512) 328-8889
Fax (512) 328-8887
memberservices@tcds.org
www.tcds.org

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On the cover...

Jill Drake, an attorney for Lamar County, helps raise funds and awareness for the Trail de Paris and is now setting her sights on establishing the 130-mile long Northeast Texas Trail.
Photo by Gerald McLeod



Lamar County employees make the dream of 130-mile trail a reality

Story and photos by Gerald McLeod

Hike-and-bike trails are nothing new for Northeast Texas.

Paris, the city with a 75-foot Eiffel Tower topped with a red Stetson, has supported its Trail de Paris for more than a dozen years. The 6.9-mile linear park slices through the county seat of Lamar County like a vein of green gold.

As a mother of two teenage daughters, Jill Drake thinks the trail is an important part of the quality of life in Paris. She volunteers with the Friends of the Trail organization to help raise funds for trail maintenance and improvements.

"It's a place for me and my kids to get outside," she says of the greenbelt that uses a former railroad "right of way" (the land granted for the railroad's use). "And it makes me feel good to see my volunteer work come to fruition."

The assistant county and district attorney for Lamar County is also the county contact on the coalition board that is helping extend the success of the city's trail. She and other volunteers envision the 130-mile-long Northeast Texas Trail (NETT) stretching from New Boston to Farmersville.

Using what was once a railroad right of way, when NETT is completely open it will be the longest rails-to-trails project in the state and fourth longest in the United States. About 75% of the trail is currently passable.

"I've walked just about the entire portion of trail in Lamar County," Jill says. "For my family, [the trail is] a chance to just enjoy being outdoors with each other without all the distractions."

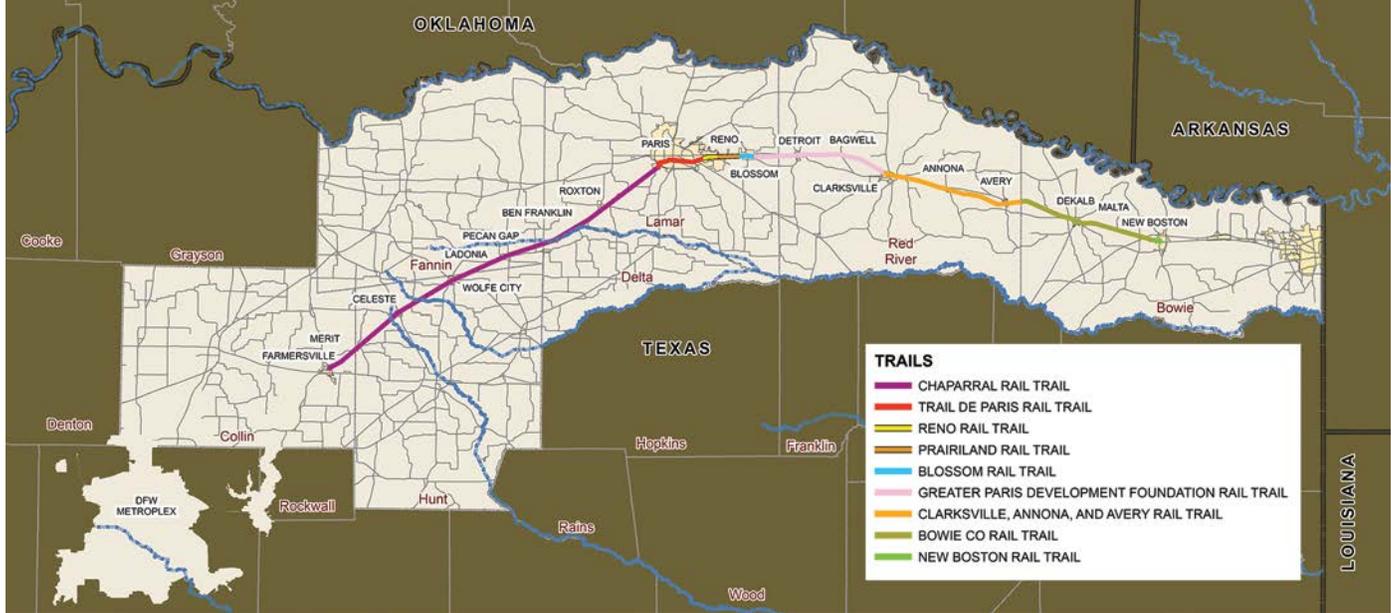
She runs on part of the Paris trail several nights a week, occasionally rides her bike on stretches and accompanies her husband on bird-watching excursions most weekends.

