



Teachers' Retirement System (TRRS) 2024 TRS Express! Meeting

This presentation will begin shortly and is scheduled to last approximately 60 minutes

Questions will be addressed at the end of the presentation as time permits

<https://www.trsil.org/Express>

This presentation is intended to provide basic information summarizing TRS benefits and services and your responsibilities as a TRS member. TRS must comply with all applicable federal and state laws, rules, and regulations. If there is any conflict between the information contained in this presentation and the applicable law, rule, or regulation, the law, rule, or regulation takes precedence. No TRS employee has authority to bind the System to any statement or action contrary to law. Laws are subject to change. TRS must correct errors upon discovery even if payment has begun. Any information is for the specific purpose provided and does not represent tax, legal, or other professional advice. Seek personal professional advice as needed.





EXPRESS!

FOR TIER 1 MEMBERS

What will be covered . . .

- TRS Basics
- Your Benefits
 - Retirement (Pension and SSP)
 - Disability
 - Death
- TRS Timeline
- Questions

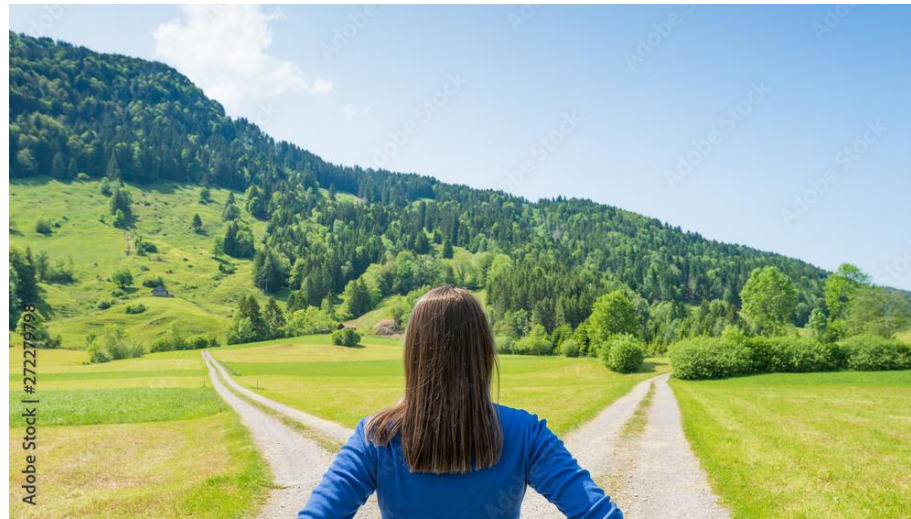
Tier 1 or Tier 2?

Tier 1

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

• Tier 2

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



TRS Basics

Contributions

- All members (Tiers 1 and 2) contribute 9% of gross earnings to TRS
- Contributions are invested by TRS to pay retirement and death benefits, but

Defined Benefit (DB) Plan

- Account balance and market performance do not determine benefit amount
- Benefit is determined by a formula set out in the Illinois Pension Code
- Benefits are paid through the month of death
- You cannot outlive the benefit

RETIREMENT BENEFITS

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 age 60 if fewer than 35 years of service credit

Retirement Formula

Service Credit

x Formula Factor

= Percentage

Percentage

x Final Average Salary

= Annual Pension Benefit



SERVICE CREDIT

Service Credit x Formula Factor x FAS = Pension

- **Earned service through teaching**
 - 170 paid days = 1 year of service
 - Maximum 1 year of service per school year (July 1-June 30)
 - Fewer than 170 days earns partial year (0.006 per day)
- **Unused, uncompensated sick leave days**
 - Same 170-day standard as earned service
 - Maximum creditable days = 340 (2 years)
 - Sick leave from former employers should be on your record
 - Contact TRS for a Former Employee Sick Leave Certification if you do not see all former employers listed

SERVICE CREDIT

Service Credit x Formula Factor x FAS = Pension

- **Service Purchase** (optional service)
 - Out-of-state teaching (max. 10 years)
 - Leave of Absence/RIF (max 3 years)
 - Military Service (max 2 years)
 - Previously refunded TRS service
 - Illinois Private School Credit (**must apply by 6/30/2028**)
- **Reciprocal Service**
 - Service with another public pension system in Illinois (IMRF, SURS, SERS, CTPF, others)
 - Must have at least one year (unless service is as teacher's aide under IMRF)
 - Service must be non-concurrent

Formula Factor - 2.2 Upgrade

$$\text{Service Credit} \times \text{Formula Factor} \times \text{FAS} = \text{Pension}$$

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
- Did you have service before 1998?
- If you are not sure your years have been upgraded:

Call TRS to ask if you have a cost. Your 2.2 upgrade cost is specific to YOU.

