

Teachers' Retirement System of the State of Illinois

TRS Member Services Overview For HR



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TRS OVERVIEW

Part 1

- TRS' Role
- TRS Basics

Part 2

- TRS-SSP Option
- Disability & Death Benefits
- Health Insurance (TRIP/TRAIL)
- Retirement Readiness
- Post Retirement Increases & Work Limits



What We Do for Members

- Run Benefits Estimates: Need current & future anticipated salaries and # of sick days at current employer. If Reciprocal, we need to “research” to provide comprehensive estimate.
- Provide instruction on how to obtain and use Optional Service, Reciprocal Service, and Unused Sick Days
- Explain cost and enrollment for TRIP
- Walk member through Disability and Death Benefits



What We DON'T Do for Members

- Provide financial advice. Specifically we do not advise members with regard to:
 - Taking/not taking the AAI Lump Sum
 - Deciding whether or not to enroll in the TRS SSP
 - Choosing the “best” option for the TRS SSP
- Interpret district contracts & incentives
- Explain or compare TRIP health insurance coverages





TRS Contributions

Members, employers and the state of Illinois make contributions to TRS to provide for your retirement, disability and death benefits.

Member Contributions

- 9.0% of gross creditable earnings
- 7.5% for retirement benefits
 - 0.5% for automatic annual increases in retirement
 - 1.0% for death benefits

Member THIS Fund Contributions

0.90% for subsidized premiums for retiree insurance

Employer Contributions

0.58% for retirement benefits

Employer THIS Fund Contributions

0.67% for subsidized rates for retiree insurance





Retirement Basics: A Model Plan



Primary Plan: Defined Benefit Pension Plan (TRS)

TRS Members Must Contribute:

- 9% of earnings for your pension & survivor benefits
- Lifetime Monthly Benefit



“Supplemental” Plans: Defined Contribution Plan & Savings

TRS Members May Choose to Contribute
Examples: TRS-SSP, 457-B, IRA, 403(b)



Federal Plans: Social Security

TRS Members do not contribute

Medicare

TRS Members do contribute.
Basis of health care at age 65

Tier 1 or Tier 2?

1

Tier 1

First contributed to TRS or reciprocal retirement system **prior to January 1, 2011**

2

Tier 2

First contributed to TRS or reciprocal retirement system **on or after January 1, 2011**

JANUARY 2011						
SUN	MON	TUES	WED	THURS	FRI	SAT
30	31					1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

Retirement Eligibility

Tier 1

- Age 62 with a minimum of 5 years of service
- Age 60 with a minimum of 10 years of service
- Age 55 with a minimum of 20 years of service*

*Early retirement -- the benefit will be reduced by 6% for each year the member is under the age of 60 if fewer than 35 years

Tier 2

- Age 67 with a minimum of 10 years of service
- Age 62 with a minimum of 10 years of service**

**Early retirement -- the benefit will be reduced by 6% for each year the member is under the age of 67



Retirement Formula

$$\begin{aligned} &\text{Service Credit} \\ &\times \text{Formula Factor} \\ &= \text{Percentage} \\ & \\ &\text{Percentage} \\ &\times \text{Final Average Salary (FAS)} \\ &= \text{Annual Pension Benefit} \end{aligned}$$



Service Credit



Service Credit x Formula Factor x FAS = Pension

- 170 paid days equal 1 year of service credit
 - Full-time, part time, and substitute teaching
- Only 1 year of service can be earned per school year
- School year runs July 1 through June 30

Days Worked	Service Earned
94 days	0.553
170 days	1.000
185 days	1.000
260 days	1.000

Service Credit *from:*



Sick Days

Unused, uncompensated sick days reported to TRS by a school district upon termination or retirement

- Maximum of 340 sick leave days or 2.000 years of service
- Every sick day earns service credit
- Current district sick leave is not reported to TRS until ceasing employment
- Request "Former Employer Sick Leave Certification" (if not reported by the former district)

Purchasing Eligible Service Credit is Optional!

