

# **Teachers' Retirement System of the State of Illinois**

**Benefit Information Meeting**



# BEFORE WE BEGIN

- This presentation will begin shortly and is scheduled to last approximately 60 minutes.
- All virtual attendees are muted throughout the presentation.
- Questions will be addressed after each section and at the end of the presentation as time permits.



[www.trsil.org/fall-benefit-info-presentation](http://www.trsil.org/fall-benefit-info-presentation)



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.

# TRS OVERVIEW

## Part 1

- TRS Basics
- Your TRS Pension Benefits
- Q&A

## Part 2

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





# Role of TRS

The Teachers' Retirement System (TRS) provides expert pension services to Illinois public educators, ensuring their promised retirement security. Governed by a 15-member Board of Trustees, TRS operates as a fiduciary, managing benefits and assets responsibly, in compliance with the law and in the best interests of our members.

TRS does not have the authority to write or pass legislation. Such decisions rest with the Illinois General Assembly. TRS serves as a reliable resource to legislators and stakeholders, providing subject matter expertise on pension-related matters.

For legislative concerns, members should contact their state representatives.

**TRS is committed to delivering exceptional service and support to all members.**



# 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

# TRS Basics



## Contributions

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



## TRS is a Defined Benefit (DB) Plan

- Benefits are determined by a formula set out in the Illinois Pension Code.
- Benefits are paid through the month of death.

# 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.





# Retirement Formula

**Service Credit**

**x Formula Factor**

**= Percentage**

**Percentage**

**x Final Average Salary (FAS)**

**= Annual Pension Benefit**



# 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)

Unused, uncompensated sick days	Service credit
1	0.006
67	0.394
170	1.000
213	1.253
340 +	2.000

# Service Credit Purchase



## Purchasing Eligible Service Credit is Optional!

- Out-of-system teaching (K-12 public schools)
- Leaves of absence
- RIF (reduction in force)
- Military service
- Previously refunded TRS service
- 2 years of private school (must apply by June 30, 2028)

# Reciprocal Service Credit

- IMRF, SURS, SERS, CTPF, others
- Must have at least **one year** of 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
- Service must be non-concurrent in order to be used





# Formula Factor 2.2%

**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.





# Final Average Salary (FAS)

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.  
Increases up to 20% with same employer can be included.

\*See Appendix for additional information on Final Average Salary.



# Retirement Formula

**Service Credit**

**x Formula Factor**

**= Percentage**

**Percentage**

**x Final Average Salary (FAS)**

**= Annual Pension Benefit**



# Unreduced Retirement Example

30 years of service

x 2.2%

= 66.0%

x \$85,000



= **\$56,100** Annual Pension Benefit

= **\$4,675** Monthly Pension Benefit

## Example

Member:

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



# Reduced Retirement Example

30 years of service

x 2.2%

= 66.0%

x \$85,000

= **\$56,100** Annual Pension Benefit

-30% Age Reduction

= **\$39,270** Annual Pension Benefit

= **\$3,272** Monthly Pension Benefit

- A reduced pension is permanently reduced.
- If you stop working at any age and defer retirement until age 60 your pension will be unreduced.



## Example

Member:

- Age **55** (Tier 1)
- Age **62** (Tier 2)
- Years of Service: **30**
- Average Salary:  
**\$85,000**



# Maximize Your Pension

Service Credit x Formula Factor x FAS = Pension

**Maximum Benefit is  
75% of the Final Average Salary.**

## Tier 1

- 34 years of service = 75% (age 60 and over)
- 35 years of service = 75% (under the age of 60)

Service credit over 34 years may continue to build Final Average Salary.

# TRS Benefit Estimates

TRS can prepare a benefit estimate when you provide:

- 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)

Prepare your own TRS estimate by logging into your MyTRSIL member account online: <https://trsil.org>

*You must contact TRS to include reciprocal service in estimate.*





# 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)
  - 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
- Available for Tier 1 members retiring by June 30, 2026
- Eligible members must call for an AAI estimate ahead of retirement





# Retirement Basics: A Model Plan



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## “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

# 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



# 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,
  - Contribute an **additional \$11,250 for 2025** if you are age 60-63, 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



# TRS SSP Investments – Do it Myself

## 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 educate you on options for managing your portfolio.

Visit the TRS SSP website at [trsilssp.voya.com](https://trsilssp.voya.com) to learn more about your investment options, including performance history and fund expense.