Saving rail corridors

In the 1980s a national effort began to set aside unused railroad rights of way, rather than selling them.

"It's called railbanking," says Jimmy Don Nicholson, a community service coordinator for the Lamar County Adult Probation Department. His crews of probationers have contributed many hours of cleanup to the Trail de Paris and the NETT.

After the rails are removed, the railbed becomes the responsibility of a local sponsor. Bowie County is the manager for the east end beginning in New Boston. Clarksville,



Paris, Farmersville and nine other towns and organizations maintain portions in their areas.

Federal law requires the land be used for hiking, biking and equestrian use, but not vehicular traffic. It is a way to ensure that the railroad lanes are kept intact for possible future railroad use. A railbanked corridor is not considered abandoned and does not revert to adjacent landowners.

Jimmy Don estimates he has walked well over 30 miles of the trail both for exercise and to survey conditions.

“There is a lot of the trail open in our area,” he says. “The county commissioners have helped keep the trail clean and safe and we’re always looking for grants and volunteers to help.”

An economic engine

The NETT travels through seven counties and 19 towns.

“The trail has a great potential to have a positive economic impact for the rural communities,” Jimmy Don says, pointing out the successful rails-

Running 130 miles from Farmersville to New Boston, the NETT is the longest rails-to-trails project in Texas and the fourth longest in the U.S. The trail passes through seven counties and 19 towns. It is used by commuters and cross-country hikers, bicyclists and horseback riders.

to-trails corridors in Mississippi and New York as examples. The Katy Trail in Missouri brings \$18.5 million a year to communities along it, he says.

Jill agrees, “The potential for stores, campgrounds, bed and breakfasts, cafes and other businesses along the trail is huge. Every little town along the way has something to offer families riding for a while on the trail and looking for a place to stop.”

Several towns have already added campgrounds on the trail and the Avery Volunteer Fire Department added showers and restrooms for trail users at their fire station.

Built in 1886, the rail line serviced the communities in Northeast Texas from the Texas-Arkansas border almost to Dallas. The first section of the NETT to open was the Chaparral Trail from Farmersville to Paris. It

was named for the Chaparral Railway that operated in the corridor from 1990 to 1995.

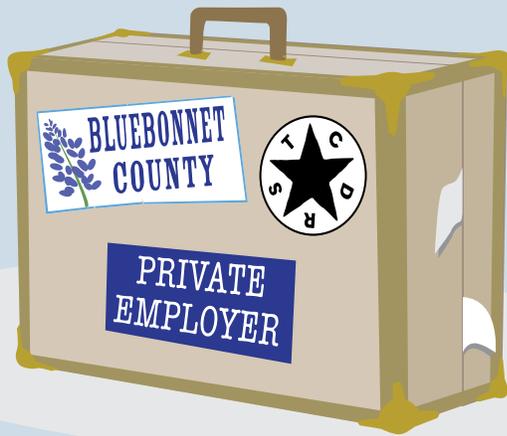
A work in progress

Since 2001 the pieces of the puzzle have fallen into place as sections of the trail have been added. Volunteers from across the state have come to hack vines, chop fallen trees and rebuild washed-out sections during the trail work days.

The trail passes through a variety of beautiful Texas landscapes. Parts of it tunnel under the canopies of thick forests. In other places, it skirts idyllic farms and flatland prairies. Some portions of the trail have been paved, especially around Paris and Farmersville, while most other sections are double-track dirt lanes.

