



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
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DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

Memorandum

To: TCRS Participating Employers

From: Jill Bachus, TCRS Director 

Re: Debit cards issued to retirees

Date: April 26, 2013

In June 2012, the Tennessee Treasury Department began contacting those TCRS retirees who were being paid by paper check. While more than 100,000 retirees receive their monthly benefit payments by direct deposit, approximately 700 retirees receive paper checks each month.

The Social Security Administration recently announced that beginning in April 2013, all benefits will be made by electronic means. TCRS has adopted this schedule and will no longer issue monthly retirement benefits by check after this date. If TCRS has not received the authorization to direct deposit a retiree's benefit payment by April 2013, a debit card will be issued and mailed to his/her home address and all future TCRS benefit payments will be made by adding the monthly benefit to the debit card balance. We have notified the affected retirees by letter and through articles in newsletters on several occasions concerning the elimination of the TCRS paper check.

Direct deposit offers many advantages to the retiree. It eliminates the problems and delays related to lost, stolen or forged checks. Additionally, direct deposit ensures that retirees' benefits are deposited into their checking or savings accounts when they are traveling or sick, when the weather is bad or if they have more pressing matters to address. By using direct deposit, retirees have access to their funds on the last business day of each month—much earlier than they would with receipt and deposit of a paper check. Subsequent bank account changes can be made at any time by logging into Retiree Self-Service or by notifying TCRS in writing.

As an agency of state government, it is our goal to operate the retirement system in an effective and efficient manner. Issuing paper checks is extremely expensive. Not only is there the cost of postage, envelopes and paper, but there are also significant staffing costs associated with the monthly reconciliation of paper checks, redeeming and storing images of cashed checks, resolving problems with fraudulent checks, issuing stop payments and reissuing lost or stolen checks.

The Tennessee Treasury Department is dedicated to serving the needs of its retirees and participating employers. We are continuing to reach out to the retirees affected in hopes of minimizing any confusion. If you receive questions from retirees regarding the debit card, or if you need to speak with someone at TCRS, please contact the Financial Services division at 800-770-8277, option 3 or (615) 741-4913.