

BEFORE WE BEGIN

Slideshow download:
www.trsil.org/ready



- This presentation will begin shortly and is scheduled to last approximately 45 minutes
- Questions will be addressed during designated Q'n'A sessions



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.

Teachers' Retirement System of the State of Illinois

Retirement Readiness



Champaign IEA
August 26, 2025

OVERVIEW

- Service Credit
- Final Average Salary

Q & A

- The Retirement Process
- Health Insurance

Q & A

- Post-retirement employment
- Social Security & Medicare

Q & A





Retirement Formula

Service Credit

x 2.2%

Percentage

Percentage

x Final Average Salary (FAS)

= Annual Pension Benefit





Service Credit $\times 2.2\%$ \times FAS = Pension

Earned Service Through TRS-Covered Work

- 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

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 $\times 2.2\%$ \times 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

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

“Salary” includes:

- regular pay
- extra duty stipends,
- 9% contribution to TRS
- Employer Retirement Incentives

Questions?



Retirement Paperwork





Personalized Retirement Interview (PRI)

- **2-3 Months prior to retirement**
- **After February 1 for May/June retirees**
- **Contact TRS by phone (can also be completed online)**
- **TRS representative will:**
 - Verify demographic information
 - Verify beneficiary information (TRS will send new form if needed)
 - Check for any balances owed (Optional Service, 2.2upgrade, etc.)
 - Establish a claim date, typically either:
 - Day after your last day of service, or
 - A later date if you are waiting to attain a particular age
 - Gather information to pre-complete your retirement application



PRI Questions

1. Are you interested in the Accelerated Annual Increase (AAI) program?

- AAI is an OPTIONAL program that replaces the standard 3% compounded annual benefit increase (age 61) with an up-front lump-sum payment and a lower annual increase (1.5% non-compounded at age 67)
- If you have not already requested/received a benefit estimate that includes AAI info, you **MUST** do this before calling for your Personalized Retirement Interview (PRI)
- Only Tier I members retiring by June 30, 2026 are eligible for the AAI Program.



PRI Questions

2. Do you want a **STANDARD** annuity or a **REVERSIONARY** annuity?

- Standard Annuity – pays you your full earned benefit each month for life, **AND** provides a monthly survivor benefit for a dependent beneficiary equal to 50% of your pension (66.67% for Tier 2).
- Reversionary Annuity – reduces your pension each month while you are living to provide more than the standard survivor benefit
 - Terminally ill upon retirement
 - Much younger spouse
 - Spouse with no other long-term income
 - Call TRS for a Reversionary Benefit Estimate if interested



PRI Questions

3. Would you like TRS to withhold income tax from your pension?

- Your TRS pension is taxable by the federal government.
 - TRS is required to withhold federal taxes based on the calculation for a **single** individual with no adjustments until a completed W-4P form indicating a withholding preference has been received
 - The W-4P form is available on the TRS website for those wishing to use an alternate withholding status or to elect to have NO taxes withheld
- The State of Illinois does not assess a tax on retirement income
- TRS can withhold state tax for Illinois, Wisconsin, Iowa, Kentucky, Indiana, and Michigan
- If you will reside in another state, you will need to determine how much to set aside for state tax



Retirement Packet

Retirement Application

- REQUIRED form – this is your written election to begin receiving a pension
- Pre-completed with info provided during the PRI
- Verify information, SIGN, and return to TRS
- If uploaded to TRS account be sure to send front & back



Retirement Packet

Depository Agreement (Direct Deposit/EFT form)

- MUST be signed by retiree, any joint account holder(s) (if applicable), and the financial institution
- Should be returned to TRS prior to your retirement date



Retirement Packet

TRIP/TRAIL Participation Election Form

- Members with at least 8 years of TRS service are eligible to use TRIP/TRAIL health insurance in retirement
- This form must be completed and returned to TRS to enroll in:
 - TRIP – Teachers' Retirement Insurance Program – for retired members not yet on Medicare
 - TRAIL – Medicare Advantage plan for members over age 65 who qualify for Medicare
- If NOT enrolling in TRIP, you can shred this form
- More info about TRIP/TRAIL is coming up!