Core Funds	Investment Category	Expense Ratio <sup>1</sup>
Mission Square Plus Fund, R10	Stability of Principal	0.52%
Vanguard Federal Money Market	Stability of Principal	0.11%
PIMCO Income Fund, Instl	Bonds	0.83% <sup>2</sup>
BlackRock U.S. Debt Index Fund, F	Bonds	0.03%
PGIM High Yield Fund, R6	Bonds	0.38%
Garcia Hamilton ESG Core Bond Fund	Bonds	0.32%
BlackRock Equity Index Fund, F	Large Blend	0.01%
BlackRock Mid Capitalization Equity Index Fund, F	Small/Mid/Specialty	0.04%
BlackRock Russell 2000® Index Fund, F	Small/Mid/Specialty	0.04%
Vanguard Real Estate Index Fund, Admiral	Small/Mid/Specialty	0.13%
BlackRock MSCI ACWI ex-U.S. Index Fund, F	Global/International	0.02%
BlackRock MSCI ACWI ESG Focus Index Fund, F	Global/International	0.02%



<sup>1</sup>As of March 2025  
<sup>2</sup>This is the adjusted expense ratio which represents the portion of fees investors pay directly to the fund manager for investment management services. This fee excludes other investment expenses (i.e., interest expense from borrowing) incurred through investment transactions.  
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. You should consider the investment objectives, risks, performance, charges and expenses of the investment options carefully before investing. You choose how to invest your SSP account and are responsible for any losses that result from your investment choices



# TRS SSP Investments – Do it for Me

## 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

### 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.

Visit the TRS SSP website at [trsilssp.voya.com](https://trsilssp.voya.com) to learn more about your investment options, including performance history and fund expense.

Birth Year	Target Date Retirement Fund	Expense Ratio <sup>1</sup>
Before 1963	BlackRock Life Path® Index Ret	0.09%
1/1/1963 – 12/31/1967	BlackRock Life Path® Index 2030	0.09%
1/1/1968 -- 12/31/1972	BlackRock Life Path® Index 2035	0.09%
1/1/1973 – 12/31/1977	BlackRock Life Path® Index 2040	0.09%
1/1/1978 – 12/31/1982	BlackRock Life Path® Index 2045	0.09%
1/1/1983 – 12/31/1987	BlackRock Life Path® Index 2050	0.09%
1/1/1988 – 12/31/1992	BlackRock Life Path® Index 2055	0.09%
1/1/1993 – 12/31/1997	BlackRock Life Path® Index 2060	0.09%
1/1/1998 – 12/31/2002	BlackRock Life Path® Index 2065	0.09%
After 12/31/2003	BlackRock Life Path® Index 2070	0.09%



<sup>1</sup>As of March 202

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.

# How to Enroll in the TRS SSP



## Who Can Enroll

- Active full-time or part-time contractual employees.
- You can enroll **anytime**.
- Visit the TRS SSP website to view the **Enrollment Guide** on the homepage.