FINAL AVERAGE SALARY

Service Credit x Formula Factor x FAS = Pension

TIER 1

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

- “Salary” includes regular pay, extra-duty stipends, and TRS contributions paid by the employer
- Salary increases up to 20% with same employer will count towards average
- Employer bears a cost for year-to-year increases over 6%
- See Appendix for more info about Final Average Salary

Maximize Your Pension With 2.2

Service Credit x **Formula Factor** x **FAS** = Pension

Maximum Benefit (with 2.2 upgrade) is 75% of the Final Average Salary

Tier 1

- 34.000 years of service = 75% (age 60 and over)
- 35.000 years of service = 75% (under the age of 60)

Years over 34 may continue to build Final Average Salary



SSP Overview

TRS Supplemental Savings Plan 457(b)

Traditional 457(b)

- Pay Tax upon Withdrawal
- Pre-tax Contribution
- Tax-deferred Earnings
- \$23,000 Contribution Limit (2024)
- Age 50+ Catch-Up: \$7,500
- Rollovers (must be from qualified account)

Roth 457(b)

- After-tax Contribution
- Tax-free withdrawals (as long as certain qualifying conditions are met)
- \$23,000 Contribution Limit (2024)
- Age 50+ Catch-Up: \$7,500
- Rollovers (must be from a qualified account)

SSP Investments

Do it myself

If you like:

- To be in control
- To select your own individual investment mix
- To actively manage your account

Consider Core Funds

You pick the funds and create a strategy that you think will best fit your time horizon and risk tolerance, and then manage your portfolio of funds over time. These funds include stock, bond and cash investment options. Tools and resources will be available online to help you manage your portfolio.

Core Funds	Ticker/CUSIP Symbol	Investment Category	Expense Ratio
Mission Square Plus Fund, R10	92208J709	Stability of Principal	0.52%
Vanguard Federal Money Market	VMFXX	Stability of Principal	0.11%
PIMCO Income Fund, Instl	PIMIX	Bonds	0.51%
BlackRock U.S. Debt Index Fund, F	06739V544	Bonds	0.04%
PGIM High Yield Fund, R6	PHYQX	Bonds	0.38%
Garcia Hamilton ESG Core Bond Fund	364845107	Bonds	0.36%
BlackRock Equity Index Fund, F	06739T663	Large Blend	0.03%
BlackRock Mid Capitalization Equity Index Fund, F	06739Q412	Small/Mid/Specialty	0.03%
BlackRock Russell 2000® Index Fund, F	06739Q271	Small/Mid/Specialty	0.03%
Vanguard Real Estate Index Fund, Admiral	VGSLX	Small/Mid/Specialty	0.12%
BlackRock MSCI ACWI ex-U.S. Index Fund, F	06739T788	Global/International	0.32%
BlackRock MSCI ACWI ESG Focus Index Fund, F	09259D712	Global/International	0.32%

As of September 30, 2023

SSP Investments

Do it for me

If you like:

- To be hands-off
- To have your investment mix selected for you
- To have your investments automatically become more conservative the closer you get to retirement

Birth Year	Target Date Retirement Fund	Ticker	Expense Ratio
Before 1958	BlackRock Life Path® Index Retirement	LIRKX	0.09%
1/1/1958 – 12/31/1962	BlackRock Life Path® Index 2025	LIBKX	0.09%
1/1/1963 – 12/31/1967	BlackRock Life Path® Index 2030	LINKX	0.09%
1/1/1968 -- 12/31/1972	BlackRock Life Path® Index 2035	LIJKX	0.09%
1/1/1973 – 12/31/1977	BlackRock Life Path® Index 2040	LIKKX	0.09%
1/1/1978 – 12/31/1982	BlackRock Life Path® Index 2045	LIHKX	0.09%
1/1/1983 – 12/31/1987	BlackRock Life Path® Index 2050	LIPKX	0.09%
1/1/1988 – 12/31/1992	BlackRock Life Path® Index 2055	LIVKX	0.09%
1/1/1993 – 12/31/1997	BlackRock Life Path® Index 2060	LIZKX	0.09%
After 12/31/1997	BlackRock Life Path® Index 2065	LIWKX	0.09%

As of September 30, 2023

Consider Target Date Funds*

These “one-stop-shopping” funds are a pre-diversified mix of investments managed by a professional fund manager who automatically adjusts the risk/ return exposure of the fund as you get closer to retirement.