Employer eForms

Supplementary Report

- A supplement to the employer's Annual Report
- Provides TRS with essential information:
 - Official last paid day
 - Total number of paid days worked during final year
 - Total compensation paid during final year
 - Total unused, uncompensated sick leave days as of last paid day
- Submitted electronically to TRS by the employer **AFTER** your last day of service



Employer eForms

Sick Leave Granting Certification

- Reports whether or not any sick leave was granted in excess of the normal annual allotment during the last four years of employment
- Submitted electronically to TRS by the employer AFTER your last day of service



Claim Processing

- Claim processing begins once all required forms have been received, AND all unpaid balances (2.2 upgrade, optional service, and previous benefit overpayment) have been paid in full.
- If you have elected the AAI program, an official **AAI Election form** will be mailed to you once your retirement benefit has been calculated. You must complete and return the form before your claim is finalized. Your AAI lump sum is processed as separate claim (Tier I members only).
- TRS takes 60-90 days to process your retirement claim.



Monthly Pension Payments

- Your initial TRS benefit payment pays you retroactively to your retirement date.
- Subsequent monthly payments are issued on the first day of each month and are paid **through the month of your death.**
- Electronically deposited funds are deposited in your bank account on the first BANKING day of the month.
 - If the first of a month falls on a Sunday or a bank holiday, funds will be deposited the next business day
 - If the first of the month falls on a Saturday, it is up to your bank whether funds are posted to your account on Saturday or Monday.



Monthly Pension Payments

- Benefits are paid one month in arrears. Your September 1 deposit represents your pension for August.
- TRIP/TRAIL premiums are deducted from your pension check on an after-tax basis, also one month in arrears



Excess Contribution Refunds

- At retirement, TRS will determine if you are eligible for a refund of:
 - Excess contributions of the 2.2 Upgrade program
 - Excess contributions of the Early Retirement Option fund
 - Contributions made to your Survivor Benefit account
- If you are eligible for an Excess Contribution Refund (ECR), TRS will mail you a refund/rollover application for each balance
- Most ECR refunds are taxable and are therefore eligible for rollover to another qualified plan
- ECR refunds are paid through paper checks and issued through US Mail to the retiree (after tax) or your plan's administrator (rollover)

Health Insurance (TRIP/TRAIL)



TRIP/TRAIL Health Insurance

Teachers' Retirement Insurance Program (TRIP)



Enrollment Opportunities

- Must have at least **eight years** of service credit with TRS to be eligible.
- Available for your lifetime with multiple enrollment opportunities:
 - First of the month following retirement,
 - When losing other coverage/termination letter,
 - At 65 (Medicare), or
 - During annual open enrollment periods.
- Medical, prescription drug, **dental & vision**

TRIP/TRAIL/Split Family

Type of Participant	Type of Plan	Not Medicare Primary	Not Medicare Primary	Not Medicare Primary	Medicare Primary "TRAIL"
		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	

Questions?



Post-Retirement Employment



In Retirement...

Post-retirement Employment



- **Must have received first pension check**
- 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
- TRS-covered work limited to 120 days/600 hours per school year thru 6/30/26 (100 days/500 hours typically)
- 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

Post-Retirement Employment Limits

- **Typically 100 days or 500 paid hours**
- **Currently 120 days or 600 hours through June 30, 2026**
- 120 paid days or 600 paid hours in each school year (July 1 through June 30)*
- If you work only full days (five or more hours per day), each day is counted toward the 120 days limitation
- If you work all partial days (fewer than five hours) or a combination of full and partial days, the time worked is counted toward the 600 hours limitation
- Each full day (five or more hours) is counted as five hours, even if you actually worked more than five hours on that date
- For partial days, the actual number of clock hours worked is counted

*Future legislation may impact the 100-day/500-hour limit. Watch TRS website and emails for updates!

Social Security Medicare



Social Security and Medicare

- Illinois teachers do not contribute on TRS-covered employment
- Recently passed Social Security Fairness Act eliminated the WEP and GPO. Contact Social Security for your specific information
- 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



Slideshow download:
www.trsil.org/ready

Contact Information

TRS Phone & Hours



Toll-free:
(877) 927-5877
M-F: 7:30 am to 4:30 pm



Visit us
<https://trsil.org>



Email Address
members@trsil.org

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Supplemental Savings Plan Contact:



trsilssp.voya.com

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

MyBenefits Service Center
TRIP/TRAIL
(844) 251-1777

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