- Out of system/state, Leaves of absence, RIFs, Military Service,
- Sub Service prior to 1990, or Private school
- Previously refunded TRS service
- PAID student teaching after 7/1/2019

Reciprocal Service Credit

- IMRF, SURS, SERS, CTPF, others
- Must have at least **1 year** of non-concurrent reciprocal service credit
- Teacher's aide under IMRF may use less than one year if aide work was followed by teaching
- Combined service credits must meet the minimum vesting requirements in each system



Formula Factor 2.2 Upgrade

Service Credit x Formula Factor x FAS = Pension

The Formula Factor is the percentage of your final average salary you earn for each year of service credit

- Since 7/1/1998, 2.2% has been the only formula factor used
- At this time, most Tier 1 members have “earned out” any years prior to 1998. They can verify with TRS



Final Average Salary

Service Credit x Formula Factor x FAS =
Pension

Tier 1

- Average of highest FOUR (4)
*consecutive salaries out of last 10
years of service

Tier 2

- Average of highest EIGHT (8)
*consecutive salaries out of last 10
years of service
- Cannot exceed the limit that is tied to
the Consumer Price Index
 - FY25 Salary Cap: \$127,283.01

“Salary” includes regular pay, extra duty stipends, 9% contribution to TRS. Increases up to 20% with same employer can be included

*See Appendix for additional information on Final Average Salary



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Basis of health care at age 65

Teachers' Retirement System and Voya Financial



The Teachers' Retirement System of the State of Illinois (TRS) provides a retirement pension, disability and death benefits through a defined benefit plan for certified teachers and administrators in public common and charter school districts located outside of Chicago.



The TRS Supplemental Savings Plan (SSP) is an optional 457(b) retirement savings plan offered by TRS through Voya Financial, the trusted third-party recordkeeper.

The SSP is the only deferred compensation plan sponsored and administered by TRS and is designed to supplement your existing TRS pension—it does not replace it. Voya representatives working on behalf of TRS are known as TRS SSP Retirement Education Specialists.



Plan administrative services are provided by Voya Institutional Plan Services, LLC (VIPS).
VIPS is a member of the Voya® family of companies and is not affiliated with TRS. CN2992613_0725

A Great Way to *Bring More* to Your Retirement

TRS Supplemental Savings Plan (SSP)

What?

- An optional retirement savings plan that allows you to contribute a portion of each paycheck toward your future retirement goals.
- Designed to supplement your TRS pension – it does not replace it.

The SSP offers:

- Traditional (pre-tax) and Roth (after tax) savings options
- A wide range of investment options
- Flexible withdrawal options
- Convenient contributions through payroll deduction
- Ongoing access and support from local TRS SSP representatives

Who?

- Active full-time or part-time contractual employees in a TRS-covered position are eligible to participate.
- Substitutes, part-time non-contractual (hourly), and extra-duty employees are not eligible to participate.

When?

- Open an account at any time with easy enrollment options.
- Make changes to your account at any time through the TRS SSP website or on your phone.

To learn full details about the SSP, review the *Summary Plan Description (SPD)* available in the SSP Plan Information section on the TRS SSP website, trsilssp.voya.com.



Contributing to the TRS SSP



Types of Contributions

- **Pre-tax contributions**
You do not pay taxes on your contributions now; earnings grow tax free; you pay taxes when you withdrawal your balance.
- **Roth (after tax) contributions**
You pay taxes on your contributions now; earnings grow tax free, qualified withdrawals are also tax free.
- **Rollover contributions**
Transfer balances from eligible retirement savings plans such as a previous employer's plan, your rollover IRA, Roth IRA, etc.

Contribution Limits

- Minimum contribution amount of **\$30 or 1% per pay period**.
- Maximum annual pre -tax and/or Roth contribution up to the IRS limit , **\$23,500 for 2025**. This limit applies to all 457(b) plans you may contribute to.
- Contribute an **additional \$7,500 for 2025** if you are age 50 or older, or
- Contribute up to an **additional \$23,500 for 2025** if you are three years prior to the year of normal retirement age.

Your pre -tax and Roth contribution elections will apply to all eligible compensation across all participating employers. If you work for multiple employers, please consider carefully the amount you want to contribute in total across all employers.