“I like the idea of maybe hiking the whole trail after I retire,” Jill says. “Whether we use all of it or just part of the NETT, it’s nice knowing it’s available. The trail is a wonderful resource for so many people.” ★





Your TCDRS benefit can go where your career takes you

Leaving your county or district job doesn't mean leaving behind your retirement savings. You have several options when it comes to your TCDRS account.

Keep your money in TCDRS.

As long as you keep your TCDRS account open (in other words, you do not withdraw your money), you'll continue to earn 7% compound interest. If you're vested, you can even choose to receive a monthly benefit for life, when you are eligible and choose to retire. And any monthly benefit you receive from your TCDRS account includes employer matching.

Even if you're not vested when you leave your job, you could still earn service time that could count toward your TCDRS retirement. All the TCDRS service time you earn, even if it's with a different county or district, counts toward your vesting and retirement eligibility requirements. Further, if you work for the state, a city or a school district, the service time you earn with their retirement systems counts toward your TCDRS

retirement eligibility. So, you could accumulate enough service time in other systems to eventually receive a benefit from your TCDRS account, even if you don't work for a county or district.

Roll your money over. If you put your money into another tax-deferred retirement account that accepts rollovers (such as an IRA or your new employer's retirement plan), you can avoid tax penalties while you continue to save for retirement. However, you only get employer matching when you receive a TCDRS monthly benefit, so any money you roll over will not include employer matching.

Withdraw your money. If you choose to withdraw your account, you will receive a check for your account balance. As with rollovers, your withdrawal will not receive

employer matching. If you withdraw your account, there will also be certain tax penalties. The IRS requires TCDRS to withhold 20% of your money for federal income taxes on withdrawals. You will also have to report your withdrawal as income when you file your income taxes, which could affect how much you pay in taxes. Furthermore, if you're younger than 59½ when you withdraw, you may have to pay the IRS a 10% penalty for early distribution. If you're considering a withdrawal, please ask a tax professional how this will affect your taxes.

For more information about your options when leaving your job, see the *Leaving Your County or District Job* brochure by selecting "See all" under Publications at www.tcdrs.org, or call TCDRS Member Services at 800-823-7782.

WHAT IF I DIDN'T LEAVE MY JOB VOLUNTARILY?

If you have to leave your county or district job due to layoffs or if you are dismissed, your TCDRS membership remains active as long as you keep your account open and do not withdraw your money. If you keep your account with TCDRS, you will continue to receive 7% compound interest. If you're vested, you could choose to receive a monthly lifetime benefit with employer matching when you become eligible to retire. Because of this annual 7% compound interest, your account will approximately double in value every 10 years, even if you never make another deposit. You also have the option to roll your money into another tax-deferred retirement account or withdraw it at any time after you leave your job.



See yourself in retirement: Planning for the rest of your life

This is the second part of a three-part series exploring different aspects of retirement planning and what resources are available to help you.

Part 2: What you bring to your retirement

By Leah Golden

Envisioning what you want to do in retirement gives you a destination. The next step is to consider what resources will help you reach it, and what obstacles may be in your way.

Adding income

TCDRS: Two of the great things about pension plans like TCDRS is that you know what you're going to get when you retire and you will never outlive your benefit.

"That's a powerful thing in a world where you don't get many promises," says Will Smayda, Preferred/Merrill Edge Region Executive.

You can sign in at www.tcdrs.org to run an estimate of your future TCDRS benefit.

Social Security: If your employer participates in Social Security, it will likely be a crucial part of your retirement income. To get an estimate of your benefit, visit www.ssa.gov and click on the "Retirement Estimator" on their homepage.

Other retirement savings: Examples include 401(k)s, 457 plans, IRAs and Roth IRAs, but this can also include your personal savings. Contact the company you have the account with to find out more about what income it might provide. These accounts can't guarantee a payment amount until you retire because their balances depend on their investment performance.

Work: It's becoming a more common factor in many people's retirement plans, according to Smayda.

