



STATE OF TENNESSEE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
10th FLOOR ANDREW JACKSON BUILDING
502 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0201

DAVID H. LILLARD, JR.
STATE TREASURER

JILL BACHUS
DIRECTOR

April 22, 2013

John Smith
1234 Main St
Nashville, TN 37243

Dear John Smith:

One of the primary goals of the Tennessee Consolidated Retirement System (TCRS) is to communicate with our retirees whenever changes are expected. TCRS is implementing a new computer system called Concord. We have mentioned this system in previous letters and in the Retiree Advisor newsletters. As part of this implementation, you will begin receiving your benefit payments from Concord with the April 30, 2013 payment.

As an active member, you made retirement contributions to TCRS, some of which were paid after tax. The IRS allows a portion of each of your monthly payments to be excluded from taxation based on the retirement contributions you made after tax. The Concord system reduces each monthly payment by the exclusion amount before calculating the withholding tax, as opposed to reducing the taxable amount at the end of each year, as the old system did. As a result, you will see a small increase in your net pay beginning in April because less tax is being withheld from your benefits on a monthly basis. Your gross benefit amount will remain the same and your year-end tax liability is not affected by this change. If you need to change the amount withheld for taxes from your retirement benefit, please complete and return to TCRS a Substitute Withholding Certificate for Pension or Annuity Payments form available on our website at <http://treasury.tn.gov/tcrs/Retirees.html>.

TCRS is dedicated to serving the needs of its retirees. If you have any questions or need to speak with someone at TCRS, please contact our Financial Services division at 800-770-8277 or (615) 741-4913.

Sincerely,

A handwritten signature in cursive script that reads "Jill Bachus".

Jill Bachus
Director, TCRS