Compare your savings opportunities



TRS 457(b)

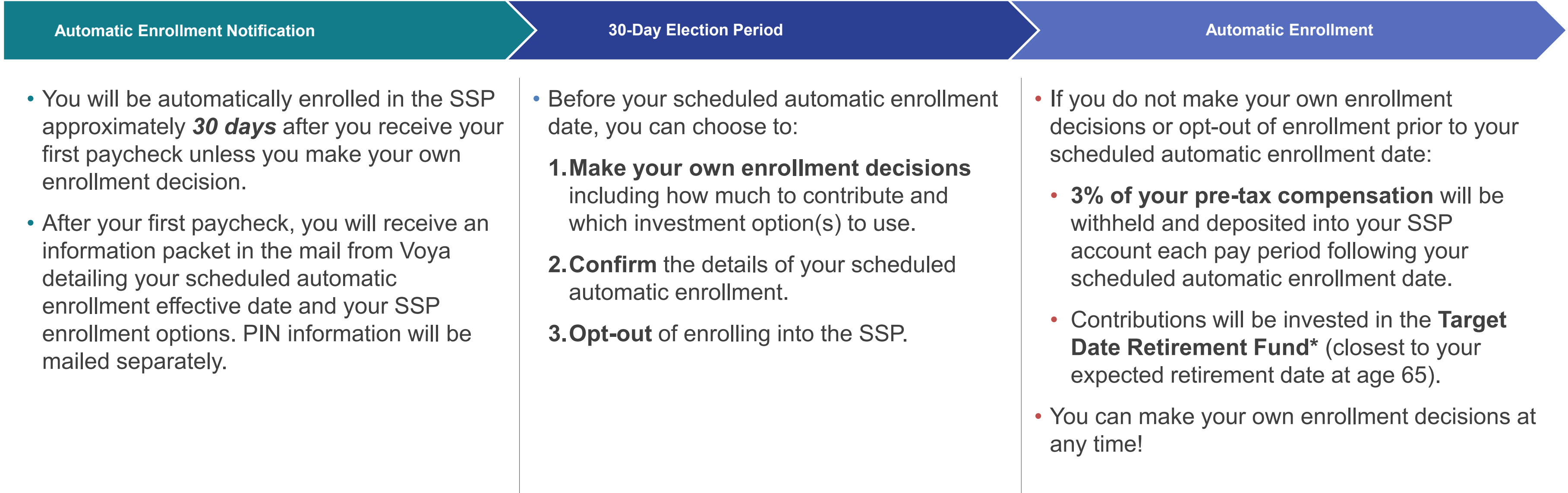
- Eligibility (TRS active member)
- Distribution (no 10% penalty)
- 3-year special catch-up
- Unforeseen emergency

403(b)

- Eligibility (check with district)
- Distribution (10% penalty)
- 15-year special catch-up
- Hardship/loan

Automatic Enrollment in the TRS SSP

Full-time or part-time contractual employees first employed in a TRS-covered position on or after January 1, 2023 will be automatically enrolled into the SSP.



Visit the TRS SSP website at trsilssp.voya.com to view the Automatic Enrollment Guide on the homepage.

*If you do not make an affirmative investment election on your own and are defaulted into the Target Date Retirement Fund, your default will be deemed your investment direction to invest your SSP account in the Target Date Retirement Fund.

Disability Benefits



Disability Benefits

TRS offers temporary disability benefits to ill/injured **active** members prior to retirement



Eligibility

- Must have at least 3 years of non-concurrent service credit
 - (TRS, SURS, SERS, and IMRF)
 - Two state-licensed physicians must certify the disability existed within 90 days of last day of work (only one physician is required for pregnancy)
 - Must use up all sick leave days
-
- **Benefit is equal to 40% of member's contract rate**
 - **You earn service credit while receiving the disability benefit**

Death Benefits



Death Benefits



1%

Survivor Benefits



8%

Retirement

Two Benefits Could Be Payable

1. Survivor Benefit

Monthly benefit to a dependent or Lump sum to anyone

Dependent:

- **A spouse of 1+ years (even if they have own income/pension)**
- **Biological/adopted child until age 18 or age 22 if full time unmarried college student**
- **Possibly an adult child with a disability**
- **Parents if listed as your dependents on taxes**



Two Benefits Could Be Payable

2. Beneficiary Refund

A Lump Sum payment; dependency is not a factor

- **8% of earnings is invested for member's personal retirement**
- **Balance grows until they receive last paycheck from district**
- **Depletes each month in retirement by the amount of pension**
- **Will be fully depleted roughly 4 years into retirement; then paid from TRS Trust Fund**

Beneficiary Refund only payable if member passes away before they have recovered their contributions in pension



Retirement Timeline





Retirement Process Responsibilities

TRS MEMBER

- Contact TRS 6-12 weeks prior to your last day of work (by phone or online)
- Complete and submit all necessary retirement forms
- Contact each reciprocal system for retirement application, if applicable
- Submit retirement application to reciprocal system(s), if applicable
- Pay off or waive all optional service and 2.2 balances

EMPLOYER

- Submit the supplementary report on or after the last day of work (electronically)
- Submit the sick leave certification on or after the last day of work (electronically)



In Retirement...