"Full retirement the way my grandparents would think about it, I don't know [if] that exists for a lot of people anymore," he says.

If work is part of your retirement vision, think about how much you want to do, for how long, and how much it may add to your income.

Subtracting expenses

Living expenses: Housing, utilities, groceries, health care and dental expenses don't end when you retire. And how much they cost will go up due to **inflation**, Smayda says.

Debt and taxes: It can be a challenge to retire at 62 and still have four more years of mortgage payments, according to Smayda. Knowing when your debts are paid off can help you choose the right time to retire. Remember your property and income taxes, too. Your TCDRS benefit payment is considered taxable income.

Fun stuff: Find out what it will cost to follow your retirement dream and build that cost into your budget. Remember to budget for any special travel, and birthday and holiday gifts, too.

If your income doesn't look like it will cover your expenses, don't panic. In the last part of this series, we'll look at strategies you can use to help reach your retirement goals. Until then, check out our "Am I Ready to Retire?" video on the TCDRS YouTube Channel.

Sources: *U.S. News & World Report*, *Principle Financial Group*

7 SURPRISE RETIREMENT EXPENSES



Car repair or replacement



Providing financial support to an adult child or your parents



Raising grandkids



Emergency travel



Loss of income when a spouse passes away



Long-term health care



Moving costs

Sources: *Kiplinger*, *MSN Money*, *USA Today*

How to choose between debt payment and emergency savings

By Kelly E. Lindner

Many financial experts claim that you must establish an emergency fund (containing anywhere from 3 months to 12 months of living expenses) to keep unforeseen circumstances from flooding your credit cards and racking up interest. But if you're currently in debt, should money go to an emergency fund or debt first?



Pay off debt first:

Some experts claim that you should pay off debt first, no matter what the interest rate, because of what your debt is

costing you. CNN.com's [debt calculator](#) shows you how much interest you're accruing on debt and how long it will take to pay off with fixed monthly payments.



Start an emergency fund first:

Dave Ramsey, *The New York Times* best-selling author and personal finance expert, suggests building an emergency

fund of at least \$1,000 before paying down debt.

"If you use debt after swearing it off, you lose the momentum to keep going," Ramsey told TCDERS in an

email. "It is like eating seven pounds of ice cream on Friday after losing two pounds that week. So start with a \$1,000 emergency fund to catch the little things before beginning to dump your debt. Your \$1,000 fund will keep life's little emergencies from turning into new debt while you work off the old debt."



Pay off debt while saving:

Another approach is to do both simultaneously. Each month you can auto-deduct a certain amount to a savings account and put an aggressive amount toward your debt. This could be a useful strategy for student loans. Since you're most likely paying those off over a larger time frame, it's more likely you will encounter emergencies before your payoff date.

Sources: [Bankrate.com](#), [Usnews.com](#)

Rent

vs.

Buy

Cost effective: short term (3–7 years)

- + Lower upfront costs
- Rent can go up

Payments benefit landlord

Landlord takes care of repair/maintenance

Possible pet restrictions

Cost effective: long term (7+ years)

- Higher upfront costs
- + Mortgage payments stable

Payments benefit you

Home improvement allowed

No restrictions on pets

You take care of repairs/maintenance

These are just a few things to think about before making your decision. For more information, see these helpful "rent or buy" calculators from *The New York Times* and [Trulia.com](#). Sources: [Thetruthaboutmortgage.com](#), [Moneycrashers.com](#)

State markers link the rich mosaic of our local histories

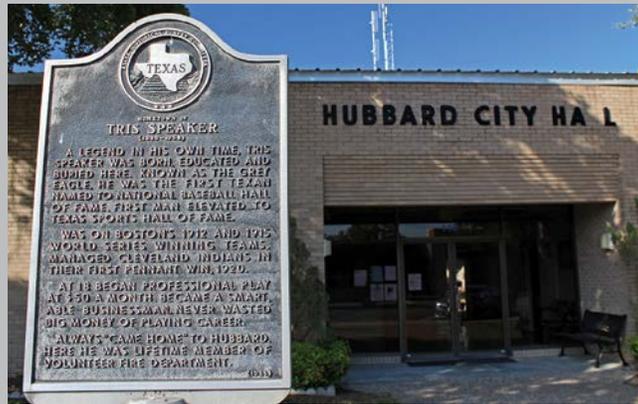
Historical markers can be found in all 254 counties in Texas. Since the state program began in 1962, more than 15,000 of the familiar metal signs have been placed on courthouse lawns, in city parks, near historic buildings and along our highways.

