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 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 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.
• 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.
• 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](https://trsil.org)
- Updated annually.
• 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