Post-retirement Employment




- Must have received first pension check
- TRS-covered work limited to 120 days/600 hours per school year thru 6/30/26
- May not work in TRS-covered position until July 1st
- May not return to last employer for 30 days
- May not pre-arrange post-retirement employment with last employer
- Reciprocal limitations apply, if retiring reciprocally or are Tier 2
- No limit on private sector or out-of-state public school work
- No limit on earnings
- **NEW:** Notify member upon 1st reported day in each fiscal year and 2nd email upon 450 hours reported for a fiscal year
- Return to work Subject Shortage extended to 6/30/2027

Health Insurance (TRIP/TRAIL)



TRIP/TRAIL/Split Family

Type of Participant	Type of Plan	Not Medicare Primary	Not Medicare Primary	Not Medicare Primary	Medicare Primary 
		Under Age 26	Age 26-64	Age 65+	Medicare Eligible
Benefit Recipient	HMO/ OAP	\$121.18	\$370.76	\$503.81	\$7.35
	PPO	\$308.40	\$857.02	\$1,300.03	
	PPO when HMO/OAP not available	\$156.11	\$431.60	\$653.58	
Dependent Beneficiary	HMO/ OAP	\$484.89	\$1,483.01	\$2,015.19	\$27.14
	PPO	\$624.46	\$1,726.40	\$2,614.28	
	PPO when HMO/OAP not available	\$624.46	\$1,726.40	\$2,614.28	

Help Is on the Way!

WEBINARS FOR MEMBERS

Time to Retire

- Specifics for TRS Members retiring in 2026

Mid-January – February

Email invitations to members that qualify to retire & have valid email with TRS

What's Next?

- Specifics for TRS Members that retired in 2025 and need to review TRIP/TRAIL enrollment, taxes & 1099's, making changes after retirement

Subs Are Teachers Too!

- Your substitute teachers are worth gold! And those that are not post retirement are earning a pension. They will learn how it works.

Watch for Outreach Webinars

- The Outreach Team will offer webinars each month. These will cover a variety of topics of interest to TRS Members. Email invitations are sent to members that could benefit from hearing each topic.

- TRS Express! Offered separately to Tier 1 & Tier 2 members
- Eligible for APB
- Financial Wellness (with Voya)
- Substitute Teachers
- New to TRS?



Contact Information

Employer Support

Defined Benefit Reporting, Supplementary Reports, Sick Leave Certifications ,
or Prior Year Corrections

(888)678-3675 Option 1

employers@trsil.org

Invoicing and Payments

(888)678-3675 Option 2

accounting@trsil.org

SSP Defined Contribution Reporting or Plan Rules

(888)678-3675 Option 3

SSP@trsil.org

TRS Member Support

Tollfree: (800) 927- 5877 7:30am – 4:30 pm

Email address: members@trsil.org

Supplemental Savings Plan

trsilssp.voya.com

1-844-877-4572 (1-844-TRS-457B)

To schedule appointment or reserve time to ask questions:

