

# Introduction to TRS



Type of plan  
Governance  
Funding  
TRS-covered employers

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



***Retirement Security for Illinois Educators***



# Teachers' Retirement System of the State of Illinois

- Created in 1939 by the Illinois General Assembly.
- Referred to as “TRS.”
- Membership includes all individuals working for a TRS-covered employer in positions requiring licensure.
  - Refer to Chapter 2 of the TRS *Employer Guide* for a definition of teacher and TRS membership.



# TRS is a Qualified Pension Plan

- Must meet requirements of Internal Revenue Code Section 401(a).
- All member contributions to TRS must be tax-sheltered.



# TRS is a Defined Benefit Plan

- Each member's retirement benefits are computed using a defined formula.
- Factors used in TRS's defined retirement formula include:
  - Years of service
  - Final average salary
- All members' contributions are pooled into one investment portfolio.
- Investment decisions are made by TRS, not by the individual member.
- Member is assured of receiving defined pension formula amount, regardless of investment returns.



# TRS Governed by State Laws

- TRS is governed by the Illinois Pension Code.
  - Body of laws passed by the Illinois legislature.
- 13-member Board of Trustees oversees TRS.
  - Board manages investment portfolio.
  - Board ensures TRS properly administers Pension Code.
- Board rules clarify or supplement Pension Code.
  - Established by the TRS Board of Trustees.
  - Submitted to bipartisan legislative committee, Joint Committee on Administrative Rules (JCAR) for approval.
  - Once approved by JCAR, added to the Illinois Administrative Code.



# Funding Sources for TRS Benefits

- Funding for TRS comes from 4 sources:
  1. Member contributions
  2. Employer contributions
  3. State of Illinois contributions
  4. Returns on investments
- Illinois Pension Code sets the mandatory member and employer contribution percentages.



# TRS-covered Employers

- TRS-covered employers include:
  - All public school districts in Illinois outside of Chicago
  - Charter schools
  - Special education cooperatives
  - Regional offices of education
  - Some state agencies
- Employer responsibilities include:
  - Properly setting up mandatory contributions in payroll system.
  - Remitting contributions to TRS.
  - Reporting members' service and earnings information to TRS.



# Importance of Employer Role

- Employer provides vital link between TRS and its members.
- Integrity of retirement system depends on accuracy of member information reported to TRS by the employer.
- TRS staff values cooperative working relationships with employers.
- Tasks that employers perform on behalf of TRS members are very much appreciated.





# Employer Contact

- Each employer designates at least one person as the TRS contact.
- Communications from TRS are sent to the contact person.
- Regular emails from TRS to employer contact include:
  - Reporting guidance
  - Information about changes
  - Monthly billing notices
- Employer contact person is responsible for disseminating information to others at the district who need the information.



# TRS Employer Guide

- TRS *Employer Guide* provides comprehensive, detailed information.
- Available on TRS website at <https://trsil.org>
- Updated annually.



# TRS Employer Services Department

- Questions? Contact the TRS Employer Services staff.
- Available Mon. thru Fri. from 7:30 a.m. to 4:30 p.m.
- Toll-free phone number: (888) 678-3675
- Email address: [employers@trsil.org](mailto:employers@trsil.org)