*There is no guarantee that any investment option will achieve its stated objective. Principal value fluctuates and there is no guarantee of value at any time, including the target date. Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

Distribution Options

How to access your funds

- ✓ Funds are accessible after separation from service.
- ✓ You can turn the funds into income and receive a set monthly amount.
- ✓ You can take a lump sum distribution.
- ✓ You can pull from it as needed.
- ✓ You can set up systematic withdrawals for a specific period of time.
- ✓ Required Minimum Distributions (RMD's) are required at 73.

Compare Your Savings Opportunities

TRS 457(b)

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

403(b)

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

How to Enroll

Who can participate in the SSP?	<ul style="list-style-type: none">• The SSP will not replace the existing pension for Tier 1 and Tier 2 members.• All active full-time and part-time contractual TRS members are eligible for the SSP.• Retired and inactive TRS members will not be eligible for the SSP.• Your employer must adopt the SSP for their employees to be eligible.
How to enroll	<p>Visit the TRS SSP website at trsilssp.voya.com</p> <p>TRS SSP Service Line: 844-877-4572 (844-TRS-457B) TDD: 800-579-5708</p> <p>Customer Service Associates are available Monday through Friday, 7 a.m. to 7 p.m. CT, except for stock market holidays</p>
Important note	<p>PIN mailing. Voya will mail a personal identification number (PIN) to your home address in a plain security mailer. You will need your PIN to access the TRS SSP participant website and the TRS SSP Service Center</p>

TRS Retirement Formula

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



“Non-reduced” Retirement Calculation Example

Member:

- Age 60 (Tier 1)
- Years of Service : 30
- Average Salary:
\$85,000

30 years of service

x 2.2%

= 66.0%

x \$85,000

= \$56,100 Annual Pension Benefit

= \$4,675 Monthly Pension Benefit

Reduced “Early” Retirement Calculation Example

Member:

- Age 55 (Tier 1)
- Years of Service : 30
- Average Salary: \$85,000

Age reduction: 30%

- 6% for each year under age 67

30 years of service

x 2.2%

= 66.0%

x \$85,000

= \$56,100

- 30% (age reduction)

= \$39,270 Discounted Annual Pension

= \$3,272.50 Discounted Monthly Pension

Benefit Estimates

TRS can prepare a benefit estimate if **YOU** can provide us with:

- Anticipated date of retirement
- Total reportable salary for current and future years
- Total sick leave that will be reported at retirement
- Information about district retirement incentives
- Reciprocal service (if applicable)

YOU can also prepare your own TRS estimate using your online account access at

<http://trsil.org>



In Retirement. . .

- Annual increases
 - Must have been retired for one full year
 - Begin the January 1 after turning 61 (Age 67 if AAI elected)
 - Subsequent increases each January
 - Tier 1 members retiring by June 30, 2026 have multiple increase options (see appendix)
- Teachers' Retirement Insurance Program (TRIP)
 - Available first of month following retirement
 - Works as a primary coverage before age 65, secondary coverage to Medicare
 - Subsidized by the THIS fund
 - Also available to dependents while you retired and after your death

In Retirement. . .

- Post-retirement Employment
 - Limited to 120 days/600 hours in a TRS-covered position (subject to legislative change)
 - No limit on non-TRS positions
 - No limit on earnings
- Benefits are paid monthly, through the month of your death!
 - You cannot outlive your pension
 - Current oldest retiree is 106.5 (retired in 1983)

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 teaching (only one physician is required for pregnancy)
 - Must use up all sick leave days
- Benefit is equal to 40% of member's contract rate or salary rate
- You earn service credit while receiving the disability benefit
- No cost/premium for this benefit
- **Call TRS Member Services for information if you feel you may need this benefit**

DEATH BENEFITS



What is Automatic Designation?