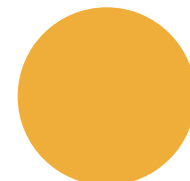
<https://trsssp457B.timetap.com>

Connect



Visit us

<https://trsil.org>



@TRSillinois



@ILLTRS



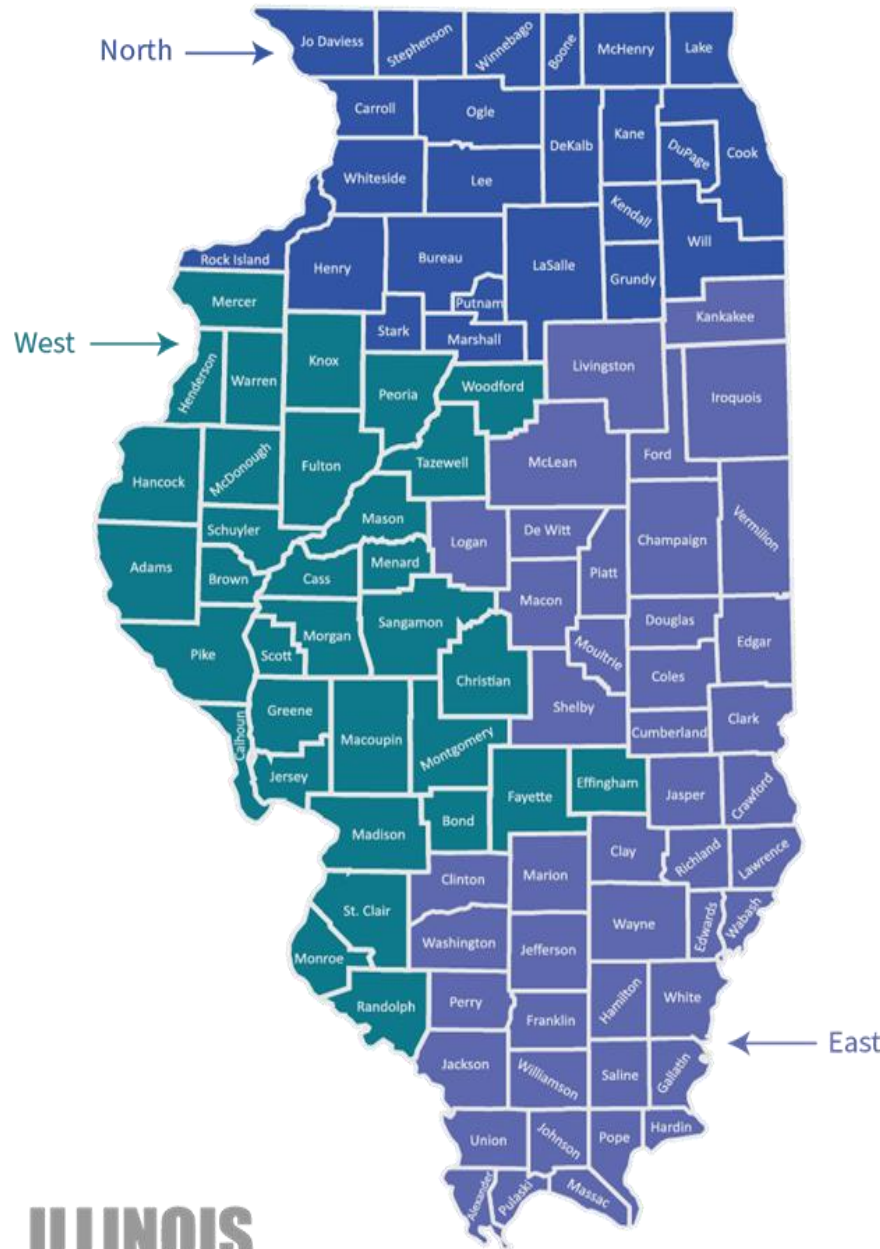
@TRSIL



www.youtube.com/c/trsillinois

Appendix

TRS SSP RETIREMENT EDUCATION SPECIALISTS



Western/Metro East Illinois

Stacey Russell

(217) 502-9711

Stacey.Russell@voya.com



Eastern/Southern Illinois

Terri Bailey

(217) 306-2455

Terri.Bailey@voya.com

SERVICES

- TRS SSP plan information and education
- 1-on-1 appointments
- Financial wellness education
- Investment education
- Webinars and seminars

To schedule an appointment, go to

<https://trssp457b.timetap.com>

Information from registered Plan Service Representatives is for educational purposes only and is not legal, tax or investment advice. Local Plan Service Representatives are registered representatives of Voya Financial Advisors, Inc., member SIPC. Plan administrative services are provided by Voya Institutional Plan Services, LLC (VIPS). VIPS is a member of the Voya® family of companies and is not affiliated with Teachers' Retirement System (TRS).

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TRS SSP Account Resources

Account Resources



Web

Access your account and retirement planning information online at trsilssp.voya.com.



Mobile

Access and manage your account on-the-go. Search “**Voya Retire**” in your favorite app store.