Counties are mandated by state law to appoint historical committees. These historical committees research and nominate potential historic markers that are then approved by the Texas Historical Commission. The markers recognize local individuals, places and events that have statewide, and sometimes national, significance.

People

Texas has no shortage of historical figures and many are remembered on plaques around the state. The village of Hubbard in Hill County recognized native son Tris Speaker with a marker in 1964. As a member of the Boston Red Sox, he went to the World Series in 1912 and 1915, and was the first Texan named to the National Baseball Hall of Fame.

Texas was also home to Andrew “Rube” Foster, one of the greats of the Negro Leagues who has a marker in Calvert in Robertson County. Another member of the National Baseball Hall of Fame, Foster was a pioneer player, manager and league executive. He is known as the “Father of Black Baseball”.



Near the town of Fayette in Fayette County, a historical marker remembers James J. Ross. A successful farmer and businessman, Ross was killed by vigilantes for sheltering Indians in his home in 1835.

Places

Many of the historical markers are all that is left of what were once thriving communities. Indianola was a bustling port city in Calhoun County until hurricanes in 1875 and 1886 washed away the wharfs, warehouses and homes.



A marker in the city of Holliday in Archer County remembers Dad's Corner. It was a settlement that appeared during the oil boom of 1923, and disappeared almost as quickly.

In front of the county courthouse in Rankin is a plaque to the first county seat of Upton County. The town of Upland was the seat of the new government for 11 years until it was bypassed by the railroad in 1921.

Events

Even before completing the first trans-Atlantic flight, wherever Charles Lindbergh touched ground was news. Thanks to a historic marker at Camp Wood in Real County, they're still talking about the day in March 1924 when Lindbergh crashed his plane into Warren Puett's store.

And who could forget the day when the billionth barrel of oil was pumped out of the ground in Andrews County? The marker in front of the county courthouse remembers May 25, 1965, along with a marker that honors the oil well that began the bonanza in 1929.

Historical markers around the state tell us about the past like no book ever could. To browse a comprehensive list of more than 300,000 historic site records, go to the THC's [Texas Historic Site Atlas](#).



In this issue of *Horizons*:

- ★ New trail takes shape in northeast Texas
- ★ Make sure your retirement adds up
- ★ Rent or buy: What's best for your home?

TCDRS ★ P.O. Box 2034 ★ Austin, TX 78768-2034

In memoriam

For a list of employees and retirees who passed away recently, go to www.tcdrs.org. Click on the "See all" link under Publications for In memoriam.

Your online roadmap to retirement

Whether retirement is many miles away or right around the corner, TCDRS is here to support you every step of the way. When you sign in to www.tcdrs.org, you can see where you are on the road to retirement with the milestones bar.



Once you earn four years of TCDRS service time, you are eligible for the Survivor Benefit. This benefit provides your beneficiary with peace of mind as long as your account is open (even if you leave your job). For more information, you can check out our *Survivor Benefit* brochure or video.

Once you're vested, you've earned the right to a future retirement benefit, even if you leave your county or district job. Our *Vesting* brochure and video can tell you everything you need to know about this milestone.

This milestone marker shows the earliest date you can start your retirement benefit after leaving your county or district job. But are you really ready? Find out with our retirement readiness video. If you are, learn the basics with our payment options video.

We'll contact you when you reach these important milestones. If you have any questions about your account, call TCDRS Member Services at 800-823-7782.



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