Section 1: Personal Information Member First Middle Last Name: Member Address 1: Member Address 2: City State Zip:	Member ID: Home telephone number: Work telephone number: Cell phone number: Email address:
Section 2: Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married/civil union <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed Spouse's name:	
Section 3: Automatic Designation <i>(commonly selected by members with a spouse or civil union partner and/or minor children)</i> <input type="checkbox"/> I elect that my dependent beneficiaries, as determined at my death, receive a survivor benefit and/or a beneficiary refund. If no dependent beneficiary survives, benefits will be paid to my estate. If the automatic designation is selected, do not complete the Survivor Benefit or Beneficiary Refund sections.	

- Commonly selected by members who have a spouse and/or minor children
- No need to list any names
- Death benefit is automatically paid to a surviving spouse and/or minor children

Survivor Benefits

Section 4: Survivor Benefit*				
Primary Beneficiary(ies) - receive survivor benefits first				
1	Name:			SSN: _____
	Address:			Birth date:
	City:	State:	Zip:	Relationship:
2	Name:			SSN: _____
	Address:			Birth date:
	City:	State:	Zip:	Relationship:
3	Name:			SSN: _____
	Address:			Birth date:
	City:	State:	Zip:	Relationship:
Alternate Beneficiary(ies) - receive survivor benefits if no primary beneficiary survives				
1	Name:	Birth date:	SSN: _____	
2	Name:	Birth date:	SSN: _____	
3	Name:	Birth date:	SSN: _____	



- Funded through survivor benefit contributions made while teaching (**1%** of annual salary)
- Tier I – 50% of monthly benefit to a dependent beneficiary
- Lump sum to any beneficiary
- Refundable in retirement if no dependent beneficiary

Beneficiary Refund



Section 5: Beneficiary Refund*			
Primary Beneficiary(ies) - receive beneficiary refund benefits first			
1	Name:		SSN: _____
	Address:		Birth date:
	City:	State:	Zip: Relationship:
2	Name:		SSN: _____
	Address:		Birth date:
	City:	State:	Zip: Relationship:
3	Name:		SSN: _____
	Address:		Birth date:
	City:	State:	Zip: Relationship:
Alternate Beneficiary(ies) - receive beneficiary refund benefits if no primary beneficiary survives			
1	Name:	Birth date:	SSN: _____
2	Name:	Birth date:	SSN: _____
3	Name:	Birth date:	SSN: _____

- Lump-sum refund of 8% unrecovered **pension** contributions
- Paid only if you pass away before retirement or before recovering entire contribution

RETIREMENT TIMELINE



Throughout Your Career

Regularly: Review your status

- Review your annual TRS statement online
- Verify beneficiaries
- Upload Proof of Birth
- Prepare updated benefit estimates (includes “AAI” program if retiring by 6/30/2026)
- Meet with a TRS Counselor
- Check in with your TRS-SSP Education Specialist
 - Monitor DC plan performance
 - Make changes as needed (plan limits change as you age)