Chat

Use the chat functionality on the website to contact a TRS SSP Service Associate. To access, log in to your account at trsilssp.voya.com and click the chat icon at the right of your screen.



Phone

Call the TRS SSP Service Center at **844-877-4572 (844-TRS-457B)** to speak with a Service Associate, Monday through Friday, 7 a.m. to 7 p.m. CT, excluding stock market holidays.



TRS Pension Information

Toll free: (877) 927-5877 Monday through Friday, 8:30 a.m. to 4:30 p.m. (except for holidays) or via www.trsil.org.



TRS SSP Retirement Education Specialists

To schedule an appointment, go to <https://trsssp457b.timetap.com>.



TRS Retirement Timeline

6-12 Weeks from Retirement

- Contact TRS for Personalized Retirement Interview (PRI)

QUESTIONS

1. Are you interested in AAI lump sum, if retiring by 6/30/2026?
2. Do you want a Standard or Reversionary Retirement?
3. Would you like federal taxes withheld?
4. Are you receiving or are you eligible to receive a public pension from another state?
5. Does your district know you are retiring this year?

* If you retire reciprocally, you must contact each system and start retirement process with them as well.





TRS Retirement Process

Claim Processing:
Allow 60-90 Business Days After All Forms and Payments Received and Reviewed

- **AFTER** last day of service, Employer will submit relevant information for final year of service
- Benefits are paid monthly through the month of your death
- You cannot outlive your benefit



Teachers' Retirement Insurance Program

Administered by Illinois Department of Central Management Services (CMS)

TRS's role is limited to basic coverage info, enrollment, and collecting of monthly premiums

- **Enrollment opportunities**
 - Upon retirement (can defer up to 4 months)
 - At age 65 (Medicare)
 - Upon termination of other coverage
 - Annual Open Enrollment
 - Available to dependents BUT rates are not subsidized





Fiscal Year Stats

for the fiscal year ending June 30,
2024

Membership

- Total – 456,101
- Active – 172,754
- Inactive – 151,445
- Benefit Recipients – 132,902
- Average Salary, all Actives - \$85,434
- Average Pension, all retirees - \$66,516

Membership Breakdown

- Active Tier 1 – 97,427 (56.7% all active members)
- Active Tier 2 – 74,327 (43.3% of all active members)
- Average Age of a Retired Member – 73 years old
- Average Service Credit at Retirement – 26 years

Finances

- Investments - \$71.2 billion
- Revenue - \$13.3 billion (earnings & contributions)
- Benefits Paid - \$8.19 billion (up 3.67%)
- Investment Return – 8.8% net of fees

Long-Term Funded Status

- Total Liability - \$143.5 billion (up 3.4%)
- Unfunded Liability - \$81.9 billion (up 1.6%)
- Funded Ratio – 46.3%





Reciprocal Retirement Systems

Members, employers and the state of Illinois make contributions to TRS to provide for your retirement, disability and death benefits.

CEABF	County Employees' Annuity & Benefit Fund of Cook County	www.CookCountyPension.com	(312) 603-1200
CTPF	Chicago Teachers' Pension Fund	www.CTPF.org	(312) 641-4464
PEABF	Forest Preserve District Employee's Annuity Benefit Fund of Cook County	www.CookCountyPension.com	(312) 603-1200
IMRF	Illinois Municipal Retirement Fund	www.IMRF.org	(630) 368-1010
JRS/GARS	Judges' & General Assembly Retirement System	www.srs.Illinois.gov	(217) 782-8500
LABF	Laborers' Annuity & Benefit Fund	www.labfChicago.org	(312) 236-2065
MEABF	Municipal Employees' Annuity & Benefit Fund	www.MEABF.org	(312) 236-4700
MWRD	Metropolitan Water Reclamation District	www.MWRDRF.org	(312) 751-3222
PEABF	Park Employees' Annuity & Benefit Fund of Chicago	www.ChicagoParkPension.org	(312) 553-9265
SRS	State Employees' Retirement System	www.srs.Illinois.gov	(217) 785-7444
SURS	State Universities Retirement System	www.SURS.org	(800) 275-7877
TRS	Teachers' Retirement System (of Illinois)	www.trsil.org	(877) 927-5877