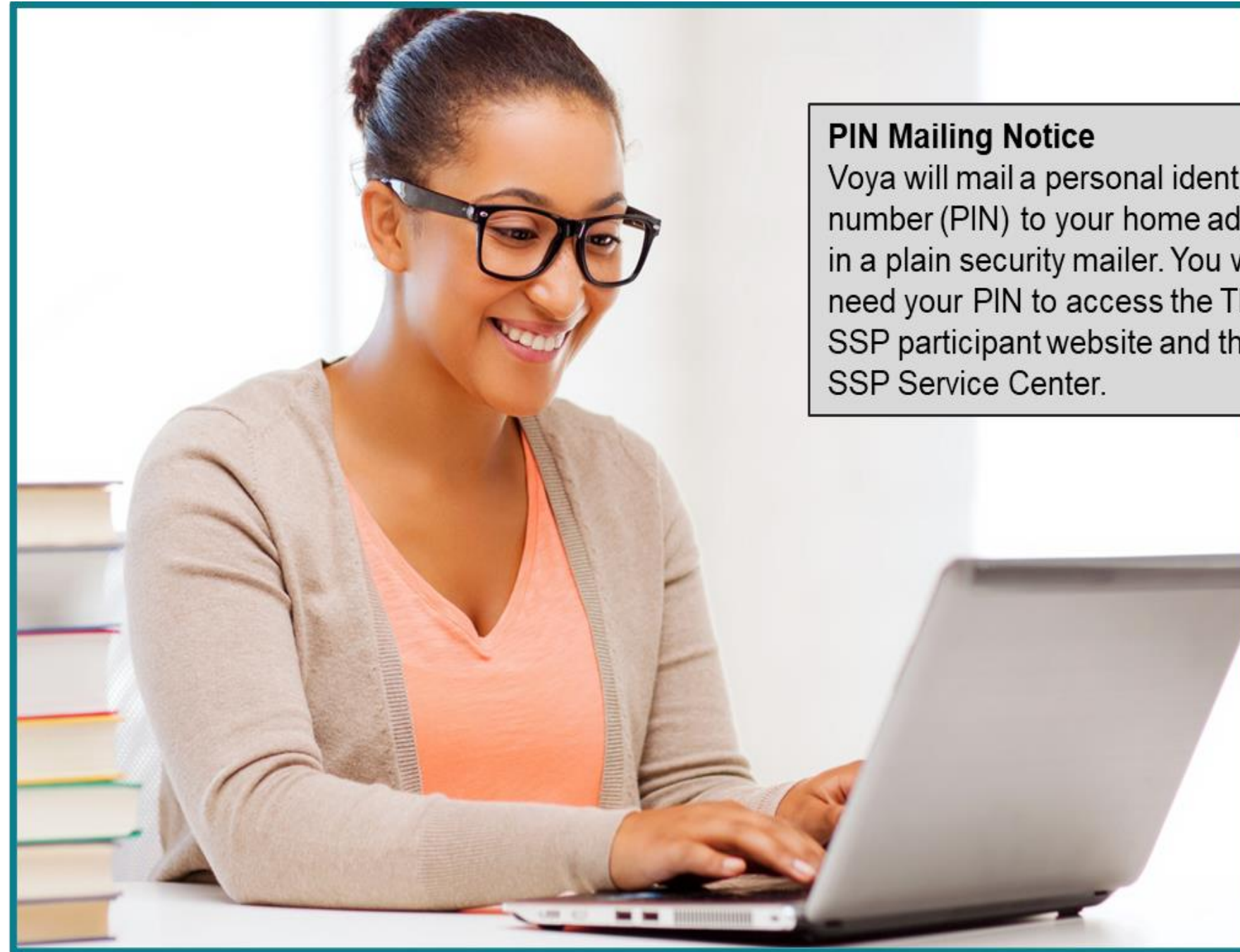
## Trsilssp.voya.com

- Select **Register Now** to begin the enrollment process.
- You can view the **Account Access Guide**, located on the homepage of the website to help you navigate through the website.



## Call TRS SSP

- Call the TRS SSP Service Center at 844-877-4572 (844-TRS-457B)
- TDD: 800-579-5708
- TRS SSP Service Associates are available Monday through Friday, 7 a.m. to 7 p.m. CT, except for stock market holidays.



### PIN Mailing Notice

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.

# 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**



# Beneficiary Refund



8%

**Retirement**

- Lump-sum refund of unrecovered **pension contributions** (8% of salary plus interest earned)
- Paid only if your death occurs before recovering entire pension contribution (usually within the first few years of retirement)

# Survivor Benefits



1%

## Survivor Benefits

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

# **Death Benefits:**

## **Completing the Beneficiary Designation Form**



# Option 1

## Automatic Designation

### Section 3

<b>Section 1: Personal Information</b> 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:
<b>Section 2: Marital Status</b> <input type="checkbox"/> Single <input type="checkbox"/> Married/civil union <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed   Spouse's name:	
<b>Section 3: Automatic Designation</b> <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. <b>If the automatic designation is selected, do not complete the Survivor Benefit or Beneficiary Refund sections.</b>	

- Commonly selected by members who have a spouse and/or minor children.
- Death benefit is automatically paid to surviving dependents, or to your estate if you have no dependents.
- If this option is selected, **DO NOT** list beneficiary names. Simply check the box.