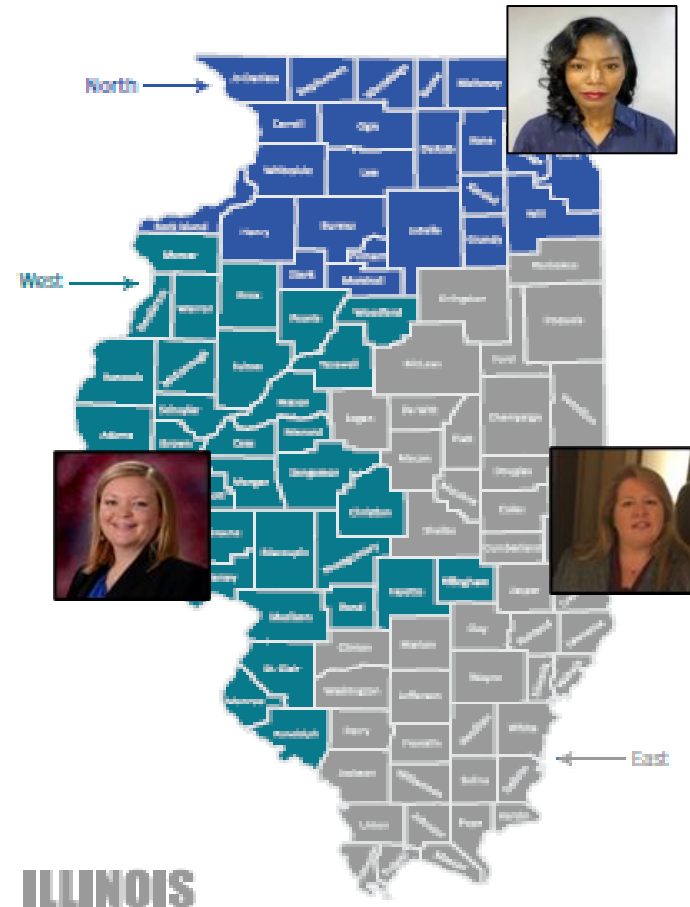
TRS SSP Retirement Education Specialist

Northern Illinois | Tonya Coleman
(312) 342-5408
Tonya.Coleman@voyta.com

Eastern/Southern Illinois | Terri Bailey
(217) 306-2455
Terri.Bailey@voyta.com

Western/Metro East Illinois | Stacey Russell
(217) 502-9711
Stacey.Russell@voyta.com

To schedule an appointment,
go to <https://trssp457b.timetap.com>



Contact TRS

Social Media



members@trsillinois.org



<https://trsillinois.org>



[Facebook.com/TRSillinois](https://www.facebook.com/TRSillinois)



@ILLTRS



@trsillinois

Phone & Hours

Toll free: (877) 927-5877

M-F: 8:30 a.m. to 4:30 p.m.

Today's presentation slides:

www.trsil.org/express

Questions

Appendix

TRS Stats

Active TRS members: 169,889 (40.5% Tier II)

Inactive TRS members: 147,329

Benefit recipients: 131,017 (retirement, survivor, and disability)

Average length of active career: 25 years

Average annual retirement benefit: \$60,324

Oldest retiree: 106+ years old

Oldest full-time teacher: 84 years old

FY2024 TRS Contributions

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

Members Contributions	9.0% of gross creditable earnings <ul style="list-style-type: none">• 7.5% for retirement benefits• 0.5% for automatic annual increases in retirement• 1.0% for death benefits
Member THIS Fund Contributions	1.24% for subsidized premiums for retiree insurance
Employer Contributions	0.58% for retirement benefits
Employer THIS Fund Contributions	0.92% for subsidized rates for retiree insurance

Annual Increases

Standard Annual Benefit Increases

- Available to members who have been retired for one full year AND
 - Are at least age 61 for Tier 1 (3% compounded annually)
 - Are at least age 67 for Tier 2 (½ of the CPI with 3% Cap)
- Increases occur each January 1 (reflected in the February 1 benefit payment)

Accelerated Annual Increase (AAI) option

- Tier 1 member may choose in lieu of Standard Annual Increase
- 1.5% non-compounded increase from age 67 with lump sum payment at retirement
- Taxable lump sum is eligible for rollover to another qualified plan
- Available for Tier 1 members retiring by June 30, 2026
- Eligible members must call for an AAI estimate ahead of retirement

Time to Retire Webinars

TRS will offer 1-hour webinars each February to review specifics right when you need them!

- Request your benefit estimate including the AAI illustration (Tier 1)
- Getting paperwork started
- Information needed from you and your district
- How and when to sign up for health insurance

Be sure TRS has your correct email address & watch for an invitation to sign up through the TRS website

Benefit Comparison

Major Differences	Tier 1	Tier 2
Normal Retirement Age	Age 60	Age 67
Vesting Period	5 years	10 years
Pensionable Salary	Unlimited	Limited Annually
Final Average Salary	Avg. of the highest 4 consecutive* years	Avg. of the highest 8 consecutive* years
COLA or Post Retirement Increase	3% compounded annually after age 61	½ of the CPI with 3% Cap

*See next slide for 2021 legislative change

2021 Legislation Affecting FAS

FOR TRS MEMBER

Salaries used in the calculation of Final Average Salary (FAS) do not need to be consecutive if:

1. The 2020-2021 salary is included in the last 10 years of service, AND
2. A higher final average salary results from using non-consecutive years' salaries

FOR TRS EMPLOYERS

Employer bears a cost for year-to-year increases over 6%*

- New legislation allows an exemption to the additional fee 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 year. Exemption runs from May 2021 to September 15, 2022

Social Security and Medicare

- Illinois teachers do not contribute on TRS-covered employment
- Earned SSA benefits may be reduced under Windfall Elimination Provision (WEP) and/or Government Pension Offset (GPO)
- Check for FICA deduction on your paycheck or contact Social Security to confirm eligibility for Medicare (typically at age 65)
- Medicare ID cards are sent by the Social Security Administration
- Social Security (800) 772-1213

www.ssa.gov



Reciprocal Retirement Systems

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
FPEABF	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