Age Reduction

Tier 1

Tier 2

If less than 35.000 years of service credit, the annuity will be reduced by 6% for each year* under the age of 60.		The annuity will be reduced by 6% for each year under the age of 67*.	
Age 60	No reduction	Age 67	No reduction
Age 59	6% reduction	Age 66	6% reduction
Age 58	12% reduction	Age 65	12% reduction
Age 57	18% reduction	Age 64	18% reduction
Age 56	24% reduction	Age 63	24% reduction
Age 55	30% reduction	Age 62	30% reduction

*Actual age at retirement calculated to three decimal places

*Actual age at retirement calculated to three decimal places



Benefit Comparison

Major Differences	Tier 1	Tier 2
Normal Retirement Age	Age 60	Age 67
Vesting Period	5 years	10 years
Pensionable Salary	Unlimited	\$127,283
Final Average Salary	Avg. of the highest 4 consecutive years	Avg. of the highest 8 consecutive years
Post Retirement Annual Increases	3% compounded annually after age 61	1/2 of the CPI with the 3% Cap



Retirement Process **Timeline**

Elected “NO” for AAI

↓

Your retirement claim will be processed after TRS receives all necessary forms/payments and audits the supplementary report and sick leave granting certification

↓

First retirement check issued 60-90 days after last required form or payment is received & reviewed (first payment is retro-active to your retirement date).

Elected “YES” for AAI

↓

TRS will mail the AAI Election form to your home address after TRS receives all necessary forms/payments and audits the supplementary report and sick leave granting certification.

↓

Once TRS receives your completed AAI Election form, TRS will process your monthly retirement benefit.

↓

First retirement check issued after AAI Election form is received (first payment is retro-active to your retirement date).

↓

Once your retirement claim is processed, you will receive a Transfer/Rollover form for your AAI lump-sum.



Once the calculation is complete you will receive a **Notification of 1st Payment** letter including the retroactive payment as well as your regular monthly payment going forward.



Excess Contribution Refunds

Refunds

- 2.2 Upgrade overpayment
- Early Retirement Option (ERO) – if not already claimed
- 1% Survivor Benefit Refund (if eligible)
 - Forfeits any Survivor Benefit

Refunds are paid after retirement benefit is calculated

- Refund checks are always mailed by the Illinois Comptroller's Office

Taxable refunds over \$200.00 are eligible for rollover





Legislative Update

AAI/APB – Extends through June 30, 2026

- Voluntary Tier 1 accelerated annual increase “buyout” (AAI)
- Voluntary Accelerated Pension Benefit (APB) for inactive members

Subject Shortage Area – Effective July 1, 2021

- Allows a retiree to return to active service in a subject shortage area without impacting their pension benefit through June 30, 2027

Optional Credit Purchase – Effective July 1, 2023

- Allows a TRS member to purchase at normal cost optional credit for up to 2 years of previous service as a teacher or administrator employed by a private school. Must apply by June 30, 2028

Return to Work – Effective July 1, 2023

- Allows members to work in a TRS-covered position for 120 days/600 hours without affecting their pension through June 30, 2026





Final Average Salary

PA 102-0016 effective June 17, 2021

- If the 2020/21 salary is part of the original average salary calculation, new legislation allows the use of the 4 (Tier 1) or 8 (Tier 2) highest years out of the last 10 years worked without the requirement that they be CONSECUTIVE
- TRS will automatically provide the highest average salary when calculating the retirement claim
- Retirement date must be on or after June 1, 2021
- Exemption to the 6% cost for salary increases, if:
 - 1. In 20-21 the district was unable to offer or allow overload stipend work due to an emergency declaration limiting such service, OR
 - 2. If the increase was due to summer school service during the 21-22 yearExemption runs from May 2021 to September 15, 2022



Accelerated Pension Benefit (APB)

- Available to **INACTIVE** Tier I and Tier II members
 - Tier I: must have at least 5 years of TRS service
 - Tier II: must have at least 10 years of TRS service
- Eligible inactive members will be notified via mail when available
- “Buyout” amount will equal 60% of the present value of the member’s anticipated lifetime pension benefit
- TRIP insurance coverage will be available to eligible APB participants when the normal retirement age is reached
 - Member must have at least 8 years of TRS service credit to qualify for TRIP

Teachers' Retirement System of the State of Illinois