# Option 2

## Survivor Benefits

### Section 4

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: _____

## Beneficiary Refund

### Section 5

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: _____



# Retirement Timeline



# Throughout Your Career

Visit your MyTRSIL secure online account



- Register for your MyTRSIL account, enhanced with multifactor authentication.
- Review your TRS statement online.
- Verify beneficiaries/print form to change if needed.
- Upload Proof of Birth.
- View and update mailing address, phone, and email address.
- Upload documents to TRS
- Prepare updated benefit estimates (includes “AAI” program if Tier 1 and retiring by 6/30/2026).



# Throughout Your Career

## Plan for your retirement



- Meet with a TRS Benefits Counselor.
- Plan to attend an “It’s Time to Retire!” webinar in your retirement year.
- Check in with your financial planner.
  - Monitor DC plan performance.
  - Make changes as needed (plan limits change as you age).

# 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.



# 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	

# Social Security Medicare





# Social Security and Medicare

- Illinois teachers do not contribute to Social Security on TRS-covered employment.
- Check for FICA deduction on your paycheck or contact Social Security to confirm eligibility for Medicare (typically at age 65).
- Recently passed Social Security Fairness Act eliminated the WEP and GPO. Contact Social Security for your specific information.
- Medicare ID cards are sent by the Social Security Administration.



**Social Security**  
(800) 772-1213



[www.ssa.gov](http://www.ssa.gov)



# **“It’s Time to Retire” Webinars**

**Is 2026 **YOUR** year to retire?**

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

- Reminder to request your benefit estimate including the AAI illustration
- How to get your paperwork started
- What information is needed from you and your district
- How and when to sign up for health insurance
- Post-retirement employment information
- Recorded session will be available on YouTube

**Be sure TRS has your correct email address and keep an eye out for an invitation to sign up through the TRS website!**



# Contact Information

## TRS Phone & Hours



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



**Email Address**  
members@trsillinois.org



**Visit Us & Learn More**  
<https://trsillinois.org>



[www.youtube.com/c/trsillinois](https://www.youtube.com/c/trsillinois)

## Connect



@TRSillinois



@ILLTRS



@TRSIL

## Take our survey



## Supplemental Savings Plan Contact:



## TRS Presentation

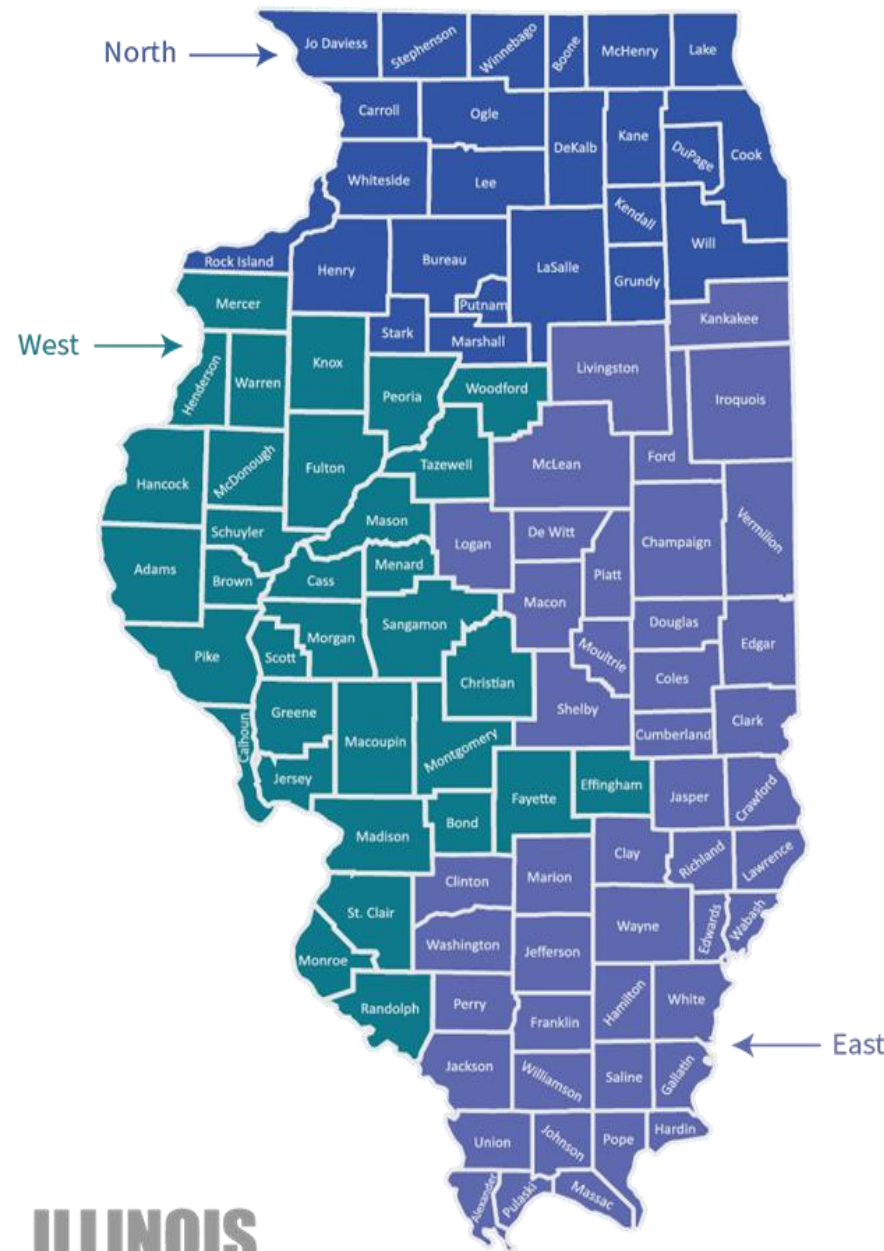


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ONLY TRS IS AUTHORIZED TO DISTRIBUTE THIS MATERIAL.

# 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](https://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](https://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](https://www.trsil.org).



### TRS SSP Retirement Education Specialists

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



# TRS Retirement Timeline

## Three months 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 enrollment eligibility 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 period
  - 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 – \$154.3 billion (up 3.4%)
- Unfunded Liability – \$82.9 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	<a href="http://www.CookCountyPension.com">www.CookCountyPension.com</a>	(312) 603-1200
CTPF	Chicago Teachers' Pension Fund	<a href="http://www.CTPF.org">www.CTPF.org</a>	(312) 641-4464
PEABF	Forest Preserve District Employee's Annuity Benefit Fund of Cook County	<a href="http://www.CookCountyPension.com">www.CookCountyPension.com</a>	(312) 603-1200
IMRF	Illinois Municipal Retirement Fund	<a href="http://www.IMRF.org">www.IMRF.org</a>	(630) 368-1010
JRS/GARS	Judges' & General Assembly Retirement System	<a href="http://www.srs.Illinois.gov">www.srs.Illinois.gov</a>	(217) 782-8500
LABF	Laborers' Annuity & Benefit Fund	<a href="http://www.labfChicago.org">www.labfChicago.org</a>	(312) 236-2065
MEABF	Municipal Employees' Annuity & Benefit Fund	<a href="http://www.MEABF.org">www.MEABF.org</a>	(312) 236-4700
MWRD	Metropolitan Water Reclamation District	<a href="http://www.MWRDRF.org">www.MWRDRF.org</a>	(312) 751-3222
PEABF	Park Employees' Annuity & Benefit Fund of Chicago	<a href="http://www.ChicagoParkPension.org">www.ChicagoParkPension.org</a>	(312) 553-9265
SRS	State Employees' Retirement System	<a href="http://www.srs.Illinois.gov">www.srs.Illinois.gov</a>	(217) 785-7444
SURS	State Universities Retirement System	<a href="http://www.SURS.org">www.SURS.org</a>	(800) 275-7877
TRS	Teachers' Retirement System (of Illinois)	<a href="http://www.trsil.org">www.trsil.org</a>	(877) 927-5877





# 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







# 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
Minimum 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 after age 67



# Retirement Process Responsibilities

## TRS MEMBER

- Contact TRS three months 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 Granting Certification on or after the last day of work (electronically).





# 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 First 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 Matters

## **AAI/APB – Available 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.

## **Post-retirement Work Limits – 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 year.Exemption runs from May 2021 to September 15, 2022.





# Accelerated Pension Benefit (APB)

- Available to **INACTIVE** Tier I and Tier II members through June 30, 2026
  - 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**

